

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

CF Industries Holdings, Inc.  
Form 425  
March 27, 2009

Filed by Agrium Inc.

(Commission File No. 333-157966)

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company:

CF Industries Holdings, Inc.

On March 27, 2009, Agrium hosted a conference call and webcast for the investment community. Agrium will also webcast the call and a replay of the webcast will be available to all interested parties on its website, [www.agrium.com](http://www.agrium.com). A copy of the slides presented on the conference call follows.

Fundamentals of Growth  
Agrium and CF:  
Growing Across the Value  
Chain  
March 2009

## Fundamentals of Growth

2

## Important Information

This presentation does not constitute an offer to exchange, or a solicitation of an offer to exchange, common stock of CF Industries Holdings, Inc. ( "CF" ), nor is it a substitute for the Tender Offer Statement on Schedule TO or the Prospectus/Offer to Exchange included in the Exchange Offer Documents (collectively, as amended from time to time, the "Exchange Offer Documents" ) filed by Agrium Inc. ( "Agrium" ) with the U.S. Securities and Exchange Commission (the "SEC" ) on March 16, 2009. The Exchange Offer Statement on Form F-4 has not yet become effective. The offer to exchange is made only through the Exchange Offer Documents. **AND SECURITY HOLDERS OF AGRIMUM AND CF ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS AND ALL OTHER RELEVANT MATERIALS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER TO EXCHANGE.**

In connection with the solicitation of proxies for the 2009 annual meeting of stockholders of CF, Agrium and its wholly-owned subsidiary, North American Acquisition Co. ( "North" ) filed a preliminary proxy statement with the SEC on March 27, 2009 and intend to file a definitive proxy statement with the SEC. **AND SECURITY HOLDERS OF CF ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT MATERIALS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER TO EXCHANGE.**

THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Copies of any documents filed by Agrium with the SEC are available free of charge through the web site maintained by the SEC, by calling the SEC at telephone number 800-SEC-0330 or by directing a request to the Agrium Investor Relations/Media Department, 13131 Lake Fraser Drive S.E., Calgary, Alberta, Canada T2J 7E8. Free copies of any such documents can also be obtained by Agrium, Inc. toll-free at (866) 318-0506.

Agrium, North, their respective directors and executive officers and certain other persons are deemed to be participants in the solicitation of proxies from CF stockholders for CF's 2009 annual meeting of stockholders. Information regarding such participants and a description of their direct and indirect interests in such solicitation, by securities holdings or otherwise, is contained in the preliminary proxy statement filed with the SEC on March 27, 2009.

Agrium, North, their respective directors and executive officers and certain other persons may be deemed to be participants in the solicitation of proxies from CF's stockholders in respect of the proposed transaction with CF. Information regarding Agrium's directors and executive officers and a description of their direct and indirect interests is available in its management proxy circular dated March 17, 2008 relating to the annual general meeting of its shareholders held on March 27, 2008. Other information regarding potential participants in such proxy solicitation and a description of their direct and indirect interests in such solicitation, by securities holdings or otherwise, will be contained in any proxy 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. Agrium has no knowledge that any such information is inaccurate or incomplete, Agrium has not had the opportunity to verify such information.

## Fundamentals of Growth

3

## Forward-Looking Statements

Certain statements and other information included in this presentation constitute forward-looking information within the meaning of the securities legislation or forward-looking statements (together, forward-looking statements). All statements in this presentation relating to historical information or current condition, are forward-looking statements, including, but not limited to, estimates, projections, to management's expectations with respect to, among other things, business and financial prospects, financial multiples and accretion trends, plans, strategies, objectives and expectations, including with respect to future operations following the proposed acquisition. 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 forward-looking statements, include, but are not limited to, CF's failure to accept Agrium's proposal and enter into a definitive agreement with Agrium, the market value of Agrium common shares issued in connection with the proposed acquisition may have a market value lower than expected, the integration of CF, or any other recent business acquisitions, may not be integrated successfully or such integration may be more difficult, time-consuming and costly than expected, the expected combination benefits and synergies and costs savings from the Agrium/CF transaction may not be fully

within the expected time frame, the possible delay in the completion of the steps required to be taken for the eventual combination, 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 or will be obtained on conditions that may require divestiture of assets expected to be acquired, disruption from the acquisition, making it more difficult to maintain relationships with customers, employees and suppliers, general business and economic conditions, exchange rates and tax rates, weather conditions, crop prices, the supply, demand and price level for our major products, gas prices, operating rates and production costs, domestic fertilizer consumption and any changes in government policy in key agricultural markets, application of price controls and tariffs on fertilizers and the availability of subsidies or changes in their amounts, changes in demand, construction progress, political risks, including civil unrest, actions by armed groups or conflict, governmental and regulatory risks, governmental authorities, including changes in government policy, changes in environmental, tax and other laws or regulations, and other risk factors detailed from time to time in Agrium and CF's reports filed with the SEC. Agrium disclaims any obligation to update or revise any forward-looking statements in this presentation as a result of new information or future events, except as may be required by applicable U.S. federal securities laws or applicable Canadian securities legislation.

