

CF Industries Holdings, Inc.  
Form 424B5  
April 16, 2010

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-165143

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered<sup>(1)</sup></b>	<b>Proposed maximum offering price per share</b>	<b>Proposed maximum aggregate offering price<sup>(1)</sup></b>	<b>Amount of registration fee<sup>(2)</sup></b>
Common Stock, par value \$0.01 per share <sup>(3)</sup>	12,921,350	\$89.00	\$1,150,000,150	\$81,995.01
Preferred stock purchase rights <sup>(3)</sup>				

(1) Includes 1,685,394 shares of CF Industries Holdings, Inc. common stock that may be sold upon exercise of the underwriters' over-allotment option.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-165143) filed by CF Industries Holdings, Inc. Calculated as the product of the maximum aggregate offering price and 0.00007130.

(3) Each share of CF Industries Holdings, Inc. common stock includes a right to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock pursuant to the Rights Agreement, dated as of July 21, 2005 (the "Rights Agreement"), between CF Industries Holdings, Inc. and The Bank of New York Mellon Corporation (formerly known as The Bank of New York), as the Rights Agent (each such right a "Preferred Stock Purchase Right"). The Preferred Stock Purchase Rights will not be exercisable or evidenced separately from the common stock of CF Industries Holdings, Inc. prior to the occurrence of events specified in the Rights Agreement. No separate consideration will be received by CF Industries Holdings, Inc. for the initial issuance of the Preferred Stock Purchase Rights.

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*PROSPECTUS SUPPLEMENT*

*(To Prospectus dated March 2, 2010)*

*11,235,956 Shares*

*COMMON STOCK*

*CF Industries Holdings, Inc. is offering 11,235,956 shares of its common stock.*

*Our common stock is listed on the New York Stock Exchange under the symbol "CF." On April 15, 2010, the reported last sale price of our common stock on the New York Stock Exchange was \$90.00 per share.*

*Investing in our common stock involves risks. See "Risk Factors" beginning on page S-22 of this prospectus supplement.*

*PRICE \$89.00 A SHARE*

	<i>Price to Public</i>	<i>Underwriting Discounts and Commissions</i>	<i>Proceeds to CF Industries Holdings, Inc.</i>
<i>Per share</i>	<i>\$89.00</i>	<i>\$3.115</i>	<i>\$85.885</i>
<i>Total</i>	<i>\$1,000,000,084</i>	<i>\$35,000,003</i>	<i>\$965,000,081</i>

*We have granted the underwriters the right to purchase up to an additional 1,685,394 shares to cover over-allotments.*

*The underwriters are offering the common stock as set forth under "Underwriting (Conflicts of Interest)."*

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

*Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on or about April 21, 2010.*

*Sole Book-Running Manager*

*MORGAN STANLEY*

*Senior Co-Manager*

*MITSUBISHI UFJ SECURITIES*

*BMO Capital Markets  
Broadpoint.Gleacher*

*Natixis Bleichroeder LLC*

*Wells Fargo Securities  
Dahlman Rose & Company*

*April 15, 2010*

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**Prospectus**

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus issued by us. We have not authorized anyone to provide you with different information. We are not making an offer to sell or soliciting an offer to purchase these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any related free writing prospectus issued by us or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus supplement or the accompanying prospectus or other offering material (including any free writing prospectus) nor any distribution of securities pursuant to such documents shall, under any circumstances, create any implication that there has been no change in the information set forth in this prospectus supplement or the accompanying prospectus or other offering

material or in our and our subsidiaries' affairs since the date of this prospectus supplement or the accompanying prospectus or other offering material.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock of CF Industries Holdings, Inc., or CF Holdings, and certain other matters relating to us and our business, financial condition and results of operations. The second part, the accompanying prospectus, contains a description of CF Holdings' capital stock (including its common stock) and gives more general information about securities we may offer from time to time, some of which does not apply to this offering.

This prospectus supplement and the accompanying prospectus also incorporate by reference important information about us, Terra Industries Inc., CF Holdings common stock and other information you should know before investing. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under "Where You Can Find More Information" in this prospectus supplement.

