

Edgar Filing: CF Industries Holdings, Inc. - Form 425

CF Industries Holdings, Inc.  
Form 425  
February 25, 2009

Filed by Agrium Inc.

(Commission File No. 001-14460)

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company:

CF Industries Holdings, Inc.

(Commission File No. 001-32597)

\*\*\*\*\*

On February 25, 2009, Agrium hosted a conference call and webcast for the investment community. Agrium will also webcast the call and a replay of the webcast will be available to all interested parties on its website, [www.agrium.com](http://www.agrium.com). A copy of the slides presented on the conference call follows.

\*\*\*\*\*

growing across the value chain  
February 2009  
Agrium and CF:  
Growing Across the Value Chain

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growing across the value chain  
Important Information  
This  
presentation  
does  
not  
constitute  
an  
offer  
to  
sell  
or  
the  
solicitation  
of

an  
offer  
to  
buy  
any  
securities  
or  
a  
solicitation  
of  
any  
vote  
or  
approval.  
This  
presentation  
relates  
to  
a  
business  
combination  
transaction  
with  
CF  
Industries  
Holdings  
Inc.  
( CF )  
proposed  
by  
Agrium  
Inc.  
( Agrium ),  
which  
may  
become  
the  
subject  
of  
a  
registration  
statement  
filed  
with  
the  
Securities  
and  
Exchange  
Commission  
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SEC ).  
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substitute  
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statement  
Agrium  
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[www.sec.gov](http://www.sec.gov),  
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800-SEC-0330  
or  
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Agrium  
Investor  
Relations/Media  
Department,  
Agrium  
Inc.,  
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Lake  
Fraser  
Drive  
S.E.,  
Calgary,  
Alberta,  
Canada T2J 7E8.  
Agrium  
and  
its  
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executive  
officers  
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persons  
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deemed  
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participants  
in  
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solicitation  
of  
proxies  
from  
CF's  
stockholders  
in  
respect  
of  
the  
proposed  
transaction  
with  
CF.  
Information  
regarding  
Agrium's  
directors  
and  
executive  
officers  
is  
available  
in  
its  
management  
proxy  
circular  
dated  
March  
17,  
2008  
relating  
to  
the  
annual  
general  
meeting  
of  
its  
shareholders

held  
on  
May  
7,  
2008.  
Other  
information  
regarding  
potential  
participants  
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such  
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solicitation  
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interests,  
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contained  
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any  
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statement  
or  
tender  
offer  
statement  
filed  
in  
connection with the proposed transaction.  
All  
information  
in  
this  
presentation  
concerning  
CF,  
including

its  
business,  
operations  
and  
financial  
results  
was  
obtained  
from  
public  
sources.  
While  
Agrium  
has  
no  
knowledge  
that  
any  
such  
information  
is  
inaccurate  
or  
incomplete,  
Agrium  
has  
not  
had  
the  
opportunity  
to  
verify  
any  
of  
that  
information.

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growing across the value chain

Forward-Looking Statements

Certain statements and other information included in this presentation constitute forward-looking statements within

the

meaning

of

the

U.S.

federal

securities

laws

or

forward-looking

information

within  
the  
meaning  
of

applicable Canadian securities legislation (together, forward-looking statements ). All statements in this presentation, other than those relating to historical information or current condition, are forward-looking statements, including, but not limited to, estimates, forecasts and statements as to management s expectations with respect to, among other things, business and financial prospects, financial multiples and accretion estimates, future trends, plans, strategies, objectives and expectations, including with respect to future operations following the proposed acquisition of CF. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements. Events or circumstances that could cause actual results to differ materially from those in the forward-looking statements, include, but are not limited to, CF s failure to accept Agrium s proposal and enter into a definitive agreement to effect the transaction, Agrium common

shares  
issued  
in  
connection  
with  
the  
proposed  
acquisition  
may  
have  
a  
market  
value  
lower  
than

