

CF Industries Holdings, Inc.
Form S-4/A
March 19, 2010

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As filed with the Securities and Exchange Commission on March 19, 2010

Registration Number 333-165224

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 1
to
Form S-4**

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CF INDUSTRIES HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
*(State or Other Jurisdiction of
Incorporation or Organization)*

2870
*(Primary Standard Industrial
Classification Code Number)*

20-2697511
*(IRS Employer
Identification No.)*

**4 Parkway North, Suite 400
Deerfield, Illinois 60015
(847) 405-2400**
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*
*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

**Douglas C. Barnard
Vice President, General Counsel, and Secretary
4 Parkway North, Suite 400
Deerfield, Illinois 60015**

(847) 405-2400

Copies to:

Brian W. Duwe
Richard C. Witzel, Jr.
Skadden, Arps, Slate, Meagher & Flom LLP
155 North Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this prospectus/offer to exchange may be changed. CF Industries Holdings, Inc. and Composite Merger Corporation may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus/offer to exchange is not an offer to sell these securities and CF Holdings and Composite Merger Corporation are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

DATED MARCH 19, 2010

Offer to Exchange

**Each Outstanding Share of Common Stock
of
TERRA INDUSTRIES INC.
for
\$37.15 in Cash and
0.0953 Shares of Common Stock of CF Industries Holdings, Inc.
(together with the associated preferred stock purchase rights)
by
COMPOSITE MERGER CORPORATION,
an indirect wholly-owned subsidiary of
CF INDUSTRIES HOLDINGS, INC.**

Composite Merger Corporation ("Composite"), a Maryland corporation and an indirect wholly-owned subsidiary of CF Industries Holdings, Inc. ("CF Holdings"), a Delaware corporation, is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying letter of transmittal, to exchange each of the issued and outstanding shares of common stock, without par value (the "Terra common stock"), of Terra Industries Inc., a Maryland corporation ("Terra"), for (i) \$37.15 in cash, less any applicable withholding taxes and without interest, and (ii) 0.0953 shares of the common stock, par value \$0.01 per share, of CF Holdings (together with the associated preferred stock purchase rights) (the "CF Holdings common stock"). In addition, you will receive cash in lieu of any fractional shares of CF Holdings common stock to which you may otherwise be entitled.

The offer is being made pursuant to an Agreement and Plan of Merger, dated as of March 12, 2010, by and among CF Holdings, Composite and Terra. Pursuant to the merger agreement, after the offer is completed, subject to the approval of Terra's stockholders if required by applicable law, Composite will merge with and into Terra (the "second-step merger"). The Terra board of directors determined that the offer, the second-step merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, Terra and its stockholders and approved the merger agreement, the offer, the second-step merger and the other transactions contemplated by the merger agreement. **The Terra board of directors recommends that Terra stockholders accept the offer by tendering their Terra common stock into the offer.**

Composite's obligation to accept for exchange, and to exchange, shares of Terra common stock for shares of CF Holdings common stock is subject to the conditions described in the section of this prospectus/offer to exchange entitled "The Exchange Offer Conditions of the Offer" beginning on page 74.

This prospectus/offer to exchange amends and supersedes information included in the prospectus/offer to exchange filed with the Securities and Exchange Commission on March 5, 2010.

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON APRIL 2, 2010, OR THE "EXPIRATION DATE," UNLESS EXTENDED. SHARES TENDERED PURSUANT TO THE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION OF THE OFFER TO EXCHANGE, BUT NOT DURING ANY SUBSEQUENT OFFERING PERIOD.

CF Holdings common stock trades on the New York Stock Exchange ("NYSE") under the symbol "CF." Terra common stock trades on the NYSE under the symbol "TRA."

FOR A DISCUSSION OF RISKS AND OTHER FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE OFFER, PLEASE CAREFULLY READ THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE ENTITLED "RISK FACTORS" BEGINNING ON PAGE 20.

Neither CF Holdings nor Composite has authorized any person to provide any information or to make any representation in connection with the offer other than the information contained or incorporated by reference in this prospectus/offer to exchange, and if any person provides any of this information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by CF Holdings or Composite.

CF HOLDINGS IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY TO CF HOLDINGS.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus/offer to exchange. Any representation to the contrary is a criminal offense.

The dealer managers for the offer are:

Morgan Stanley & Co. Incorporated
Toll Free: 888-840-4015

Rothschild Inc.
Toll Free: 800-753-5151

The date of this prospectus/offer to exchange is March 19, 2010

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THIS PROSPECTUS/OFFER TO EXCHANGE INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT CF HOLDINGS AND TERRA FROM DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, OR THE "SEC," THAT HAVE NOT BEEN INCLUDED IN OR DELIVERED WITH THIS PROSPECTUS/OFFER TO EXCHANGE.

THIS INFORMATION IS AVAILABLE AT THE INTERNET WEB SITE THE SEC MAINTAINS AT WWW.SEC.GOV, AS WELL AS FROM OTHER SOURCES. PLEASE SEE THE SECTION OF THIS PROSPECTUS/OFFER TO EXCHANGE ENTITLED "WHERE YOU CAN FIND MORE INFORMATION." YOU ALSO MAY REQUEST COPIES OF THESE DOCUMENTS FROM CF HOLDINGS, WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST TO CF HOLDINGS' INFORMATION AGENT AT ITS ADDRESS OR TELEPHONE NUMBER SET FORTH ON THE BACK COVER OF THIS PROSPECTUS/OFFER TO EXCHANGE. IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS, YOU MUST MAKE YOUR REQUEST NO LATER THAN MARCH 26, 2010, OR FIVE BUSINESS DAYS PRIOR TO THE EXPIRATION DATE OF THE OFFER, WHICHEVER IS LATER.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

Below are some of the questions that you as a holder of shares of Terra Industries Inc., or "Terra," common stock may have regarding the exchange offer and answers to those questions. The answers to these questions do not contain all information relevant to your decision whether to tender your shares of Terra common stock, and CF Industries Holdings, Inc., or "CF Holdings," and Composite Merger Corporation, or "Composite," and together "we," "us" or "our," urge you to read carefully the remainder of this prospectus/offer to exchange and the letter of transmittal.

Who is offering to buy my shares of Terra common stock?

The offer is made by Composite Merger Corporation, a Maryland corporation and indirect wholly-owned subsidiary of CF Industries Holdings, Inc., a Delaware corporation. CF Holdings is one of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in North America. Our operations are organized into two business segments: the nitrogen segment and the phosphate segment. Our principal products in the nitrogen segment are ammonia, urea and urea ammonium nitrate solution. Our principal products in the phosphate segment are diammonium phosphate, monoammonium phosphate and potash.

Does Terra's board of directors support your offer?

Yes. On March 12, 2010, CF Holdings and Composite entered into an Agreement and Plan of Merger, or the "merger agreement," with Terra to acquire all of the outstanding shares of Terra common stock. Pursuant to the merger agreement, after the offer is completed, subject to the approval of Terra's stockholders if required by applicable law, Composite will merge with and into Terra (the "second-step merger"). As a result of the offer and the second-step merger, Terra will become an indirect, wholly-owned subsidiary of CF Holdings.

The Terra board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement determined that the offer, the second-step merger and the other transactions contemplated by the merger agreement are advisable to, and in the best interests of, Terra and its stockholders and by unanimous vote of those directors voting with one absent director separately indicating agreement approved the merger agreement, the offer, the second-step merger and the other transactions contemplated by the merger agreement.

The Terra board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Terra stockholders accept the offer by tendering their Terra common stock into the offer. Information about the recommendation of Terra's board of directors is more fully described in Terra's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to Terra stockholders together with this prospectus/offer to exchange and is incorporated herein by reference.

What will I receive for my shares of Terra common stock?

In exchange for each share of Terra common stock you validly tender and do not withdraw before the expiration date, you will receive (i) \$37.15 in cash, less any applicable withholding taxes and without interest, and (ii) 0.0953 shares of CF Holdings common stock (together with the associated preferred stock purchase rights). In addition, you will receive cash in lieu of any fractional shares of CF Holdings common stock to which you may otherwise be entitled.