The information contained in this prospectus supplement may add, update or change information contained in the accompanying prospectus or in documents which we file or have filed with the Securities and Exchange Commission, or SEC, on or before the date of this prospectus supplement and which documents are incorporated by reference in this prospectus supplement and the accompanying prospectus. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or such documents incorporated by reference, the information in this prospectus supplement will supersede such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of CF Holdings common stock in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See "Underwriting (Conflicts of Interest)."

We are also offering senior notes of CF Industries, Inc., a wholly-owned subsidiary of CF Holdings, or the senior notes, in an aggregate principal amount of \$1.6 billion, concurrently with this offering of CF Holdings common stock. This offering of senior notes, referred to in this prospectus supplement as the senior notes offering, is being conducted pursuant to a separate prospectus supplement and registration statement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any of the senior notes. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering of CF Holdings common stock is not conditioned on the consummation of the senior notes offering.

All references to dollars, or \$, in this prospectus supplement refer to U.S. dollars, unless otherwise indicated.

**MARKET AND INDUSTRY DATA AND FORECASTS**

This prospectus supplement includes market share and industry data and forecasts that we have developed from independent consultant reports, reports from government agencies, publicly available information, various industry publications, other published industry sources and our internal data and estimates. Our internal data, estimates and forecasts are based upon information obtained from our customers, suppliers, trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. Some of the sources from which we have obtained information are FERTECON Fertilizer Economic Market Analysis & Consultancy, or

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Fertecon; the International Fertilizer Industry Association, or IFA; The Fertilizer Institute; the United States Department of Agriculture, or USDA; the Association of American Plant Food Control Officials; and the Organisation for Economic Co-operation and Development and the Food and Agriculture Organisation of the United Nations, or OECD-FAO. Although we believe all of our sources are reliable, the information relied on and referred to in this prospectus supplement has not been verified by any independent sources, and we do not guarantee the accuracy and completeness of such information.

Unless otherwise indicated, all financial information and operating data in this prospectus supplement pertaining to CF Holdings and its subsidiaries, including tons of product produced and sold, include information for Canadian Fertilizers Limited, our consolidated Canadian joint venture in which we own a 66% economic interest; and all such information and data pertaining to Terra Industries Inc. and its subsidiaries, including tons of product produced and sold, include information for Terra Nitrogen Company, L.P., a publicly-traded limited partnership of which we are the sole general partner and hold 75% of the limited partnership interests.

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**SUMMARY**

*This summary highlights certain information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is only a summary, it does not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference, including the financial statements included elsewhere or incorporated by reference in the prospectus supplement and the accompanying prospectus. You should also carefully consider the matters discussed under "Risk Factors."*

*The acquisition by CF Industries Holdings, Inc. of Terra Industries Inc. and its subsidiaries is referred to in this prospectus supplement as the Terra acquisition. As used in this prospectus supplement, the term "Terra" refers to Terra Industries Inc. and its subsidiaries; except as stated otherwise or the context requires otherwise, the terms "CF Industries," "we," "us" and "our" refer to CF Industries Holdings, Inc. and its subsidiaries, excluding Terra for periods prior to completion of the Terra acquisition and including Terra for periods following completion of the Terra acquisition; the term "CF Holdings" refers to CF Industries Holdings, Inc. and not any of its subsidiaries; and the term "CFI" refers to CF Industries, Inc. and not any of its subsidiaries.*

**Our Combined Company**

We are one of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in the world. 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, urea ammonium nitrate solution, or UAN, and ammonium nitrate, or AN. Our other nitrogen products include diesel exhaust fluid, or DEF, and aqua ammonia, which are sold primarily to our environmental and industrial customers. Our principal products in the phosphate segment are diammonium phosphate, or DAP, and monoammonium phosphate, or MAP.

Our core market and distribution facilities are concentrated in the Midwestern U.S. grain-producing states and other major agricultural areas of the United States and Canada. We also serve global markets from our joint-venture production facilities in Trinidad and the United Kingdom, as well as through exports of nitrogen fertilizer products from our Donaldsonville manufacturing facilities and phosphate fertilizer products from our Florida phosphate operations through our Tampa port facility.