expected, the businesses of Agrium and CF, or any other recent business acquisitions, may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, the expected combination benefits and synergies and costs savings from the Agrium/CF transaction may not be fully realized or not realized within the expected time frame, the possible delay in the completion of the steps required to be taken for the eventual combination of the two companies, including the possibility that approvals or clearances required to be obtained from regulatory and other agencies and bodies will not be obtained in a timely manner, disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees and suppliers, general business and economic conditions, interest rates, exchange rates and tax rates, weather conditions, crop prices, the supply, demand and price level for our major products, gas prices and gas availability, operating rates and production costs, domestic fertilizer consumption and any changes in government policy in key agriculture markets, including the application of price controls and tariffs on fertilizers and the availability of subsidies or changes in their amounts, changes in development plans, construction progress, political risks, including civil unrest, actions by armed groups or conflict, governmental and regulatory requirements and actions by governmental authorities, including changes in government policy, changes in environmental, tax and other laws or regulations and the interpretation

thereof  
and  
other  
risk

factors  
detailed  
from  
time  
to  
time  
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in  
Agrium  
and  
CF's  
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SEC. Agrium disclaims any intention or obligation to update or revise any forward-looking statements in this presentation as a result of new information or future events, except as may be required under applicable U.S. federal securities laws or applicable Canadian securities legislation.

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growing across the value chain  
Forward-Looking Statements  
These  
forward-looking  
statements  
are  
based  
on  
certain  
assumptions  
and  
analyses  
made  
by us in light of our experience and perception of historical trends, current conditions and  
expected

future  
developments

as  
well  
as  
other  
factors

we  
believe  
are  
appropriate  
in  
the

circumstances. Expected future developments are based, in part, upon assumptions respecting our ability to successfully integrate the businesses of Agrium and CF, or any other recent acquisitions.

All of the forward-looking statements contained herein are qualified by these cautionary statements

and  
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assumptions

that  
are  
stated  
or  
inherent  
in  
such

forward-looking statements. Although we believe these assumptions are reasonable, undue reliance should not be placed on these assumptions and such forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include, but are not limited to, CF's acceptance of Agrium's proposal and the entering into of a definitive agreement to effect the proposed transaction, the market value of Agrium common shares issued in connection with the proposed acquisition, our ability to successfully integrate within expected time frames and costs, and realize the expected combination benefits and synergies and costs savings from the combination of the businesses of Agrium and CF, or any other recent business acquisitions, and our ability to maintain relationships with customers, employees and suppliers during the course of the proposed transaction.

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growing across the value chain

Transaction Summary

30% to CF closing price on February 24, 2009 and 42% to the 30-day

VWAP

Premium:

76% Agrium and 24% CF

Pro Forma Ownership:

US\$72.00 per CF share

Offer Price:

Committed debt facilities from Royal Bank of Canada and Bank of Nova Scotia

Financing:

Negotiation of definitive merger agreement

CF offer for Terra terminated

Receipt of regulatory and other customary approvals

Absence of any material adverse changes to CF or its business

Our ability to conduct limited confirmatory due diligence

Key Conditions:

Aggregate consideration of US\$1.6 billion cash and 50.2 million shares

CF shareholders to receive US\$31.70 in cash and 1 Agrium share for each CF share

CF shareholders to elect cash or shares, subject to pro-ration

Allocation:

Agrium is proposing to acquire CF in a cash and stock deal

Offer:

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growing across the value chain  
Attractive Premium to CF Shareholders

CF shareholders receive an attractive premium from Agrium, rather than pay  
a substantial premium to Terra shareholders

42%

\$50.60

30 day VWAP

43%

\$50.47

60 day VWAP

34%

\$53.63

10 day VWAP

30%

\$55.58

Feb. 24, 2009

34%

\$53.75

5 day VWAP

Premium

30

40

50

60

70

\$80

2-Jan-09

14-Jan-09

27-Jan-09

6-Feb-09

19-Feb-09

\$72.00 Offer Price

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growing across the value chain

Investment Highlights

Generates compelling value for Agrium and CF  
shareholders

Accretive transaction with strong strategic fit

Creates a global leader in nutrient production and  
distribution, building on our leadership position in  
Retail and Agrium Advanced Technologies

Strong track record of successful acquisitions,  
integration and synergy achievement

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growing across the value chain  
\* 2008 actual results include UAP contributions from date of acquisition (May 5, 2008)  
Distribution  
& Storage  
Growers  
Agrium Retail:  
\$5.5-billion sales\*  
Advanced  
Technologies:  
Leader in Specialty  
Fertilizers  
\$350-million sales  
Growers  
Turf,  
Home,