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Solely for purposes of illustration, the following table sets forth the implied value of each share of Terra common stock in the offer at different, assumed market prices of CF Holdings common stock:

Assumed Market Price of CF Holdings Common Stock	Assumed Value of 0.0953 Shares of CF Holdings Common Stock	Cash Consideration per Share of Terra Common Stock	Implied Value per Share of Terra Common Stock in the Offer
\$ 90.00	\$ 8.577	\$ 37.15	\$ 45.73
\$ 95.00	\$ 9.054	\$ 37.15	\$ 46.20
\$ 100.00	\$ 9.530	\$ 37.15	\$ 46.68
\$ 105.00	\$ 10.007	\$ 37.15	\$ 47.16
\$ 110.00	\$ 10.483	\$ 37.15	\$ 47.63

The market prices of CF Holdings common stock used in the above table are for purposes of illustration only. The price of CF Holdings common stock fluctuates and may be higher or lower than in these examples at the time shares of Terra common stock are exchanged pursuant to this offer. Each \$5.00 increase or decrease in the market value of CF Holdings common stock corresponds to an increase or decrease, respectively, of \$0.48 to the implied value per share of Terra common stock in the offer. On March 18, 2010, the last trading date prior to the printing of this prospectus/offer to exchange, the closing price of a share of CF Holdings common stock was \$93.12. Stockholders are encouraged to obtain current market quotations for shares of Terra and CF Holdings common stock prior to making any decision with respect to the offer.

Please also see the section of this prospectus/offer to exchange entitled "Risk Factors."

Will I have to pay any fee or commission to exchange shares of Terra common stock?

If you are the record owner of your shares and you tender your shares in the offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your shares on your behalf, your broker or such other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

What are the benefits of a combination of CF Holdings and Terra?

CF Holdings believes that the combination of CF Holdings' and Terra's businesses will create significant value for both CF Holdings' and Terra's current stockholders. We believe the combination of CF Holdings and Terra is a compelling combination with a number of strategic benefits, including the following:

Global Leader in Nitrogen Fertilizers The combined company will be a leading global producer of nitrogen fertilizers, as measured by capacity, among publicly traded companies. The combined company will be a stronger, more competitive player in the global nitrogen fertilizer industry.

Synergies We expect the transaction to generate \$105 - \$135 million in annual cost synergies by combining overlapping corporate functions and optimizing transportation and distribution

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systems, and through greater economies of scale in procurement and purchasing. The details of the expected annual cost synergies are as follows:

	(\$ in millions)	
SG&A	\$	55 65
Logistics and railcar leases		25 30
Purchases/procurement		10 15
Distribution facilities optimization		5 10
Other		10 15
Total	\$	105 135

We expect the combined company to realize these synergies within two years after the closing of the offer and the second-step merger. We also expect the combined company to benefit from a one-time \$30 million-to-\$60 million release of cash due to inventory reduction.

Enhanced Capital Markets Presence The combined company would have had 2009 revenues of \$4.2 billion and will be the largest publicly traded nitrogen fertilizer company in the United States. The combined company will have increased trading liquidity on the NYSE and improved access to the capital markets. We believe these factors will provide the combined company with an enhanced capital markets presence and greater long-term financial stability and access to financial resources than either CF Holdings or Terra would have alone.

Attractive Diversification The combined company and its stockholders will benefit from increased diversification in plant and distribution facility locations, product mix, and end use customer segments and increased exposure to the global market. CF Holdings provides access to an extensive in-market distribution network, one of the largest integrated ammonium phosphate complexes in the U.S. (with approximately 13 years of fully-permitted recoverable phosphate reserves remaining at current operating rates), an ammonia/urea complex under development in Peru, and the ability to import or export products efficiently through our 50% interest in KEYTRADE AG, or "Keytrade," a global fertilizer trading company headquartered near Zurich, Switzerland. Terra provides participation in an ammonia complex in Trinidad, a joint venture in the U.K. and a greater number of production facilities in North America. Additionally, Terra provides a position in ammonium nitrate and an increased position in serving industrial/environmental customers.

Complementary Businesses CF Holdings' and Terra's complementary footprints will give the combined company increased geographic reach in the U.S. In addition, CF Holdings' and Terra's complementary businesses and locations will allow the combined company to improve efficiency in manufacturing and distribution and enhance customer service.

Value for All Stockholders The cash consideration included as part of the offer consideration provides Terra stockholders an opportunity to achieve liquidity and certainty of value. The stock consideration included as part of the offer will allow stockholders of both Terra and CF Holdings to participate in the growth and long-term value creation potential of the combined company, including the significant expected synergies. The nominal price to be paid in the offer (based on CF Holdings' closing stock price on March 11, 2010) represents a 40.6% premium over the closing price of Terra common stock on February 12, 2010, the last trading day prior to the announcement of Terra entering into an agreement and plan of merger with Yara International ASA, which we refer to as the "Yara/Terra merger agreement," and a 13.4% premium over the closing price of Terra common stock on March 1, 2010, the last trading date prior to the public announcement of the offer. We expect the transaction, giving effect to the realization of synergies, to be accretive to CF Holdings stockholders in the second year following the closing of the offer and the second-step merger.

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Will U.S. taxpayers be taxed on the CF Holdings common stock and cash received in the offer or the second-step merger?

The exchange of Terra common stock pursuant to the offer or the second-step merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, a U.S. holder of Terra common stock who receives CF Holdings common stock and cash in exchange for such stockholder's shares of Terra common stock will generally recognize taxable gain or loss in an amount equal to the difference, if any, between the fair market value of the CF Holdings common stock and cash received and such stockholder's adjusted tax basis in the shares of Terra common stock exchanged therefor.

For more information, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Material Federal Income Tax Consequences to U.S. Holders."

CF Holdings and Composite urge you to contact your own tax advisor to determine the particular tax consequences to you of exchanging Terra common stock pursuant to the offer and/or the second-step merger.

What are the conditions of the offer?

The offer is conditioned upon, among other things, the following:

Minimum Tender Condition Terra stockholders shall have validly tendered (other than by guaranteed delivery where actual delivery has not occurred) and not properly withdrawn prior to the expiration of the offer at least that number of shares of Terra common stock that constitutes a majority of the then-outstanding shares of Terra common stock on a fully-diluted basis.

Canadian Regulatory Condition Any waiting period (including any extensions thereof) applicable to the offer and the second-step merger under the Canadian Competition Act or any no-close period (including any extensions thereof) applicable to the offer and the second-step merger under the Canada Transportation Act shall have expired or been terminated.

Registration Statement Condition The registration statement of which this prospectus/offer to exchange is a part shall have been declared effective by the SEC under the Securities Act of 1933, or the "Securities Act," no stop order suspending the effectiveness of the registration statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC.

NYSE Listing Condition The shares of CF Holdings common stock to be issued pursuant to the offer and the second-step merger shall have been approved for listing on the NYSE (subject to official notice of issuance).

The merger agreement also contains other customary closing conditions to the offer and the second-step merger. Please see the sections of this prospectus/offer to exchange entitled "The Exchange Offer Conditions of the Offer" and "The Merger Agreement Conditions to the Second-Step Merger."

How long will it take to complete your proposed transaction?

We expect to complete the transaction in April 2010.

If we acquire at least 90% of the outstanding shares of Terra common stock in the offer or otherwise, we intend to consummate the second-step merger shortly after completion of the offer as a "short-form" merger pursuant to Section 3-106 of the Maryland General Corporation Law, without a vote of Terra stockholders. Under Section 3-106 of the Maryland General Corporation Law, if Composite owns less than all of the outstanding stock of Terra as of immediately prior to the short-form merger, Composite must have given at least 30 days prior notice of the short-form merger

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to each of Terra's stockholders who otherwise would have been entitled to vote on the merger. **A Notice of Merger pursuant to Section 3-106 of the Maryland General Corporation Law was included in the prospectus/offer to exchange filed with the SEC on March 5, 2010. Pursuant to the rules of the SEC for third-party tender offers, Terra mailed such prospectus/offer to exchange and Notice of Merger to its stockholders on March 11, 2010. Accordingly, the 30 day notice period to stockholders required by Section 3-106 of the Maryland General Corporation Law will expire on April 10, 2010.**

In the event we do not acquire at least 90% of the outstanding shares of Terra common stock in the offer or otherwise, Terra stockholders will be required to approve the second-step merger. In such event, Terra will call and hold a meeting of Terra stockholders as promptly as reasonably practicable for the purpose of obtaining approval of the second-step merger by Terra stockholders. Any solicitation of proxies from Terra stockholders to approve the second-step merger will be made only pursuant to separate proxy materials complying with the requirements of the rules and regulations of the SEC. If a meeting of Terra stockholders is held to approve the second-step merger, CF Holdings has agreed pursuant to the merger agreement to vote all shares of Terra common stock owned by it or any of its subsidiaries (including shares acquired by Composite in the offer or otherwise) in favor of the second-step merger.