The principal customers for both our nitrogen and phosphate fertilizers are cooperatives and independent fertilizer distributors. Sales are initiated by our internal marketing and sales force and some export sales are initiated by KEYTRADE AG, or Keytrade, a global fertilizer trading company in which we own a 50% interest.

For the year ended December 31, 2009, on a pro forma basis giving effect to the Terra acquisition, we sold 11.8 million tons of nitrogen fertilizers and related products and 2.1 million tons of phosphate fertilizers and generated net sales of \$4.2 billion.

Prior to the Terra acquisition, our principal assets included:

the largest nitrogen fertilizer complex in North America, located in Donaldsonville, Louisiana and referred to in this prospectus supplement as the CF Industries Donaldsonville facility;

a 66% economic interest in the largest nitrogen fertilizer complex in Canada, which we operate in Medicine Hat, Alberta, through Canadian Fertilizers Limited, or CFL (a consolidated variable interest entity);

one of the largest integrated phosphate fertilizer complexes in the United States, located in Plant City, Florida;

the most-recently constructed phosphate rock mine and associated beneficiation plant in the United States, located in Hardee County, Florida;





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an extensive system of terminals, warehouses and associated transportation equipment located primarily in the Midwestern United States; and

a 50% interest in Keytrade, a global fertilizer trading company headquartered near Zurich, Switzerland.

As a result of the Terra acquisition, we acquired a number of new assets, including:

five nitrogen fertilizer manufacturing facilities located in Port Neal, Iowa; Courtright, Ontario; Yazoo City, Mississippi; Woodward, Oklahoma; and Donaldsonville, Louisiana, adjacent to the CF Industries Donaldsonville facility, referred to in this prospectus supplement as the Terra Donaldsonville facility;

a 75% interest in Terra Nitrogen Company, L.P., or TNCLP, a publicly traded limited partnership of which we are the sole general partner and the majority limited partner and which, through its subsidiary Terra Nitrogen, Limited Partnership, or TNLP, operates a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma;

a 50% interest in Point Lisas Nitrogen Limited, or Point Lisas, an ammonia production joint venture located in Trinidad serving international nitrogen markets; and

a 50% interest in GrowHow UK Limited, or GrowHow, a nitrogen products production joint venture located in the United Kingdom and serving the British agricultural and industrial markets.

The following table sets forth the production capacities at each of our nitrogen fertilizer production facilities:

Location	Annual Capacity				Fertilizer Compounds
	Ammonia <sup>(1)</sup>	UAN <sup>(2)</sup>	AN	Urea <sup>(3)</sup>	
(thousands of tons)					
Donaldsonville, Louisiana					
CF Industries Donaldsonville facility <sup>(4)</sup>	2,300	2,415		1,680	
Terra Donaldsonville facility	500				
Medicine Hat, Alberta	1,250			810	
Port Neal, Iowa	370	735		60	
Verdigris, Oklahoma	1,050	1,925			
Woodward, Oklahoma <sup>(5)</sup>	440	298		25	
Yazoo City, Mississippi <sup>(6)</sup>	500	525	775	20	
Courtright, Ontario	480	350		175	
Ince, U.K. <sup>(7)</sup>	201		343		340
Billingham, U.K. <sup>(7)</sup>	287		319		
Point Lisas, Trinidad <sup>(7)</sup>	360				
<b>Total</b>	<b>7,738</b>	<b>6,248</b>	<b>1,437</b>	<b>2,770</b>	<b>340</b>

(1) Represents gross annual production capacity, some of which is used to produce upgraded products.

(2) Measured in tons of UAN containing 32% nitrogen by weight.

(3)

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Urea is sold as granular urea from the CF Industries Donaldsonville facility and Medicine Hat facility, as urea liquor from the Port Neal, Woodward and Yazoo City facilities and as either granular urea or urea liquor from the Courtright facility.

(4)

The CF Industries Donaldsonville facility's production capacity depends on product mix. With the UAN plants operating at capacity, approximately 1.7 million tons of granular urea can be produced. Granular urea production can be increased to 2 million tons if UAN production is reduced.