These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and performance, trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. These developments are based, in part, upon assumptions respecting our ability to successfully integrate the businesses of Agrium and CF in any acquisitions.

All of the forward-looking statements contained herein are qualified by these cautionary statements and by the assumptions that underlie such forward-looking statements. Although we believe these assumptions are reasonable, undue reliance should not be placed on them, and such forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements are 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 complete the transaction within the expected time frames and costs, and realize the expected combination benefits and synergies and costs savings from the combination of Agrium and CF, or any other recent business acquisitions, and our ability to maintain relationships with customers, employees and suppliers in the course of the proposed transaction.

Fundamentals of Growth

4

Agrium Committed to CF Combination

Reaffirming commitment to a compelling combination that will create significant value for Agrium and CF stockholders

Increased offer represents a premium of 35% to CF's closing price on February 24, the day before our proposed combination was announced, and 48% to CF's 30-day VWAP through February 24

Substantial stock component and flexible structure allow CF stockholders participation in

upside  
and/or  
liquidity  
as  
desired  
(subject  
to proration)

We urge CF stockholders to withhold their votes for the election of CF directors at CF's annual meeting and tender their shares to Agrium's exchange offer in order to send a clear message to the CF Board

We are disappointed that CF is attacking the Agrium offer with selective statements and flawed financial analysis



Fundamentals of Growth

5

Revised Offer for CF Industries

Fundamentals of Growth

6

Revised Offer

76% Agrium and 24% CF

Pro Forma Ownership:

\$35.00

in cash and 1 Agrium share

Aggregate consideration of \$1.8 billion cash and 50.2 million shares

CF shareholders may elect mixed consideration, or cash or shares, subject to proration

Consideration:

Committed

debt  
facilities  
from  
Royal  
Bank  
of  
Canada  
and  
The  
Bank  
of  
Nova  
Scotia  
Financing:

Negotiation of definitive merger agreement

CF offer for Terra terminated

Receipt of regulatory and other customary approvals

Absence of any material adverse changes to CF or its business

Our ability to conduct limited confirmatory due diligence

Key Conditions:

Cash component increase of \$3.30, or 10.4% over Agrium's initial cash component

35% to CF closing price on February 24 and 48% to 30-day VWAP through February 24

Premium:

Agrium to combine with CF in a cash and stock deal

Offer:

## Fundamentals of Growth

7

### Offer Provides Flexibility to CF Stockholders

Over 50% of the consideration being offered for CF is in the form of stock

Agrium's offer presents CF stockholders with a unique opportunity for significant long-term value while providing liquidity for those wishing to sell their CF shares at an extremely attractive price

CF stockholders will have the opportunity to participate in any recovery in fertilizer stocks, through Agrium share ownership and to participate in the realization of significant synergies associated with the combination

Allows CF stockholders the ability to elect which form of consideration they would prefer to

receive (subject to proration)

CF stockholders will benefit from holding shares in a company with a more diverse product and revenue mix

Fundamentals of Growth  
8  
Withhold Vote Campaign

Fundamentals of Growth

9

CF restructured its offer for Terra to circumvent stockholder vote

We believe this highlights CF's belief that they would lose a vote

Demonstrates management entrenchment and disregard for the rights of CF stockholders

Even as restructured, CF's proposed structure could violate NYSE Rule 312.03(b) regarding the need to hold a stockholder vote

CF has refused to engage with Agrium

Despite our expressed willingness to increase Agrium's offer if CF were to engage in discussions and demonstrate additional value

Significant CF stockholders have expressed their preference to receive a premium from Agrium rather than pay a premium for Terra

CF is doing an end-run around its stockholders and has taken away their vote

Current CF trading levels indicate investor support for an Agrium / CF combination  
CF Ignoring Interests of its Stockholders



Fundamentals of Growth

10

Three CF directors standing for re-election at CF's annual meeting on April 21

Agrium filed a preliminary proxy today with SEC and once the proxy becomes definitive Agrium will be actively soliciting proxies from CF stockholders to withhold their votes on election of CF directors

Significant withhold vote percentage will send a clear and strong message to CF Board and management

We Urge CF Stockholders to Withhold Their Votes

**THIS IS AN OPPORTUNITY FOR CF STOCKHOLDERS TO RESTORE THEIR**

VOTE AND PERSUADE THE CF BOARD AND MANAGEMENT TO ENGAGE IN  
DISCUSSIONS WITH US

Fundamentals of Growth

11

Response to CF's 14D-9 Assertions

Fundamentals of Growth

12

Agrium's Response to CF's 14D-9 Assertions

Our offer was well-received by the markets

CF's share price has increased by 33% since we announced our offer

The spread between value of Agrium's offer and CF's share price has averaged 1.8% since announcement