Is CF Holdings' financial condition relevant to my decision to tender shares of Terra common stock in the offer?

Yes. CF Holdings' financial condition is relevant to your decision to tender your shares of Terra common stock because part of the consideration you will receive if your shares of Terra common stock are exchanged in the offer will consist of shares of CF Holdings common stock. You should therefore consider CF Holdings' financial condition before you decide to become one of CF Holdings' stockholders through the offer. You also should consider the possible effect that CF Holdings' acquisition of Terra, including the related financing, will have on CF Holdings' financial condition. This prospectus/offer to exchange contains financial information regarding CF Holdings and Terra, as well as pro forma financial information (which does not reflect any of our expected synergies) for the proposed combination of CF Holdings and Terra, all of which we encourage you to review.

Does CF Holdings have the financial resources to complete the offer and the second-step merger?

The offer is not subject to a financing condition.

We estimate that the total amount of cash required to complete the transactions contemplated by the offer and the second-step merger, including payment of any fees, expenses and other related amounts incurred in connection with the offer and the second-step merger and the refinancing of Terra's outstanding indebtedness, will be approximately \$4.8 billion.

CF Holdings has entered into a commitment letter, pursuant to which Morgan Stanley Senior Funding, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. committed to provide, subject to certain conditions, financing for CF Holdings' acquisition of Terra. The commitment letter provides for a senior secured term loan facility of up to \$2.0 billion, a senior secured revolving credit facility of up to \$300.0 million and a senior secured bridge facility of up to \$1.75 billion. For additional details on the proposed financing, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Source and Amount of Funds."

CF Holdings anticipates that, following the completion of the offer, it will effect a public offering of shares of CF Holdings common stock in an amount equal to approximately \$1.0 billion. There can be no assurance that CF Holdings will be able to consummate such public offering on terms acceptable to us or at all or that, if such offering is consummated, it will be for the amount contemplated. For additional details, see the section of this prospectus/offer to exchange entitled "The Exchange Offer-Source and Amount of Funds."

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What percentage of CF Holdings common stock will former holders of Terra common stock own after the offer?

CF Holdings estimates that if all shares of Terra common stock are exchanged pursuant to the offer and the second-step merger, former Terra stockholders would own, in the aggregate, approximately 16% of the outstanding shares of CF Holdings common stock. If the proposed post-closing public offering of shares of CF Holdings common stock is completed, it is estimated that CF Holdings will issue approximately 10.3 million shares of CF Holdings common stock and former Terra stockholders would own, in the aggregate, approximately 14% of the outstanding shares of CF Holdings common stock. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Ownership of CF Holdings After the Offer."

When does your offer expire? Can the offer be extended and, if so, under what circumstances?

The offer is scheduled to expire at 12:00 midnight, New York City time, on April 2, 2010, which is the initial expiration date, unless further extended by Composite. When we make reference to "the expiration of the offer" anywhere in this prospectus/offer to exchange, this is the time to which we are referring, including, when applicable, any extension period that may apply. For more information, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Extension, Termination and Amendment."

Pursuant to the terms of the merger agreement, under certain circumstances, Composite must extend the offer from time to time until the termination of the merger agreement in accordance with its terms. For instance, the offer must be extended, subject to certain exceptions, if any of the conditions specified in "The Exchange Offer Conditions of the Offer" are not satisfied prior to the scheduled expiration date of the offer.

In addition, under certain circumstances, Composite may extend the offer at any time or from time until the termination of the merger agreement. Composite may also elect to provide a "subsequent offering period" for the offer. A subsequent offering period would not be an extension of the offer. Rather, a subsequent offering period would be an additional period of time, beginning after Composite has accepted for exchange all shares tendered during the offer, during which stockholders who did not tender their shares in the offer may tender their shares and receive the same consideration provided in the offer. We do not currently intend to include a subsequent offering period, although we reserve the right to do so.

Any decision to extend the offer will be made public by an announcement regarding such extension as described under "The Exchange Offer Extension, Termination and Amendment."

How do I tender my shares?

To tender shares into the offer, you must deliver the certificates representing your shares, together with a completed letter of transmittal and any other documents required by the letter of transmittal, to BNY Mellon Shareowner Services, the exchange agent for the offer, not later than the time the offer expires. The letter of transmittal is enclosed with this prospectus/offer to exchange. If your shares are held in street name (i.e., through a broker, dealer, commercial bank, trust company or other nominee), your shares can be tendered by your nominee by book-entry transfer through The Depository Trust Company.

If you previously tendered your shares into the offer, together with a completed BLUE letter of transmittal, you do not need to complete and submit the enclosed GREY letter of transmittal.

If you are unable to deliver any required document or instrument to the exchange agent by the expiration of the offer, you may have a limited amount of additional time by having a broker, a bank

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or other fiduciary that is an eligible guarantor institution guarantee that the missing items will be received by the exchange agent by using the enclosed notice of guaranteed delivery. For the tender to be valid, however, the exchange agent must receive the missing items within three NYSE trading days after the date of execution of such notice of guaranteed delivery. If you cannot deliver all necessary documents to the exchange agent in time, you may be able to complete and deliver to the exchange agent, in lieu of the missing documents, the enclosed notice of guaranteed delivery, provided you are able to comply fully with its terms. In all cases, an exchange of tendered shares will be made only after timely receipt by the exchange agent of certificates for such shares (or a confirmation of a book-entry transfer of such shares) and a properly completed and duly executed letter of transmittal and any other required documents for such shares.

For a complete discussion on the procedures for tendering your shares, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Procedure for Tendering."

Until what time can I withdraw tendered shares?

You may withdraw previously tendered shares at any time prior to the expiration of the offer and, unless Composite has accepted the shares for exchange pursuant to the offer, you may also withdraw any tendered shares at any time after May 4, 2010. Shares of Terra common stock tendered during the subsequent offering period, if any, may not be withdrawn. For a complete discussion on the procedures for withdrawing your shares, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Withdrawal Rights."

How do I withdraw previously tendered shares?

To withdraw previously tendered shares, you must deliver a written or facsimile notice of withdrawal with the required information to the exchange agent while you still have the right to withdraw. If you tendered shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your shares. For a complete discussion on the procedures for withdrawing your shares, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Withdrawal Rights."

When and how will I receive the offer consideration in exchange for my tendered shares?

Composite will exchange all validly tendered and not properly withdrawn shares promptly after the expiration date of the offer, subject to the terms thereof and the satisfaction or waiver of the conditions to the offer, as set forth in the section of this prospectus/offer to exchange entitled "The Exchange Offer Conditions of the Offer." We will deliver the consideration for your validly tendered and not properly withdrawn shares of Terra common stock by depositing the cash and stock consideration therefor with the exchange agent, which will act as your agent for the purpose of receiving the offer consideration from us and transmitting such consideration to you. In all cases, an exchange of tendered shares of Terra common stock will be made only after timely receipt by the exchange agent of certificates for such shares (or a confirmation of a book-entry transfer of such shares as described in the section of this prospectus/offer to exchange entitled "The Exchange Offer Procedure for Tendering") and a properly completed and duly executed letter of transmittal and any other required documents for such shares.

Are dissenters' rights available in either the offer or the second-step merger?

No dissenters' or appraisal rights are available in connection with the offer. No dissenters' or appraisal rights are available in connection with the second-step merger, unless a vote of Terra's stockholders on the second-step merger is required under Maryland law and shares of Terra common

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stock are not listed on the NYSE or another national securities exchange on the record date for the determination of stockholders entitled to vote on the second-step merger. Please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Appraisal/Dissenters' Rights."

What is the market value of my shares of Terra common stock as of a recent date?

On February 12, 2010, the last trading day prior to the public announcement of the Yara/Terra merger agreement, the closing price of a share of Terra common stock was \$33.25. On March 1, 2010, the last trading day prior to the public announcement of our offer, the closing price of a share of Terra common stock was \$41.20. On March 18, 2010, the last trading day prior to the date of this prospectus/offer to exchange, the closing price of a share of Terra common stock was \$45.88. Terra stockholders are encouraged to obtain a recent quotation for shares of Terra and CF Holdings common stock before deciding whether or not to tender your shares.