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- (5) The Woodward facility's production capacity depends on product mix (ammonia/methanol). The Woodward facility's UAN capacity does not include the effects of the upgrade project scheduled for completion in 2010. UAN capacity is expected to increase to 798,000 tons when the project is completed.
- (6) Our full AN capacity at Yazoo City is approximately 835,000 tons; however, such production would limit Yazoo City's UAN production to approximately 450,000 tons and increase urea production to approximately 45,000 tons.
- (7) Represents our 50% interest in capacity of each of these facilities.

The following table sets forth the production capacities at each of our phosphate production facilities:

Location	Phosphate Rock	Annual Capacity		
		Phosphoric Acid as P <sub>2</sub> O <sub>5</sub> <sup>(1)</sup>	Sulfuric Acid	DAP/MAP
(thousands of tons)				
Hardee Phosphate Rock Mine	3,500			
Plant City Phosphate Fertilizer Complex		1,055	2,800	2,165

- (1) P<sub>2</sub>O<sub>5</sub> is the basic measure of the nutrient content in phosphate fertilizer products.

**Strategic Rationale**

We believe that the Terra acquisition will create significant value for stockholders and offers numerous strategic benefits, including:

- making us a global leader in fertilizers;
- significantly increasing our scale and capital markets presence;
- providing cost synergies estimated at \$105 \$135 million on an annualized basis;
- further diversifying our asset base and our mix of products and customers; and
- increasing our geographic reach and operational efficiency.

We believe that these strategic benefits significantly enhance our competitive profile and will drive increased profitability.

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**Competitive Strengths**

**Global Leader.** We are a leading global producer of nitrogen and phosphate fertilizers with world-scale manufacturing facilities.

*Second Largest Public Nitrogen Producer Globally.* As a result of the Terra acquisition, we are the second largest producer of nitrogen fertilizers globally among publicly traded companies, with 13.5 million product tons of capacity. Our combined nitrogen manufacturing capacity on a nutrient basis is 6.3 million tons. We are the largest nitrogen producer in North America and the leading producer of our key products ammonia, urea and UAN.

We own the largest nitrogen fertilizer facility in North America and have a majority interest in the second largest nitrogen fertilizer facility in North America. The Donaldsonville complex, including the CF Industries and Terra Donaldsonville facilities, is the largest and, we believe, most versatile nitrogen fertilizer operation in North America. The Donaldsonville facilities have the capacity to produce 2.8 million tons of ammonia and upgrade most of their ammonia into higher value urea and UAN. These facilities are strategically located near the mouth of the Mississippi River, with access to river, rail and pipeline transportation and have the ability to import and export ammonia, urea and UAN. We operate and hold a two-thirds economic interest in the second-largest nitrogen facility in North America located in Medicine Hat, Alberta, which is the largest such facility in Canada.

*Large Integrated U.S. Phosphate Producer.* We operate a 2.2 million product ton phosphate facility in Central Florida, where we have reliable and economical access to raw materials and access to domestic and international markets through our Tampa port facility. Our Hardee phosphate rock mine supplies all of our facility's phosphate rock needs and benefits from 23 years of recoverable reserves, 13 of which are fully permitted. Our Hardee facility is the most recently constructed mine and processing plant of its type in the United States.

**Cost Advantages Serving Principal Markets.** Many of our North American manufacturing facilities enjoy a cost advantage in their principal markets.

Over 50% of the U.S. supply of nitrogen fertilizer is from imports. Natural gas is the primary raw material used in the production of nitrogen fertilizer products, accounting for up to 90% of the cash cost of producing ammonia. The cost of natural gas in North America is lower than for export oriented nitrogen production in the Ukraine and Eastern Europe. Factoring in the cost of freight to transport nitrogen products to the United States, North American producers enjoy a significant cost advantage over producers in these countries and are competitive with the cost of exports from Russia, another significant exporting country.

In addition to the relative attractiveness of North American natural gas compared to the gas cost for some of the major exporters, our nitrogen facilities in Oklahoma, Iowa and Medicine Hat, Alberta enjoy a natural gas price basis that historically has been below the price at Henry Hub, the major gas pricing basis in North America.