Investors supportive of Agrium/CF combination

Market indicates that transaction likely to be

consummated

The market reacted  
negatively to the  
proposal

Response

What CF Said

Fundamentals of Growth

13

Agrium's Response to CF's 14D-9 Assertions

Premiums for North American chemicals and fertilizer companies

have

averaged

27%

since

January

2004

(1)

Premium offered by Agrium in its increased offer is

substantially in excess of the industry average

Very attractive to CF stockholders from an exchange ratio standpoint as it is well-above historical averages

1.8685 exchange ratio offered (subject to proration) versus average exchange ratio of 1.1433 from CF's IPO to February 24, the day before Agrium announced its initial proposal

In contrast, CF's quoted premiums on Terra offer are illusory, given CF's share price is supported by Agrium's offer

The offer premium is inadequate

Response

What CF Said

(1) North American targets greater than \$100 million, since January 2004, excluding distressed transactions. Fertilizer transactions: Billiton Diamonds, UAP/Agrium, Royster-Clark/Agrium, and Nu-Gro/United Industries. Source: Thomson SDC

Fundamentals of Growth

14

Agrium's Response to CF's 14D-9 Assertions

CF's cash balance is fully valued in Agrium's offer

Agrium is funding cash portion of offer through available liquidity and committed financing

Incremental leverage capacity comes from the combined, diversified entity, not from CF on a stand-alone basis

The cash component of the offer consideration is being effectively funded by CF Holdings and thus



represents no net increase  
in value to CF Holdings  
stockholders

Over a 5-year time frame (not just two peak years for  
commodity prices as presented by CF), Agrium has higher  
average gross margins than CF, with substantially less volatility  
in such margins

Market has endorsed Agrium's diversified model; Agrium  
has traded at higher EV/EBITDA multiple than CF since  
its IPO in 2005

CF is focused on its  
higher-margin  
manufacturing and  
distribution business

Response

What CF Said

Fundamentals of Growth

15

Agrium's Response to CF's 14D-9 Assertions

Agrium has a successful operating record in nitrogen manufacturing and has significant international experience

Profertil, in Argentina, is a world-class facility which averaged \$100 million in EBITDA for Agrium over the past four years

Kenai, in Alaska, proved to be a viable investment for Agrium and generated in excess of \$400 million of gross profit during our ownership

MOPCO, in Egypt, provides ownership position in one of the lowest cost operating facilities in the world with direct access to major markets in Europe and North and South America

Agrium has a poor execution record of managing and creating value in nitrogen manufacturing  
Response  
What CF Said

Fundamentals of Growth

16

Agrium's Response to CF's 14D-9 Assertions

Agrium's phosphate margins have on average been higher than CF's over the last four years

Agrium believes CF's phosphate business is a good complement to our existing phosphate business

Agrium's phosphate business is of poor quality compared to CF's

We are confident in our ability to realize \$150 million in synergies from a combination with CF

Agrium has invested \$3.4 billion over the past five years and achieved synergies greater than announced and earlier than expected

Agrium has completed nine acquisitions in five years and other growth initiatives across the value chain

In contrast, CF has announced a single acquisition of approximately \$25 million and has no track record of integrating acquisitions or realizing synergies

The synergies assumed in Agrium's offer are poorly delineated and uncertain

Response

What CF Said

Fundamentals of Growth

17

Conclusion

Fundamentals of Growth

18

Agrium Committed to CF Combination

Reaffirming commitment to a compelling combination that will create significant value for Agrium and CF stockholders

Increased offer represents a premium of 35% to CF's closing price on February 24, the day before our proposed combination was announced, and 48% to CF's 30-day VWAP through February 24

Substantial stock component and flexible structure allow CF stockholders participation in

upside  
and/or  
liquidity  
as  
desired  
(subject  
to proration)

We urge CF stockholders to withhold their votes for the election of CF directors at CF's annual meeting and tender their shares to Agrium's exchange offer in order to send a clear message to the CF Board

We are disappointed that CF is attacking the Agrium offer with selective statements and flawed financial analysis



Fundamentals of Growth  
19  
Appendix

Fundamentals of Growth

20

Agrium and CF Production and  
Distribution

Potash

Production

Phosphate Mine

Phosphate

Production

Nitrogen Production

Granulation

Production

Storage

Magellan Pipeline

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

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

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

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

Fundamentals of Growth

21

Agrium has invested \$3.4 billion over the past five years and achieved synergies greater than announced and earlier than expected

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

In contrast, CF has announced a single acquisition of approximately \$25 million and has no track record of integrating acquisitions and realizing synergies

Strong

Record of Growth & Successful  
Integration of Acquisitions

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

0

3,000

6,000

9,000

12,000

15,000

18,000

AGU

CF

AGU with

Royster

CF

AGU

CF

AGU with

UAP

CF

AGU with

UAP and CF

CF

2005

2006

2007

Wholesale

AAT

Retail

2008

Combined

2008

(1)

(1)