

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

CF Industries Holdings, Inc.  
Form 425  
March 10, 2009

Filed by Agrium Inc.

(Commission File No. 001-14460)

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company:

CF Industries Holdings, Inc.

(Commission File No. 001-32597)

\*\*\*\*\*

Mr. Ron Wilkinson, Senior Vice President, Agrium and President, Wholesale presented at the Credit Suisse Global Ag Productivity Conference in London on March 10, 2009. A copy of the slides for such presentation follows.

growing across the value chain  
March 2009  
Agrium:  
Growing Across the Value Chain

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growing across the value chain

**Important Information**

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

This presentation relates to a business combination transaction with CF Industries Holdings Inc. ( CF ) proposed by Agrium Inc. ( Agrium ), which may become the subject of a registration statement filed with the Securities and Exchange Commission (the SEC ).

This material is not a substitute for the prospectus/proxy statement Agrium would file with the SEC regarding the proposed transaction if such a negotiated transaction with CF is reached or for any other document which Agrium may file with the SEC and send to Agrium or CF stockholders in connection

with

the

proposed

transaction.

INVESTORS

AND

SECURITY

HOLDERS

OF

AGRIUM

AND CF ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY

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AVAILABLE

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CONTAIN

IMPORTANT

INFORMATION

ABOUT

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PROPOSED

TRANSACTION.

Such

documents

would

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available

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by

the

SEC

at

[www.sec.gov](http://www.sec.gov), by calling the SEC at telephone number 800-SEC-0330 or by directing a request to the Agrium Investor Relations/Media Department, Agrium Inc., 13131 Lake Fraser Drive S.E., Calgary, Alberta, Canada T2J 7E8.

Agrium and its directors and executive officers and other persons may be deemed to be participants in any solicitation of proxies from CF's stockholders in respect of the proposed transaction with CF.

Information regarding Agrium's directors and executive officers is available in its management proxy

circular dated March  
17, 2008 relating to the annual general meeting of its shareholders held on  
May  
7, 2008. Other information regarding potential participants in such proxy solicitation and a  
description of their direct and indirect interests, by security holdings or otherwise, will be contained in  
any proxy statement or tender offer statement filed in connection with the proposed transaction.  
All information in this presentation concerning CF, including its business, operations and financial  
results,  
was  
obtained  
from  
public  
sources.  
While  
Agrium  
has  
no  
knowledge  
that  
any  
such  
information  
is inaccurate or incomplete, Agrium has not had the opportunity to verify any of that information.

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growing across the value chain

Forward-Looking Statements

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

the

meaning

of

the

U.S.

federal

securities

laws

or

forward-looking

information

within  
the  
meaning  
of  
applicable  
Canadian  
securities  
legislation  
(together,  
forward-looking  
statements ).

All  
statements  
in  
this

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

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

expected, the businesses of Agrium and CF, or any other recent business acquisitions, may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, the expected combination benefits and synergies and costs savings from the Agrium/CF transaction may not be fully realized or not realized within the expected time frame, the possible delay in the completion of the steps required to be taken for the eventual combination of the two companies, including the possibility that approvals or clearances required to be obtained from regulatory and other agencies and bodies will not be obtained in a timely manner, disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees and suppliers, general business and economic conditions, interest rates, exchange rates and tax rates, weather conditions, crop prices, the supply, demand and price level for our major products, gas prices and gas availability, operating rates and production costs, domestic fertilizer

consumption and any changes in government policy in key agriculture markets, including the application of price controls and tariffs on fertilizers and the availability of subsidies or changes in their amounts, changes in development plans, construction progress, political risks, including civil unrest, actions by armed groups or conflict, governmental and regulatory requirements and actions by governmental authorities, including changes in government policy, changes in environmental, tax and other laws or regulations and the interpretation

thereof

and

other

risk

factors

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Agrium

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CF's

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forward-looking

statements

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this

presentation as a result of new information or future events, except as may be required under applicable U.S. federal securities laws or applicable Canadian securities legislation.



