

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

CF Industries Holdings, Inc.
Form 425
March 02, 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)

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On March 2, 2009, Agrium posted a fact sheet regarding the proposed transaction on its website. A copy of the fact sheet follows.

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Agrium Proposal to Acquire CF Industries in Cash and Stock Deal

(ALL AMOUNTS ARE STATED IN U.S.\$)

Companies

Ticker

NYSE, TSX: AGU

NYSE: CF

Description

Agrium Inc. is a major retail supplier of agricultural products and services in both North and South America and a leading global producer and marketer of agricultural nutrients and industrial products. Agrium produces and markets three primary groups of nutrients: nitrogen, phosphate, and potash as well as controlled release fertilizers and micronutrients. Agrium's strategy is to grow through incremental expansion of its existing operations and acquisitions as well as the development, commercialization and marketing of new products and international opportunities. Contact us at: www.agrium.com.

CF Industries Holdings, Inc., headquartered in Deerfield, Illinois, is the holding company for the operations of CF Industries, Inc. CF Industries, Inc. is a major producer and distributor of nitrogen and phosphate fertilizer products. CF Industries operates world-scale nitrogen fertilizer plants in Donaldsonville, Louisiana and Medicine Hat, Alberta, Canada; conducts phosphate mining and manufacturing operations in Central Florida; and distributes fertilizer products through a system of terminals, warehouses, and associated transportation equipment located primarily in the Midwestern United States. The company also owns a 50 percent interest in KEYTRADE AG, a global fertilizer trading organization headquartered near Zurich, Switzerland. Additional information on CF Industries is found on the company's website at www.cfindustries.com.

www.agrium.com

www.cfindustries.com

Employees

Approximately 11,000

Approximately 1,400

Financial Highlights

Net Sales: \$10.03-billion

Net Sales: \$3.92-billion

FYE08

EBITDA: \$2.32-billion

EBITDA: \$1.14-billion

Net Earnings: \$1.32-billion

Net Earnings: \$684.6-million

Combined Company

Wholesale Capacity:

(before synergies)

Over 12 million tonnes nitrogen products;

2.9 million tonnes of phosphate products;

2.1 million tonnes potash

Retail: Agrium operates over 800 retail centers in the U.S. and South America

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Net Sales: \$13.95-billion (As of FYE 08)

EBITDA: \$3.46-billion (As of FYE 08)

Strategic Rationale

Creates a global leader in nutrient production and distribution

Complementary geographic and product fit creates global leader in nitrogen production and distribution, triples phosphate and UAN capacity and strengthens all other businesses

Compelling value for Agrium and CF stockholders:

Significant premium to CF stockholders

Anticipated annual operating synergies of approximately \$150-million, phased in over three years following closing

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

A significant Agrium share component allows CF shareholders an opportunity to participate in further value creation in the new enterprise

Terms

Agrium proposing to acquire CF in cash and stock deal

Offer price of \$72.00 per share, representing a 30% premium over CF's February 24, 2009 closing price and based on \$40.30, the closing price of Agrium common shares on February 24, 2009, the day before announcement of the offer

Aggregate consideration of \$3.6-billion in cash and shares

CF shareholders to receive \$31.70 in cash and one Agrium common share (valued at \$40.30 based on the closing price of Agrium common shares on February 24, 2009, the day before announcement of the offer)

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Pro forma ownership: 76% Agrium and 24% CF Industries

Committed underwritten financing from Royal Bank of Canada and The Bank of Nova Scotia

Conditions

Negotiation of definitive merger agreement

CF offer for Terra Industries Inc. terminated

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Receipt of regulatory and other customary approvals

Absence of any material adverse changes to CF or its business and the continued operation of CF in the ordinary course of business

Agrium's ability to conduct limited confirmatory due diligence

Benefits to Customers

The combined assets of Agrium and CF would enhance distribution, allowing Agrium to more effectively meet customers' needs

The coordination of production and distribution assets would provide more stable and timely delivery of nitrogen and phosphate nutrients to end users

Customers would also benefit from efficient distribution of potash nutrients through the combined distribution networks

Benefits to Agribusiness Industry

Efficiencies in the combined entities' production and distribution assets will enhance the viability of North American nitrogen production in an increasingly competitive global marketplace

Combined Production and Distribution Assets

The combined company would compete globally while keeping manufacturing jobs in North America

Additional Information: For more information please visit www.agrium.com/investor_information/index.jsp

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IMPORTANT INFORMATION

This communication 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 communication 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 (the SEC). This material is not a substitute for the prospectus/proxy statement Agrium would file with the SEC regarding the proposed transaction if such a negotiated transaction with CF is reached or for any other document which Agrium may file with the SEC and send to Agrium or CF stockholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS OF AGRIMUM AND CF ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Such documents would be available free of charge through the web site maintained by the SEC at www.sec.gov, by calling the SEC at telephone number 800-SEC-0330 or by directing a request to the Agrium Investor Relations/Media Department, Agrium Inc., 13131 Lake Fraser Drive S.E., Calgary, Alberta, Canada T2J 7E8.

Agrium and its directors and executive officers and other persons may be deemed to be participants in any 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 in such proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in any proxy 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.

FORWARD LOOKING STATEMENTS

Certain statements and other information included in this communication 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 communication, 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 in Agrium and CF s reports filed with the SEC. Agrium disclaims any intention or obligation to update or revise any forward-looking statements in this communication 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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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 by the 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.