The proximity of several of our production sites to the Midwestern Corn Belt provides us with a transportation cost advantage relative to imports and other domestic competitors. In addition, access to the major agricultural markets for ammonia from our Donaldsonville facilities through our strategically located ammonia terminals, which are served by barge and pipeline transportation, provides us with a cost advantage in certain markets.

Our Florida phosphate operation enjoys a cost advantage relative to non-integrated phosphate producers that do not have a captive supply of phosphate rock and smaller phosphate producers that do not realize the economies of scale available to a world-scale production facility such as our Plant City phosphate complex. As a result of our attractive costs for phosphate rock from our



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integrated Hardee mine and access to the highly competitive markets in Tampa for ammonia and sulfur, we believe our Plant City phosphate operations are very competitive with those of other large-scale, U.S. based integrated phosphate producers.

***Extensive, Flexible Distribution System.*** Our distribution system is ideally located in the area of highest fertilizer consumption in North America, the Corn Belt. We ship our products directly to customers from our manufacturing plants and through our extensive system of terminals and warehouses. Our distribution system includes 29 owned locations, of which 27 are in-market, in addition to the storage at our manufacturing plants and at more than 60 other locations. Our owned in-market locations house 20 ammonia terminals, 11 UAN terminals (including nine sites that accommodate both ammonia and UAN) and five dry product warehouses. These terminals and warehouses are located principally in the major fertilizer-consuming states, which typically account for 40% to 50% of the nitrogen and phosphate fertilizer used by commercial farmers in the United States. Storage at our Donaldsonville nitrogen facilities and its deep-water dock provide us with significant flexibility to import and export nitrogen products. We also own an ammonia terminal in Tampa, Florida, which is used primarily to import ammonia for use in the production of ammonium phosphate fertilizers at our Plant City, Florida facility.

***Terra Environmental Technologies.*** Through Terra Environmental Technologies Inc., or TET, we have a leading position in supplying nitrogen products to the stationary and mobile emissions control markets.

***Strong Management Team and Stable, Experienced Workforce.*** Our seasoned senior management team has a blend of related industry experience and extensive service with us. Our management team successfully transformed us from a cooperative to a public company in 2005. Following the Terra acquisition, our workforce consists of over 2,400 full-time and 100 part-time employees.

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**Business Strategies**

The Terra acquisition approximately doubled the size of CF Industries and provides us with a larger global platform, substantial synergy opportunities and broader access to capital. We intend to capitalize on this opportunity to create value for our stockholders by pursuing targeted strategies that generate growth and enhance profitability.

***Integrate the Operations of CF Industries and Terra.*** We intend to integrate Terra's operations with those of CF Industries by executing a detailed integration plan over the next 24 months. By integrating the operations, processes and work forces of CF Industries and Terra, we will seek to position our combined enterprise to take advantage of our leadership position as the world's second largest nitrogen producer and the third largest phosphate producer among public companies.

***Deliver Targeted Cost Synergies.*** We have identified substantial synergy value that we expect will generate \$105-135 million in annual cost synergies, through headquarters consolidation, optimizing transportation and distribution networks and generating greater economies of scale in procurement and purchasing. We expect to realize these synergies within two years after the closing of the Terra acquisition at an expected one-time cost of \$40-60 million. We also expect to achieve a one-time cash benefit of approximately \$30-60 million from a reduced inventory requirement.

***Realize Our Operational Potential.*** We intend to continue focusing on our core business of manufacturing and distributing fertilizer products to both agricultural and selected industrial and environmental customers. We will focus our marketing efforts on maximizing margins by assessing our mix of business and using tools such as our Forward Pricing Program, or FPP, to manage margins and associated risks. Flexibility in production points and an expanded array of distribution options resulting from the Terra acquisition provide us with more tools with which to optimize our marketing strategies. We will continue to pursue improvements in staffing, operating procedures and environmental, health and safety procedures to achieve the optimal return on our investment. We will also continue to invest selectively in upgrading and expanding existing operations.