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

future  
developments

as  
well  
as  
other  
factors

we  
believe  
are  
appropriate  
in  
the

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

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

and  
by  
the  
assumptions

that  
are  
stated  
or  
inherent  
in  
such

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

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

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

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growing across the value chain

CF Transaction Summary

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

Premium:

76% Agrium and 24% CF

Pro Forma Ownership:

US\$72.00 per CF share, a 30% premium over CF's common shares on February 24, 2009, the day before the announcement of the offer

Offer Price:

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

Financing:

Negotiation of definitive merger agreement

CF offer for Terra terminated

Receipt of regulatory and other customary approvals

Absence of any material adverse changes to CF or its business

Our ability to conduct limited confirmatory due diligence

Key Conditions:

Aggregate consideration of US\$3.6 billion cash and based on \$40.30, the closing price of Agrium shares on the same date

CF shareholders to receive US\$31.70 in cash and 1 Agrium share valued at \$40.30 on February 24, 2009 for each CF share

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

Allocation:

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

Offer:

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growing across the value chain

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

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

Strong Record of Growth & Successful  
Integration of Acquisitions

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

0

3,000

6,000

9,000

12,000

15,000

18,000

AGU

CF

AGU with

Royster

CF

AGU

CF

AGU with

UAP

CF

AGU with

UAP and

CF

CF

2005

2006

2007

Wholesale

AAT

Retail

2008

Combined

2008

(1)

(1)

Expanded base business



8  
growing across the value chain  
25%  
29%  
17%  
26%  
Retail  
Potash  
Phosphate  
Nitrogen  
3%  
Advanced  
Technologies  
2008 EBITDA by Business Unit & Product  
2%  
PFR and Other

1%

9  
growing across the value chain  
1,200  
1,400  
1,600  
1,800  
2,000  
2,200  
2,400  
1995/96  
2000/01  
2004/05  
2006/07  
2008/09f  
0  
100

200  
300  
400  
500  
600  
700  
800  
900  
1,000  
1,100  
1,200

Modest Rebound in Grain Stocks Despite Record Yields

Source: Total Grains, USDA, WASDE 464 November 2008

Production

Consumption

Stocks

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growing across the value chain

Largest North American Agricultural Retailer

UAP acquisition boosts net sales to over \$5-billion

Well balanced portfolio of seed, fertilizer, crop protection products,  
and application services

\$560-million 2008 EBITDA

Over 800 North American retail centers

40%

Crop Nutrients

Crop

Protection

Seed

5%

2008 Agrium Retail Gross Profit\*

44%

\*Includes UAP contributions from May 2008

Other

Application

3%

8%

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growing across the value chain

Addition of  
approximately 380  
locations nearly  
doubles Agrium's  
retail business

Increases geographic  
presence in key U.S.  
plains area as well as  
Texas and Florida

Further geographic,  
crop and product

diversity

Decreases exposure  
to regional weather  
patterns

Agrium Retail Locations

UAP Retail Locations

States with significant expansion to Agrium's retail footprint  
wheat and potatoes

fruits and  
vegetables

corn

soybeans

cotton

wheat

UAP Acquisition Expands Diversity & Scale



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growing across the value chain

Anticipate annual synergies of approximately  
\$115-million, phased realization:

~ \$80-million in 2009

~ \$115-million in 2010 and beyond

Synergies achieved through

Benefit from UAP's expertise on crop protection procurement

Procurement of crop nutrients and combining seed business

Significantly expand private label crop protection lines at Agrium

Reduction in SG&A expenses

\*Based on expected UAP 2008 calendar year EBITDA

Significant UAP Synergies

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growing across the value chain  
1) Last 12 month EBITDA from UAP as of February 24, 2008 as disclosed in UAP's public disclosure documents  
2) Compounded Annual Growth Rate was accomplished without an increase in the number of centers between 1999 and 2005  
\* 2001 excludes negative impact of the Argentine currency devaluation, 2002 excludes an estimate of one-time benefit of Argentine currency devaluation of US\$15-million

Retail EBITDA  
(US\$ millions)  
\$0  
\$100  
\$200  
\$300  
\$400  
\$500

\$600

1999

2000

2001\*

2002\*

2003

2004

2005

2006

2007

2008

Base business

2007

Royster Synergies

Combined

(1)

UAP

base business

Future expected

UAP synergies

Agrium's Retail Transformation

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growing across the value chain

Leader in environmentally friendly specialty products, broad mix of products marketed to: Turf, Ornamental, Greenhouse, High Value Specialty Crops, Lawn and Garden