Where can I find more information on CF Holdings and Terra?

You can find more information about CF Holdings and Terra from various sources described in the section of this prospectus/offer to exchange entitled "Where You Can Find More Information."

Whom can I talk to if I have questions about the offer?

You can call the information agent or the dealer managers for the offer.

The information agent for the offer is:

501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders May Call Toll Free: 877-456-3507
Banks and Brokers May Call Collect: 212-750-5833

The dealer managers for the offer are:

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036
Toll Free: 888-840-4015

Rothschild Inc.
1251 Avenue of the Americas
New York, New York 10020
Toll Free: 800-753-5151

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SUMMARY OF THE OFFER

This summary highlights selected information from this prospectus/offer to exchange and may not contain all of the information that is important to you. To obtain a better understanding of the offer to holders of shares of Terra common stock, you should read this entire prospectus/offer to exchange carefully, as well as those additional documents to which we refer you. You may obtain the information incorporated by reference into this prospectus/offer to exchange by following the instructions in the section of this prospectus/offer to exchange entitled "Where You Can Find More Information."

The Companies (See page 25)

CF Holdings

CF Holdings is a Delaware corporation with principal executive offices at 4 Parkway North, Suite 400, Deerfield, Illinois 60015. The telephone number of CF Holdings' executive offices is (847) 405-2400 and our Internet website address is www.cfindustries.com. CF Holdings is one of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in North America. Our operations are organized into two business segments: the nitrogen segment and the phosphate segment. Our principal products in the nitrogen segment are ammonia, urea and urea ammonium nitrate solution. Our principal products in the phosphate segment are diammonium phosphate, monoammonium phosphate and potash.

Composite

Composite was incorporated as a Maryland corporation on February 9, 2009. Composite's principal executive offices are located at 4 Parkway North, Suite 400, Deerfield, Illinois 60015, and its telephone number is (847) 405-2400. Composite is an indirect wholly-owned subsidiary of CF Holdings that was formed for the sole purpose of acquiring the outstanding shares of Terra common stock and consummating a subsequent merger of Composite with and into Terra. Composite has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and those incurred in connection with the offer and the second-step merger.

Terra

Terra is a Maryland corporation with principal executive offices at Terra Centre, 600 Fourth Street, P.O. Box 6000, Sioux City, Iowa 51102. The telephone number of Terra's executive offices is (712) 277-1340 and Terra's Internet website address is www.terraindustries.com. Terra is one of the largest North American producers of anhydrous ammonia (or ammonia), the basic building block of nitrogen fertilizers. Terra converts a significant portion of the ammonia it produces into urea ammonium nitrate solutions, ammonium nitrate and urea. Terra also converts ammonia to nitric acid and dinitrogen tetroxide for use in industrial applications.

The Offer (See page 60)

Composite is offering to exchange each outstanding share of Terra common stock that is validly tendered and not properly withdrawn prior to the expiration date for (i) \$37.15 in cash, less any applicable withholding taxes and without interest, and (ii) 0.0953 shares of CF Holdings common stock (together with the associated preferred stock purchase rights), upon the terms and subject to the conditions contained in this prospectus/offer to exchange and the accompanying letter of transmittal. CF Holdings will not issue certificates representing fractional shares of CF Holdings common stock pursuant to the offer. Instead, each tendering stockholder who would otherwise be entitled to a fractional share of CF Holdings common stock will receive cash in an amount equal to the product obtained by multiplying (i) the fractional share interest to which such holder would otherwise be entitled by (ii) the average closing sales price, rounded to four decimal points, of shares of CF Holding

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common stock on the NYSE for the period of the 10 consecutive trading days ending on the second full trading day prior to the expiration date.

Reasons for the Offer (See page 47)

CF Holdings believes that the combination of CF Holdings' and Terra's businesses will create significant value for both CF Holdings' and Terra's current stockholders. We believe the combination of CF Holdings and Terra is a compelling combination with a number of strategic benefits, including the following:

Global Leader in Nitrogen Fertilizers The combined company will be a leading global producer of nitrogen fertilizers, as measured by capacity, among publicly traded companies. The combined company will be a stronger, more competitive player in the global nitrogen fertilizer industry.

Synergies We expect the transaction to generate \$105 - \$135 million in annual cost synergies by combining overlapping corporate functions and optimizing transportation and distribution systems, and through greater economies of scale in procurement and purchasing. The details of the expected annual cost synergies are as follows:

	(\$ in millions)	
SG&A	\$	55 65
Logistics and railcar leases		25 30
Purchases/procurement		10 15
Distribution facilities optimization		5 10
Other		10 15
Total	\$	105 135

We expect the combined company to realize these synergies within two years after the closing of the offer and the second-step merger. We also expect the combined company to benefit from a one-time \$30 million-to-\$60 million release of cash due to inventory reduction.

Enhanced Capital Markets Presence The combined company would have had 2009 revenues of \$4.2 billion and will be the largest publicly traded nitrogen fertilizer company in the United States. The combined company will have increased trading liquidity on the NYSE and improved access to the capital markets. We believe these factors will provide the combined company with an enhanced capital markets presence and greater long-term financial stability and access to financial resources than either CF Holdings or Terra would have alone.

Attractive Diversification The combined company and its stockholders will benefit from increased diversification in plant and distribution facility locations, product mix, and end use customer segments and increased exposure to the global market. CF Holdings provides access to an extensive in-market distribution network, one of the largest integrated ammonium phosphate complexes in the U.S. (with approximately 13 years of fully-permitted recoverable phosphate reserves remaining at current operating rates), an ammonia/urea complex under development in Peru, and the ability to import or export products efficiently through our 50% interest in Keytrade. Terra provides participation in an ammonia complex in Trinidad, a joint venture in the U.K. and a greater number of production facilities in North America. Additionally, Terra provides a position in ammonium nitrate and an increased position in serving industrial/environmental customers.

Complementary Businesses CF Holdings' and Terra's complementary footprints will give the combined company increased geographic reach in the U.S. In addition, CF Holdings' and Terra's complementary businesses and locations will allow the combined company to improve efficiency in manufacturing and distribution and enhance customer service.

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Value for All Stockholders The cash consideration included as part of the offer consideration provides Terra stockholders an opportunity to achieve liquidity and certainty of value. The stock consideration included as part of the offer will allow stockholders of both Terra and CF Holdings to participate in the growth and long-term value creation potential of the combined company, including the significant expected synergies. The nominal price to be paid in the offer (based on CF Holdings' closing stock price on March 11, 2010) represents a 40.6% premium over the closing price of Terra common stock on February 12, 2010, the last trading day prior to the announcement of the Yara/Terra merger agreement and a 13.4% premium over the closing price of Terra common stock on March 1, 2010, the last trading date prior to the public announcement of the offer. We expect the transaction, giving effect to the realization of synergies, to be accretive to CF Holdings stockholders in the second year following the closing of the offer and the second-step merger.

Financing of the Offer; Source and Amount of Funds (See page 76)

The offer is not subject to a financing condition.

We estimate that the total amount of cash required to complete the transactions contemplated by the offer and the second-step merger, including payment of any fees, expenses and other related amounts incurred in connection with the offer and the second-step merger and the refinancing of Terra's outstanding indebtedness, will be approximately \$4.8 billion.

CF Holdings has entered into a commitment letter, pursuant to which Morgan Stanley Senior Funding, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. committed to provide, subject to certain conditions, financing for CF Holdings' acquisition of Terra. The commitment letter provides for a senior secured term loan facility of up to \$2.0 billion, a senior secured revolving credit facility of up to \$300.0 million and a senior secured bridge facility of up to \$1.75 billion. For additional details on the proposed financing, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Source and Amount of Funds."

CF Holdings anticipates that, following the completion of the offer, it will effect a public offering of shares of CF Holdings common stock in an amount equal to approximately \$1.0 billion. There can be no assurance that CF Holdings will be able to consummate such public offering on terms acceptable to us or at all or that, if such offering is consummated, it will be for the amount contemplated.