Garden  
Agrium  
Wholesale:  
\$4.7-billion sales  
Nitrogen, Potash,  
Phosphate & Sulphate  
Distribution  
& Storage  
Industrial  
Customers  
Retail Customers  
Purchase  
for  
Resale  
Potash expansion  
CMF distribution  
MOPCO investment  
Royster, ConAgra,  
ADM retail, and  
UAP  
Hanfeng, Pursell,  
NuGro, ESN  
CF Acquisition  
Continues Agrium's Growth Across the Value Chain

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growing across the value chain  
Continues Agrium's Growth Across the Value Chain  
\* Agrium amounts reported in Canadian GAAP, and CF amounts reported in U.S. GAAP,  
EBITDA for Wholesale products allocated proportionately based on gross profit

CF shareholders benefit from greater leverage to a larger more diverse  
wholesale business, including access to high margin potash business

Provides CF with the stability of Agrium's Retail and Advanced Technology  
businesses

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growing across the value chain

Invested approximately \$3.4B in past 5 years and achieved synergies greater than announced and earlier than expected

Agrium has completed 9 acquisitions in 4 years and other growth initiatives across the value chain

Strong Record of Growth & Successful  
Integration of Acquisitions

(1) 2008 Combined results include full year revenue for AGU and UAP by segment

0  
3,000  
6,000  
9,000  
12,000

15,000

18,000

AGU

CF

AGU with

Royster

CF

AGU

CF

AGU with

UAP

CF

AGU with

UAP and

CF

CF

2005

2006

2007

Wholesale

AAT

Retail

2008

Combined

2008

(1)

(1)

Expanded base business

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growing across the value chain  
Agrium Wholesale Production and Distribution  
Potash  
Production  
Phosphate Mine  
Phosphate  
Production  
Nitrogen Production  
Granulation  
Production  
Storage  
Magellan Pipeline  
South America

Africa/Middle East

North America

\* Profertil S.A. is 50 percent owned by Agrium Inc. and 50 percent owned by Repsol YPF, S.A. in Argentina

\*\* 26 percent interest in MISR Oil Processing Company, S.A.E. (MOPCO) in Egypt.

\*\*\* 70 percent equity position in Common Market Fertilizers S.A. (CMF) in Europe.

Damietta

Egypt

(MOPCO)\*\*

Bahia Blanca,

Argentina

(Profertil S.A.) \*

San Nicolas

Import Terminal

(Profertil S.A.)\*

Agrium

Europe

Common Market Fertilizers S.A.

(CMF)\*\*\*

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growing across the value chain  
Agrium and CF Production and Distribution  
Potash  
Production  
Phosphate Mine  
Phosphate  
Production  
Nitrogen Production  
Granulation  
Production  
Storage  
Magellan Pipeline  
Phosphate Mine

Phosphate  
Production  
Nitrogen Production  
Storage  
Valero Pipeline  
South America  
Africa/Middle East  
North America  
Damietta  
Egypt  
(MOPCO)\*\*  
Bahia Blanca,  
Argentina  
(Profertil S.A.) \*  
San Nicolas  
Import Terminal  
(Profertil S.A.)\*  
Agrium  
CF  
Europe  
Common Market Fertilizers S.A.  
(CMF)\*\*\*

\* Profertil S.A. is 50 percent owned by Agrium Inc. and 50 percent owned by Repsol YPF, S.A. in Argentina

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growing across the value chain  
Creates a Global Nitrogen Leader  
6.7  
6.4  
3.4  
3.4  
3.4  
3.0  
2.3  
0.0  
1.0  
2.0  
3.0  
4.0  
5.0

6.0

7.0

8.0

Yara

Combined

Agrium/CF

PCS

Terra

Agrium

CF

Koch

Global Nitrogen Capacity

Source: British Sulphur and IFDC

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growing across the value chain  
0  
50  
100  
150  
200  
250  
300  
350  
400  
450  
W. Canada  
NOLA (US Gulf)  
Ukraine  
W. Europe

Natural Gas  
Other Cash Costs  
Freight to Port  
Ocean Freight  
Attractive Economics for North American Producers  
Source: Fertecon, Clarkson Research, Agrium

Lower gas prices in NA and higher prices elsewhere, combined with firm nitrogen demand, result in strong NA nitrogen margins

NOLA Granular Price = **\$335/MT**

\$8/

mmBtu

\$12/

mmBtu

\$4/

mmBtu

\$3/

mmBtu

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growing across the value chain  
Phosphate Advantages  
4,307  
2,370  
1,673  
953  
775  
720  
376  
0  
500  
1,000  
1,500  
2,000  
2,500

3,000

3,500

4,000

4,500

5,000

Mosaic

PCS

Combined

Agrium/CF

CF

J.R. Simplot

Co.