High and stable margins on controlled release products

ESN®

is Agrium's patented controlled-release product for major crops, capacity expansion to 160,000 tonnes

Equity position (19.6%) in Hanfeng (HF.TO), a leading producer of value-added fertilizer in China, provides Agrium with:

1. geographic & product diversity
  2. window into China
  3. opportunity to participate in future joint ventures in China
- Advanced Technologies

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growing across the value chain

Wholesale Advantages

Potash (K)

Nitrogen (N)

Phosphate (P)

Purchase for

Resale (PFR)

-

2.1 mmt low cost production capacity

-

Diverse global/NA customer base

-

Over 5.0 mmt production capacity

-

Natural gas and in-market advantages

- Diversified global production assets
- Over 1.0 mmt production capacity
- Two integrated facilities with in-market  
and cost advantages
- Optimizes our extensive distribution  
and marketing capabilities
- CMF acquisition enhances annual  
PFR volumes by 2.5 mmt



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growing across the value chain

Recent Expansion of Potash Capacity:  
to 2.1 mmt from 1.8 mmt (+16%)

Market Advantages

Market internationally through Canpotex

Strong margins

Cost Advantages

Low-cost production  
Potash Facility

Potash Markets

% Sales\*

NA sales            54%

International      46%

\*2-Year Average Sales Volumes

Internationally Competitive Potash

growing across the value chain

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growing across the value chain

Agrium Wholesale Production and Distribution

Potash

Production

Phosphate Mine

Phosphate

Production

Nitrogen Production

Granulation

Production

Storage

Magellan Pipeline

South America

Africa/Middle East

North America

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

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

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

Damietta

Egypt

(MOPCO)\*\*

Bahia Blanca,

Argentina

(Profertil S.A.) \*

San Nicolas

Import Terminal

(Profertil S.A.)\*

Agrium

Europe

Common Market Fertilizers S.A.

(CMF)\*\*\*

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

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

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

6.0

7.0

8.0

Yara

Combined

Agrium/CF

PCS

Terra

Agrium

CF

Koch

Global Nitrogen Capacity

Source: British Sulphur and IFDC



20  
growing across the value chain  
0  
50  
100  
150  
200  
250  
300  
350  
400  
450  
W. Canada  
NOLA (US Gulf)  
Ukraine  
W. Europe

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

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

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

\$8/

MMBtu

\$12/

MMBtu

\$4/

MMBtu

\$3/

MMBtu

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

3,000

3,500

4,000

4,500

5,000

Mosaic

PCS

Combined

Agrium/CF

CF

J.R. Simplot

Co.

Agrium

Mississippi

Phos Corp.

North American Phosphate Nutrient Capacity

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

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growing across the value chain  
Competitive Phosphate Position

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

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

0

100

200

300

400

500

600

700

Production Costs

Tampa MAP Price

PNW MAP Price

PNW/W.Canada \$500/tonne

Florida price \$365/tonne

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

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growing across the value chain

Agrium & CF: Compelling Economics

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

Phased realization over three years

Synergies expected through:

SG&A reductions

Procurement of plant materials, equipment and logistics  
services

Efficiencies in sales, marketing and distribution

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



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growing across the value chain

Combined Capital Structure Remains Strong

Cash consideration supported by \$1.4 billion in committed financing

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

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

Current Agrium

(1)

Combined Agrium/CF

(1,2)

Total Debt

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

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

Combined Agrium/CF

(1)  
Based on December 31, 2008 balance sheet

(2)  
Assumes \$72 purchase price funded 56% with equity and remainder by cash  
and debt

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growing across the value chain

Compelling Value for Shareholders of Both Companies

For Agrium Shareholders:

Accretive to Agrium shareholders

Creates a global leader in crop nutrients

Continues Agrium's growth across value chain

Proven track record of successful acquisitions and integration

Increased leverage across wholesale and distribution businesses

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growing across the value chain  
Agrium is Well Positioned for the Future

Diversified by Geography, Business and  
Product line (crop nutrients, seed, crop  
protection), positioned to capitalize on the  
strong long-term industry fundamentals

We expect crop nutrient demand to show  
improvement in 2009, as growers make up for  
reduction in application in the fall of 2008 and  
early 2009

Agrium has an excellent mix of assets, a strong  
balance sheet and a proven track record of

delivering value to shareholders

growing across the value chain  
The Future is Promising