Ownership of the Combined Company After the Offer (See page 69)

Based on certain assumptions regarding the number of Terra shares to be exchanged, CF Holdings estimates that, if all shares of Terra common stock are exchanged pursuant to the offer and the second-step merger, former Terra stockholders would own, in the aggregate, approximately 16% of the outstanding shares of CF Holdings common stock. If the proposed post-closing public offering of shares of CF Holdings common stock is completed, it is estimated that CF Holdings will issue approximately 10.3 million shares of CF Holdings common stock and former Terra stockholders would own, in the aggregate, approximately 14% of the outstanding shares of CF Holdings common stock. For a detailed discussion of the assumptions on which this estimate is based, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Ownership of CF Holdings After the Offer."

Comparative Market Prices and Dividend Information (See page 19)

CF Holdings common stock is listed on the NYSE under the symbol "CF." Terra common stock is listed on the NYSE under the symbol "TRA." The following table sets forth the closing prices of CF Holdings and Terra as reported on March 1, 2010, the last trading day prior to the public announcement of our offer and on March 18, 2010, the last trading day prior to the date of this prospectus/offer to exchange. The table also shows the implied value of one share of Terra common

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stock in the offer, which was calculated by (i) multiplying the closing price for one share of CF Holdings common stock by the exchange ratio of 0.0953 and (ii) adding the cash consideration per share of \$37.15, less any applicable withholding taxes and without interest.

	CF Holdings Common Stock Closing Price	Terra Common Stock Closing Price	Implied Value of Terra Common Stock
March 1, 2010	\$ 107.54	\$ 41.20	\$ 47.40
March 18, 2010	\$ 93.12	\$ 45.88	\$ 46.02

The nominal price to be paid in the offer (based on CF Holdings' closing stock price on March 11, 2010) represents a 40.6% premium over the closing price of Terra common stock on February 12, 2010, the last trading day prior to the announcement of the Yara/Terra merger agreement and a 13.4% premium over \$41.20, the closing price of Terra common stock on March 1, 2010, the last trading day prior to the public announcement of our offer.

The value of the offer will change as the market prices of CF Holdings common stock and Terra common stock fluctuate during the offer period and thereafter, and may therefore be different from the prices set forth above at the expiration of the offer period and at the time you receive your shares of CF Holdings common stock. Please see the section of this prospectus/offer to exchange entitled "Risk Factors." Stockholders are encouraged to obtain current market quotations for shares of Terra and CF Holdings common stock prior to making any decision with respect to the offer.

Interest of Executive Officers and Directors of CF Holdings in the Offer (See page 85)

Except as set forth in this prospectus/offer to exchange, neither we nor, after due inquiry and to the best of our knowledge and belief, any of our directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Terra. We do not believe that the offer and the second-step merger will be deemed to be a change in control impacting grants under any of our long-term incentive or stock option plans or a change in control under any change in control agreement between CF Holdings and any of its employees.

Interest of Executive Officers and Directors of Terra in the Offer (See page 84)

In considering the recommendation of the Terra board of directors regarding the offer and the second-step merger, Terra stockholders should be aware that the directors and officers of Terra have interests in the offer and the second-step merger that may differ from those of other stockholders of Terra. The Terra board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement, the offer and the second-step merger and recommending that Terra stockholders accept the offer by tendering their Terra common stock into the offer and, if required by applicable law, approving the second-step merger.

As a result of these interests, Terra directors and officers may have reasons for tendering their shares of Terra common stock and, if necessary, voting to approve the second-step merger that are not the same as your interests. Terra stockholders should consider whether these interests may have influenced these directors and officers to support or recommend the offer and the second-step merger.

Information on the interests of executive officers and directors of Terra in the offer and the second-step merger is more fully described in Terra's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to Terra stockholders together with this prospectus/offer to exchange and is incorporated herein by reference.

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Appraisal/Dissenters' Rights (See page 72)

No dissenters' or appraisal rights are available in connection with the offer. No dissenters' or appraisal rights are available in connection with the second-step merger, unless a vote of Terra's stockholders on the second-step merger is required under Maryland law and shares of Terra common stock are not listed on the NYSE or another national securities exchange on the record date for the determination of stockholders entitled to vote on the second-step merger.

Material Federal Income Tax Consequences to U.S. Holders (See page 70)

The exchange of Terra common stock pursuant to the offer or the second-step merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, a U.S. holder of Terra common stock who receives CF Holdings common stock and cash in exchange for such stockholder's shares of Terra common stock will generally recognize taxable gain or loss in an amount equal to the difference, if any, between the fair market value of the CF Holdings common stock and cash received and such stockholder's adjusted tax basis in the shares of Terra common stock exchanged therefor.

For more information, please see the section of this prospectus/offer to exchange entitled "The Exchange Offer Material Federal Income Tax Consequences to U.S. Holders."

THIS PROSPECTUS/OFFER TO EXCHANGE CONTAINS A GENERAL DESCRIPTION OF THE MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE OFFER AND THE SECOND-STEP MERGER TO U.S. RESIDENT TAXPAYERS. THIS DESCRIPTION DOES NOT ADDRESS ANY NON-U.S. TAX CONSEQUENCES, NOR DOES IT PERTAIN TO STATE, LOCAL OR OTHER TAX CONSEQUENCES. CONSEQUENTLY, CF HOLDINGS AND COMPOSITE URGE YOU TO CONTACT YOUR OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF EXCHANGING TERRA COMMON STOCK PURSUANT TO THE OFFER AND/OR THE SECOND-STEP MERGER.

Accounting Treatment (See page 87)

CF Holdings will account for the acquisition of shares of Terra common stock under the acquisition method of accounting for business combinations. In determining the acquirer for accounting purposes, CF Holdings considered the factors required under FASB Accounting Standards Codification (ASC), Business Combinations, which is referred to as ASC 805, and determined that CF Holdings will be considered the acquirer for accounting purposes.

Regulatory Approval and Status (See page 81)

Antitrust Compliance

The offer is subject to review by the Federal Trade Commission (which we refer to in this prospectus/offer to exchange as the "FTC") and the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division"). Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the "HSR Act," the offer may not be completed until certain information has been provided to the FTC and the Antitrust Division and a required waiting period has expired or has been terminated. The HSR Act notifications made in connection with CF Holdings' prior exchange offer for Terra remain applicable to the offer. On August 5, 2009, the extended waiting period under the HSR Act expired without any enforcement action and on August 12, 2009, the FTC provided us with written notice that it had closed its investigation. CF Holdings has fulfilled its obligations under the HSR Act and may consummate the offer without any additional filing under the HSR Act provided that the offer closes on or before August 5, 2010.

At any time before or after the offer is completed, either the Antitrust Division or the FTC could take action under the antitrust laws in opposition to the offer, including seeking to enjoin the offer or

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seeking divestiture of substantial assets of CF Holdings or Terra or their subsidiaries. Private parties and/or state attorneys general also may seek to take legal action under the antitrust laws under some circumstances. CF Holdings can give no assurance that a challenge to the offer on antitrust grounds will not be made, or, if such a challenge is made, that CF Holdings will prevail.

The offer is also subject to review pursuant to the Canadian Competition Act. Under the Canadian Competition Act, the offer may not be completed until certain information has been provided to the Canadian Commissioner of Competition, or the "Competition Commissioner," and a required waiting period has expired or been terminated, provided there is no order in effect prohibiting completion at the relevant time. In connection with CF Holdings prior exchange offer for Terra, CF Holdings provided such information to the Competition Commissioner and the required waiting period under the Canadian Competition Act expired on March 24, 2009. On June 19, 2009, the Competition Commissioner issued a no-action letter stating she did not intend to challenge the proposed transaction. Under the Canadian Competition Act, the transaction may be completed within one year of the date that CF Holdings provided the required information to the Competition Commissioner in connection with its prior exchange offer to Terra's stockholders (March 10, 2009). This one-year period expired on March 9, 2010 and in order to ensure compliance with the Competition Act, CF Holdings submitted its notification and a request for early termination of the mandatory waiting period concerning the offer on March 2, 2010. The waiting period will expire on April 1, 2010, unless earlier terminated by the Competition Commissioner or extended pursuant to a request for additional information (a "Supplementary Information Request").

The waiting period under the Canadian Competition Act is 30 calendar days after the day on which CF Holdings submits the prescribed information, provided that, before the expiry of this period, the Competition Commissioner has not issued a Supplementary Information Request. In the event that the Competition Commissioner issues a Supplementary Information Request, the transaction cannot be completed until 30 calendar days after CF Holdings complies with such Supplementary Information Request, provided that there is no order in effect prohibiting completion at the relevant time. A transaction may be completed before the end of the applicable waiting period if the Competition Commissioner notifies the parties that she does not, at such time, intend to challenge the transaction.