Agrium

Mississippi

Phos Corp.

North American Phosphate Nutrient Capacity

Source: IFDC Worldwide Phosphoric Acid Capacity Listing by Plant, June 2008

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growing across the value chain  
Competitive Phosphate Position

Agrium has an in-market advantage in the PNW and Western Canada

CF has a world class, low-cost operation in Florida

0  
100  
200  
300  
400  
500  
600  
700

Production Costs

Tampa MAP Price

PNW MAP Price

PNW/W.Canada

\$500/tonne

Florida price \$365/tonne

Source: British Sulphur, Blue, Johnson & Associates, Agrium, costs as of February 24, 2009

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growing across the value chain

Agrium & CF: Compelling Economics

Anticipate annual synergies of approximately  
\$150-million from Agrium/CF combination

Phased realization over three years

Synergies expected through:

SG&A reductions

Procurement of plant materials, equipment and logistics  
services

Efficiencies in sales, marketing and distribution

Expected to be accretive to both earnings and cash flow in 2010, significantly accretive in subsequent years

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growing across the value chain  
Strength, Breadth and Scale to Realize Future  
Growth

Larger company with significantly greater trading liquidity

Agrium  
has  
trading  
volumes  
nearly  
double  
those  
of  
CF

(1)  
28.1  
16.0  
11.5  
9.8  
3.0  
2.4  
1.9  
1.5  
8.5  
11.5  
7.6  
2.1  
0  
5  
10  
15  
20  
25  
\$30  
Potash  
Corp  
Mosaic  
Israel  
Chemicals  
Combined  
Agrium /  
CF  
Yara  
Agrium  
K+S  
Incitec  
Pivot  
Uralkali  
CF  
Terra  
Intrepid

(3)

(1)

Based on total volume traded on the NYSE and TSX over the last twelve months

(2)

Enterprise value = market capitalization + preferred equity + net debt + minority interest. Values calculated using closing price February 24, 2009, and latest available balance sheet figures

(3)

Enterprise value includes purchase premium offered for CF shares

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growing across the value chain

Combined Capital Structure Remains Strong

Cash consideration supported by \$1.4 billion in committed financing

Credit metrics for combined company remain in line with investment grade rating

Expected strong future cash flow from combined entity would allow for future additional growth and/or share buy-backs or increased dividends

Current Agrium

(1)

Combined Agrium/CF

(1,2)

Total Debt

36%  
Shareholder  
Equity  
61%  
Minority  
Interest  
3%  
0%  
20%  
40%  
60%  
80%  
100%  
Current Agrium  
Total Debt

35%  
Shareholder  
Equity  
62%  
Minority  
Interest  
3%  
0%  
20%  
40%  
60%  
80%  
100%

Combined Agrium/CF

(1)

Based on December 31, 2008 balance sheet

(2)

Assumes \$72 purchase price funded 56% with equity and remainder by cash and debt

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growing across the value chain

Compelling Value for Shareholders of Both Companies

Most Attractive Option for CF Shareholders:

CF shareholders receive an attractive premium from  
Agrium, rather than pay a premium to Terra shareholders

Attractive cash component of US\$ 31.70 per share and  
24 percent of a combined Agrium/CF company

Significant Agrium share component allows CF  
shareholders an opportunity to participate in further value  
creation, including realization of significant synergies

Benefit from more diverse product and revenue mix

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growing across the value chain

Compelling Value for Shareholders of Both Companies

For Agrium Shareholders:

Accretive to Agrium shareholders

Creates a global leader in crop nutrients

Continues Agrium's growth across value chain

Proven track record of successful acquisitions and integration

Increased leverage across wholesale and distribution businesses