At any time before a "merger" (as such term is defined under the Canadian Competition Act) is completed, even where the applicable waiting period has expired or been terminated, the Competition Commissioner may apply to the Competition Tribunal for an interim order forbidding any person named in the application from doing any act or thing where it appears to the Competition Tribunal that such act or thing may constitute or be directed toward the completion or implementation of a proposed merger. The Competition Tribunal may issue such an interim order where the Competition Commissioner requires more time to complete her inquiry and the Tribunal finds that, in the absence of an interim order, a party to the proposed merger or another person is likely to take an action that would substantially impair the ability of the Competition Tribunal to remedy the effect of the proposed merger on competition because that action would be difficult to reverse.

Other Regulatory Approvals

The offer may be subject to notification under the Canada Transportation Act. Under the Canada Transportation Act, if the offer is subject to notification, it cannot be completed until certain information has been provided to the Canadian Minister of Transport, or the "Transport Minister," and either the Transport Minister notifies the parties that he is of the opinion that the offer does not raise issues with respect to the public interest or the transaction is approved by the Governor in Council. Under the Canada Transportation Act, if the Transport Minister is of the opinion that a proposed transaction does not raise issues with respect to the public interest as it relates to national transportation, he shall give notice to the parties within 42 days of receiving the required information.

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If the Transport Minister is of the opinion that a proposed transaction raises issues with respect to the public interest as it relates to national transportation, he can initiate a review of the transaction.

In order to ensure compliance with the Canada Transportation Act, in connection with CF Holdings' prior exchange offer for Terra, CF Holdings provided the required information to the Transport Minister. The Transport Minister notified CF Holdings on April 7, 2009 that the proposed transaction did not raise public interest issues as it relates to national transportation. In order to ensure continued compliance with the Canada Transportation Act, CF Holdings submitted an updated notification to the Transport Minister on March 2, 2010. The initial 42-day period under the Canada Transportation Act thus expires on April 13, 2010, unless the Transport Minister issues an opinion before that date that the offer does not raise public interest issues as it relates to national transportation.

Listing of CF Holdings Common Stock to be Issued Pursuant to the Offer and the Second-Step Merger (See page 73)

CF Holdings will submit the necessary applications to cause the shares of its common stock to be issued in the offer and the second-step merger to be approved for listing on the NYSE. Approval of this listing is a condition to the offer.

Conditions of the Offer (See page 74)

The offer is conditioned upon, among other things, the following:

Minimum Tender Condition Terra stockholders shall have validly tendered (other than by guaranteed delivery where actual delivery has not occurred) and not properly withdrawn prior to the expiration of the offer at least that number of shares of Terra common stock that constitutes a majority of the then-outstanding shares of Terra common stock on a fully-diluted basis.

Canadian Regulatory Condition Any waiting period (including any extensions thereof) applicable to the offer and the second-step merger under the Canadian Competition Act or any no-close period (including any extensions thereof) applicable to the offer and the second-step merger under the Canada Transportation Act shall have expired or been terminated.

Registration Statement Condition The registration statement of which this prospectus/offer to exchange is a part shall have been declared effective by the SEC under the Securities Act, no stop order suspending the effectiveness of the registration statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC.

NYSE Listing Condition The shares of CF Holdings common stock to be issued pursuant to the offer and the second-step merger shall have been approved for listing on the NYSE (subject to official notice of issuance).

Further, Composite is not required to accept for payment any validly tendered shares of Terra common stock pursuant to the offer if any of the following conditions or events exists:

any law or court order prohibits the completion of the offer or the second-step merger;

Terra having breached any representation or warranty in the merger agreement in a manner that generally has or is reasonably expected to result in, individually or in the aggregate, a material adverse effect on Terra;

Terra not having complied with its covenants and obligations in the merger agreement in all material respects;

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Terra not having converted all of its outstanding shares of Series A Preferred Stock or if any shares of Series A Preferred Stock are outstanding; or

the merger agreement having been terminated in accordance with its terms (the "Termination Condition").

Comparison of Stockholders' Rights (See page 90)

You will receive CF Holdings common stock as part of the offer consideration if you tender your shares of Terra common stock in the offer. As CF Holdings is incorporated under Delaware law and Terra is incorporated under Maryland law, there are a number of differences between the rights of a stockholder of Terra and the rights of a stockholder of CF Holdings.

Expiration Date of the Offer (See page 62)

The offer is scheduled to expire at 12:00 midnight, New York City time, on April 2, 2010, which is the initial expiration date, unless further extended by CF Holdings or Composite.

Extension, Termination and Amendment (See page 62)

The merger agreement sets forth certain limitations on Composite's right to extend the expiration date of the offer, amend the terms of the offer, terminate the offer and waive certain conditions to the offer. Under the terms of the merger agreement, Composite is also required to extend the expiration date of the offer in certain circumstances. Subject to the terms of the merger agreement, Composite reserves the right at any time or from time to time until the expiration of the offer:

to extend the period of time during which the offer is open;

to delay acceptance for exchange of, or exchange of, any shares of Terra common stock in order to comply in whole or in part with applicable law;

to amend or terminate (to the extent permitted by the merger agreement) the offer without accepting for exchange, or exchanging, any shares of Terra common stock, if any of the individually subheaded conditions referred to in the section of this prospectus/offer to exchange entitled "The Exchange Offer Conditions of the Offer" have not been satisfied or if any event specified in the section of this prospectus/offer to exchange captioned "The Exchange Offer Conditions of the Offer Other Conditions" has occurred; and

to waive any conditions to the offer or otherwise amend the offer (to the extent permitted by the merger agreement);

in each case, by giving oral or written notice of such delay, termination, waiver or amendment to the exchange agent and by making public announcement thereof.

No Solicitation of Takeover Proposals (See page 55).

Pursuant to the merger agreement, Terra has agreed, subject to limited exceptions, that neither Terra nor any of its subsidiaries nor any of their respective representatives will initiate or knowingly encourage the making of any Takeover Proposal (as defined below) or otherwise participate in any discussions regarding, or furnish any information with respect to, or otherwise knowingly take any other action to facilitate any Takeover Proposal.

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However, at any time prior to the consummation of the offer, under certain limited circumstances, the Terra board of directors may: (i) effect a Change in Company Recommendation (as defined below); and (ii) in response to a Superior Proposal (as defined below), cause Terra to terminate the merger

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agreement and concurrently with such termination, upon payment of the Termination Fee and the Reimbursement Fee, enter into a definitive agreement with respect to such Superior Proposal.

Notwithstanding the foregoing, Terra will not be entitled to exercise its right to effect a Change in Company Recommendation or its right to terminate the merger agreement unless: (i) the Terra board of directors has first provided prior written notice to CF Holdings advising CF Holdings that the Terra board of directors intends to effect a Change in Company Recommendation (describing the events, facts and circumstances giving rise to such proposed action) or terminate the merger agreement in response to a Superior Proposal; and (ii) CF Holdings does not make, within 5 business days after receipt of such notice, a proposal that would cause such events, facts and circumstances to no longer form the basis for the Terra board of directors to effect a Change in Company Recommendation or be at least as favorable to the stockholders of Terra as such Superior Proposal, as the case may be.

Termination of the Merger Agreement (See page 57).

The merger agreement provides that it may be terminated at any time prior to the effective time of the second-step merger under a number of different scenarios, including:

by mutual written consent of CF Holdings and Terra;

by either CF Holdings or Terra, if:

the offer is not consummated by July 31, 2010;

any law or court order prohibits the completion of the offer or the second-step merger; or

the offer has expired or been terminated without any shares of Terra common stock being purchased as a result of the failure to satisfy the Minimum Condition;

by CF Holdings prior to the acceptance for payment of any shares of Terra common stock by Composite pursuant to the offer:

if Terra is in uncured breach of any of its representations, warranties or covenants contained in the merger agreement and such breach or failure to perform would result in the existence of any event or condition set forth in paragraph (b) or (c) of the section of this prospectus/offer to exchange entitled "The Exchange Offer Conditions of the Offer Other Conditions";

if the Terra board of directors fails to recommend that Terra's stockholders accept the offer and tender their shares of Terra common stock to Composite in the offer or effects a Change in Company Recommendation; or

if Terra or any of its subsidiaries or its or their respective representatives materially breached any of their non-solicitation obligations;

by Terra prior to the acceptance for payment of any shares of Terra common stock by Composite pursuant to the offer:

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if CF Holdings or Composite is in uncured breach of any of its representations, warranties or covenants contained in the proposed merger agreement, which breach or failure to perform would result in the existence of any event or condition set forth in the paragraph following subparagraph (iv)(a) of the section of this prospectus/offer to exchange entitled "The Merger Agreement Termination"; or

to enter into a definitive agreement with respect to a Superior Proposal.

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Termination Fees (See page 58).

The merger agreement provides that (i) upon the termination of the merger agreement under specified circumstances, Terra will owe CF Holdings a cash termination fee of \$123 million and/or reimbursement for CF Holdings' payment of the \$123 million termination fee in connection with the Yara/Terra merger agreement and (ii) upon termination of the merger agreement under certain other specified circumstances, CF Holdings will owe Terra a cash termination fee of \$123 million.

Procedure for Tendering Shares (See page 65)

The procedure for tendering shares of Terra common stock varies depending on whether you possess physical certificates or a nominee holds your certificates for you and on whether or not you hold your securities in book-entry form. In addition to the procedures outlined in this prospectus/offer to exchange, CF Holdings and Composite urge you to read the accompanying transmittal materials, including the letter of transmittal.

Withdrawal Rights (See page 68)

You can withdraw tendered shares at any time until the offer has expired and, unless Composite has accepted the shares for exchange pursuant to the offer, you may also withdraw any tendered shares at any time after May 4, 2010. If Composite elects to provide a subsequent offering period, it will accept shares tendered during that period immediately and you will not be able to withdraw shares tendered in the offer during any subsequent offering period.

Exchange of Shares of Terra Common Stock; Delivery of Shares of CF Holdings Common Stock and Cash (See page 64)

Upon the terms and subject to the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any such extension or amendment), Composite will accept for exchange, and will exchange for cash and shares of CF Holdings common stock and, as applicable, cash in lieu of fractional shares, all shares of Terra common stock validly tendered and not properly withdrawn promptly after the expiration date. If Composite elects to provide a subsequent offering period following the expiration of the offer, shares tendered during such subsequent offering period will be accepted for exchange immediately upon tender and will be promptly exchanged for the offer consideration.

Risk Factors (See page 20)

The offer and the second-step merger are, and if the offer and the second-step merger are consummated, the combined company will be, subject to a number of risks which you should carefully consider prior to participating in the exchange offer.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR CF HOLDINGS**

The following table sets forth the selected historical consolidated financial data for CF Holdings. The data as of and for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005 have been derived from CF Holdings' consolidated financial statements and reflect the retrospective adoption of the provisions of ASC Topic 810 that pertain to the standard formerly known as Statement of Financial Accounting Standards No. 160 *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* and the provisions of ASC Topic 260 that pertain to the standard formerly known as FASB Staff Position (FSP) No. EITF 03-6-1 *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, which is reflected in the Annual Report on Form 10-K filed by CF Holdings with the SEC on February 25, 2010. You should not take historical results as necessarily indicative of the results that may be expected for any future period.

You should read this selected consolidated financial and operating data in conjunction with CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009. Please see the section of this prospectus/offer to exchange entitled "Where You Can Find More Information."

	Year ended December 31,				
	2009	2008	2007	2006	2005
	(in millions, except per share amounts)				
Statement of Operations Data:					
Net sales	\$ 2,608.4	\$ 3,921.1	\$ 2,756.7	\$ 2,032.9	\$ 1,967.9
Cost of sales	1,769.0	2,698.4	2,086.7	1,885.7	1,758.7
Gross margin	839.4	1,222.7	670.0	147.2	209.2
Selling, general and administrative	62.9	68.0	65.2	54.5	57.0
Other operating net	96.7	4.5	3.2	21.4	14.1
Operating earnings	679.8	1,150.2	601.6	71.3	138.1
Interest expense (income) net	(3.0)	(24.5)	(22.7)	(9.6)	(0.6)
Loss on extinguishment of debt					28.3
Other non-operating net	(12.8)	(0.7)	(1.6)	(0.9)	0.1
Earnings before income taxes, equity in earnings (loss) of unconsolidated affiliates and cumulative effect of a change in accounting principle	695.6	1,175.4	625.9	81.8	110.3
Income tax provision(1)	246.0	378.1	199.5	19.7	128.7
Equity in earnings (loss) of unconsolidated affiliates net of taxes	(1.1)	4.2	0.9		
Cumulative effect of a change in accounting principle net of taxes(2)					(2.8)
Net earnings (loss)	448.5	801.5	427.3	62.1	(21.2)
Less: Net earnings attributable to the noncontrolling interest	82.9	116.9	54.6	28.8	17.8
Net earnings (loss) attributable to common stockholders	\$ 365.6	\$ 684.6	\$ 372.7	\$ 33.3	\$ (39.0)
Cash dividends declared per common share	\$ 0.40	\$ 0.40	\$ 0.08	\$ 0.08	\$ 0.02
Ratio of earnings to fixed charges	105.3x	171.9x	104.1x	13.9x	7.5x

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August 17, 2005
through
December 31, 2005
(in millions,
except per share amounts)

Post-Initial Public Offering (IPO) Information**Net Loss and Loss Per Share:**

Loss before cumulative effect of a change in accounting principle	\$	(106.5)
Cumulative effect of a change in accounting principle net of taxes		(2.8)
Post-IPO net loss	\$	(109.3)
Less: Post-IPO net earnings attributable to the noncontrolling interest		3.0
Post-IPO net loss attributable to common stockholders	\$	(112.3)
Basic and diluted weighted average common shares outstanding		55.0
Basic and diluted net loss per share:		
Post-IPO net loss attributable to common stockholders(3)	\$	(2.04)

Year ended December 31,
Actual Actual Actual Actual Pro forma(4)
2009 2008 2007 2006 2005
(in millions, except per share amounts)

Share and per share data:

Net earnings (loss) attributable to common stockholders:(3)					
Basic	\$ 7.54	\$ 12.35	\$ 6.70	\$ 0.60	\$ (0.71)
Diluted	\$ 7.42	\$ 12.13	\$ 6.56	\$ 0.60	\$ (0.71)
Weighted average common shares outstanding:					
Basic	48.5	55.4	55.7	55.0	55.0
Diluted	49.2	56.4	56.8	55.1	55.0

Year ended December 31,
2009 2008 2007 2006 2005
(in millions)

Other Financial Data:

Depreciation, depletion and amortization	\$ 101.0	\$ 100.8	\$ 84.5	\$ 94.6	\$ 97.5
Capital expenditures	235.7	141.8	105.1	59.6	72.2

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	December 31,				
	2009	2008	2007	2006	2005
	(in millions)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 697.1	\$ 625.0	\$ 366.5	\$ 25.4	\$ 37.4
Short-term investments(5)	185.0		494.5	300.2	179.3
Total assets	2,494.9	2,387.6	2,012.5	1,290.4	1,228.1
Customer advances	159.5	347.8	305.8	102.7	131.6
Total debt	4.7	4.1	4.9	4.2	4.2
Stockholders' equity	1,728.9	1,338.1	1,187.0	767.0	755.9
Book value per share(6)	\$ 35.65	\$ 24.15	\$ 21.31	\$ 13.95	\$ 13.74

- (1) In 2005, the income tax provision includes a non-cash charge of \$99.9 million to establish a valuation allowance against net operating loss carryforwards generated when we operated as a cooperative.
- (2) The cumulative effect of a change in accounting principle in 2005 represents the adoption of an accounting standard related to conditional asset retirement obligations.
- (3) 2005 amounts represent pro forma basic and diluted net earnings (loss) per share as if the weighted-average number of shares issued in the initial public offering were outstanding as of the beginning of the year.
- (4) 2005 Post-IPO and full year net loss per share attributable to common shareholders is net of a cumulative effect of a change in accounting principle of \$0.05 per basic and diluted common share.
- (5) In 2007, short-term investments consisted primarily of available-for-sale auction rate securities. In 2008, these investments became illiquid as traditional market trading mechanisms for auction rate securities ceased and auctions for these securities failed. As a result, at December 31, 2009 and 2008, our remaining investments in auction rate securities are classified as a noncurrent asset on our consolidated balance sheet, as we will not be able to access these funds until traditional market trading mechanisms resume, a buyer is found outside the auction process and/or the securities are redeemed by the issuer. At December 31, 2009, short-term investments consisted of available-for-sale U.S. Treasury Bills.
- (6) Book value per share is equal to stockholders' equity divided by basic weighted average common shares outstanding.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR TERRA**

The following table sets forth the selected historical annual consolidated financial data for Terra. The data as of and for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005 have been derived from Terra's consolidated financial statements. Certain prior year amounts were reclassified in Terra's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 to conform to the December 31, 2009 presentation as it relates to the retrospective adoption of accounting guidance related to noncontrolling interest. You should not take historical results as necessarily indicative of the results that may be expected for any future period.

You should read this selected consolidated financial and operating data in conjunction with Terra's Annual Report on Form 10-K for the fiscal year ended December 31, 2009. Please see the section of this prospectus/offer to exchange entitled "Where You Can Find More Information."

	Year ended December 31,				
	2009(2)	2008(3)	2007(4)	2006	2005(5)
	(in millions, except per share amounts)				
Statement of Operations Data:(1)					
Total revenues	\$ 1,581.4	\$ 2,891.5	\$ 2,342.9	\$ 1,819.7	\$ 1,930.8
Gross profit	386.2	863.2	527.5	118.5	154.7
Amounts attributable to Terra Industries Inc.:					
Income from continuing operations	151.5	632.8	220.8	4.7	31.6
Income (loss) from discontinued operations	1.1	8.3	(18.9)	(0.5)	(9.5)
Net income attributable to Terra Industries Inc.	152.6	641.0	201.9	4.2	22.1
Preferred share dividends	(0.1)	(3.9)	(5.1)	(5.1)	(5.1)
Cash dividends declared per common share	\$ 7.90	\$ 0.30	\$	\$	\$
Ratio of earnings to fixed charges and preferred dividends	3.6x	8.3x	5.8x	1.4x	1.9x

	Year ended December 31,				
	2009	2008	2007	2006	2005
	(in millions, except per share amounts)				
Share and per share data:					
Basic weighted average common shares outstanding	99.4	93.8	90.6	92.7	92.5
Earnings per share basic					
Income per share continuing operations	\$ 1.53	\$ 6.65	\$ 2.38	\$	\$ 0.28
Income (loss) per share discontinued operations	0.01	0.09	(0.21)	(0.01)	(0.10)
Net income (loss) per share	\$ 1.54	\$ 6.74	\$ 2.17	\$ (0.01)	\$ 0.18
Diluted weighted average common shares outstanding					
	100.0	103.4	106.5	92.7	94.9
Earnings per share diluted					
Income per share continuing operations	\$ 1.52	\$ 6.12	\$ 2.07	\$	\$ 0.28
Income (loss) per share discontinued operations	0.01	0.08	(0.17)	(0.01)	(0.10)
Net income (loss) per share	\$ 1.53	\$ 6.20	\$ 1.90	\$ (0.01)	\$ 0.18

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	Year ended December 31,				
	2009	2008	2007	2006	2005
	(in millions)				
Other Financial Data:					
Depreciation of property, plant and equipment and amortization of deferred plant turnaround costs	\$ 84.8	\$ 78.9	\$ 94.8	\$ 108.1	\$ 110.3
Capital expenditures and plant turnaround expenditures	133.9	89.3	82.4	86.1	53.2

	December 31,				
	2009	2008	2007	2006	2005
	(in millions)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 501.3	\$ 966.7	\$ 698.2	\$ 179.0	\$ 86.4
Total assets	1,599.7	2,113.0	1,888.3	1,572.7	1,523.6
Customer prepayments	39.2	111.6	299.4	77.1	52.9
Long-term debt and capital leases	602.4	330.0	330.0	331.3	331.3
Preferred stock	0.5	1.5	115.8	115.8	115.8
Stockholders' equity	490.7	1,063.0	621.5	483.0	492.9
Book value per share(6)	\$ 4.94	\$ 11.33	\$ 6.86	\$ 5.21	\$ 5.33

- (1) The statement of operations data is included in a condensed format as the detailed information was not available.
- (2) The 2009 selected financial data includes (i) the effects of a special cash dividend of \$7.50 per share (or \$748.7 million) declared on October 29, 2009 and paid on December 11, 2009; (ii) \$42.8 million, net of tax (\$0.43 per diluted share) for the early repatriation of funds to the U.S.; (iii) \$32.4 million, net of tax (\$0.32 per diluted share) for the early retirement of debt; and (iv) \$11.2 million, net of tax (\$0.11 per diluted share) of other operating expenses related to the CF Industries Holdings, Inc. unsolicited acquisition offers.
- (3) The 2008 selected financial data includes (i) the effects of the Series A Preferred Shares inducement converting a total of 118,400 shares to 11,887,550 shares of Terra Industries common stock; (ii) the effects of instituting a cash dividend per common share of \$0.10 per quarter starting in May 2008; (iii) and the full year equity earnings effect of the GrowHow joint venture of \$95.6 million.
- (4) The 2007 selected financial data includes (i) the effects of contributing the Terra Nitrogen U.K. operations into the GrowHow joint venture on September 14, 2007 (ii) a \$39.0 million impairment charge for the Beaumont, Texas assets and (iii) a \$38.8 million loss on the early retirement of debt associated with the debt refinancing that was completed during 2007.
- (5) The 2005 selected financial data includes the full year income statement effects of the December 21, 2004 acquisition of Mississippi Chemical Corporation.
- (6) Book value per share is equal to stockholders' equity divided by basic weighted average common shares outstanding.

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The following selected unaudited pro forma condensed combined consolidated balance sheet as of December 31, 2009, or the "pro forma balance sheet," is presented on a pro forma basis to give effect to the purchase of Terra and the related transactions and the redemption of Terra's outstanding 7.75% senior notes due 2019 and remaining outstanding 7% senior notes due 2017, as if such transactions had occurred on December 31, 2009.

The following selected unaudited pro forma condensed combined consolidated statement of operations for the year ended December 31, 2009, or the "pro forma statement of operations," is presented on a pro forma basis to give effect to the purchase of Terra and the related transactions, the purchase and redemption of all of Terra's 7% senior notes due 2017 and the redemption of Terra's 7.75% senior notes due 2019, as if such transactions had occurred on January 1, 2009.

The unaudited pro forma adjustments are based on publicly available information and certain assumptions that CF Holdings believes are reasonable, which are described in the notes to the "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements." Pro forma adjustments have been included only to the extent appropriate information is known, factually supportable, and reasonably available to CF Holdings. CF Holdings has not performed detailed valuation analyses necessary to determine the fair market values of the Terra assets to be acquired and liabilities to be assumed and accordingly the pro forma financial statements do not include an allocation of the purchase price. The following should be read in connection with the section of this prospectus/offer to exchange entitled "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements," and other information included in or incorporated by reference into this document.

	Year ended December 31, 2009
	Pro Forma
	(amounts in millions)
Statement of Operations Data:	
Net sales	\$ 4,189.8
Cost of sales	2,964.2
Gross margin	1,225.6
Selling, general and administrative	130.0
Equity in earnings of unconsolidated affiliates	(17.7)
Other operating net	114.7
Operating earnings	998.6
Interest expense net	353.1
Other non-operating net	(12.8)
Earnings before income taxes, equity in earnings of unconsolidated affiliates	658.3
Income tax provision	210.3
Equity in earnings of unconsolidated affiliates net of taxes	13.1
Net earnings from continuing operations	461.1
Net earnings attributable to the noncontrolling interest	108.9
Net earnings attributable to common stockholders	\$ 352.2
Ratio of earnings to fixed charges	2.8 x
Ratio of earnings to fixed charges and preferred dividends	2.6 x

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**Year ended
December 31, 2009
Pro Forma
(amounts in millions,
except per share amounts)**

Share and per share data:

Net earnings per share attributable to common stockholders		
Basic	\$	6.07
Diluted	\$	6.00
Weighted average common shares outstanding		
Basic		58.0
Diluted		58.7

**As of
December 31, 2009
Pro Forma
(amounts in millions)**

Balance Sheet Data:

Cash and cash equivalents	\$	345.1
Total assets		7,706.9
Customer advances		198.7
Total debt		3,724.7
Stockholders' equity		2,289.3
Total equity		