***Attain and Maintain an Optimal Capital Structure.*** We have a history of a conservative approach to capital structure and returning capital to stockholders. In the near-term, we are targeting a leverage range of 1.0-1.5x EBITDA, and believe that level is appropriate as a steady-state target debt level. This structure balances the value of having ready access to financial resources with the objective of minimizing the cost of capital. It also provides us with the financial strength to execute strategic initiatives.

***Leverage Terra Environmental Technologies.*** Our position as a major urea producer complements TET's needs for additional urea feedstock for its DEF product line, which serves the rapidly growing mobile market. That synergy opportunity is expected to eliminate the need that Terra had for an approximately \$200 million investment in urea capacity and replace it with more modest investments at our Donaldsonville and/or Medicine Hat facilities.

***Pursue Global Strategic Opportunities.*** By successfully executing the strategies described above, we believe we will be positioned to exploit our global leadership through organic growth and/or acquisitions. Our strong position in North America and our partnership with Keytrade provide us with a base from which to expand and pursue global opportunities.



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On March 12, 2010, CF Holdings and Terra Industries Inc. entered into an agreement and plan of merger, referred to in this prospectus supplement as the merger agreement, providing for the Terra acquisition to be effected in two steps: (1) an exchange offer, completed on April 14, 2010, in which an indirect wholly-owned subsidiary of CF Holdings, or the acquisition subsidiary, offered to exchange 0.0953 shares of CF Holdings common stock and \$37.15 in cash, referred to in this prospectus supplement as the merger consideration, for each outstanding share of Terra Industries Inc. common stock, followed by (2) the merger of the acquisition subsidiary into Terra Industries Inc., referred to in this prospectus supplement as the second-step merger, completed on April 15, 2010, with Terra Industries Inc. as the surviving corporation in the second-step merger. In the second-step merger, each outstanding share of Terra Industries Inc. common stock not acquired by the acquisition subsidiary in the exchange offer was extinguished in exchange for the merger consideration.

In the Terra acquisition, CF Holdings issued an aggregate of 9.5 million shares of its common stock and paid an aggregate of \$3.7 billion in cash.

We estimate our cash requirements in connection with the Terra acquisition to be approximately \$4.95 billion, consisting primarily of the cash consideration for the Terra Industries Inc. common stock and stock-based awards. This amount also includes a termination fee of \$123 million, referred to in this prospectus supplement as the Yara termination fee, which we paid on behalf of Terra Industries Inc. in connection with the termination by Terra Industries Inc. of a separate agreement that it had made with Yara International ASA, or Yara, under which Terra Industries Inc. would have been acquired by Yara. It also includes \$763.4 million on account of the redemption of the outstanding 7.75% senior notes due 2019 of Terra Industries Inc.'s subsidiary Terra Capital, Inc., or the Terra notes, in connection with the second-step merger, and estimated transaction costs, including fees and expenses relating to the exchange offer, the second-step merger and the financing arrangements.

The following table sets forth the sources and uses of funds in connection with the Terra acquisition. The table does not give effect to this offering of CF Holdings common stock or the senior notes offering:

Source of Funds	Amount (in millions)	Use of Funds	Amount (in millions)
Cash and cash equivalents	\$ 1,199.4	Terra Industries Inc. equity	
Revolving credit facility <sup>(1)</sup>		purchased <sup>(4)</sup>	\$ 4,647.1
Bridge facility <sup>(2)</sup>	1,750.0	Redemption of the	
Term loan facility <sup>(2)</sup>	2,000.0	Terra notes <sup>(5)</sup>	763.4
CF Holdings common stock <sup>(3)</sup>	882.1	Estimated transaction costs <sup>(6)</sup>	421.0
Total sources	\$ 5,831.5	Total uses	\$ 5,831.5

(1) Consists of a five-year first lien senior secured revolving credit facility, referred to in this prospectus supplement as the revolving credit facility. The revolving credit facility initially provided for up to \$300 million of borrowings outstanding at any time. On April 15, 2010, we and the lead arrangers agreed to increase the amount available under the revolving credit facility to \$500 million. The revolving credit facility is to be used primarily for working capital requirements and for general corporate purposes, but up to \$100 million of borrowings under the facility may be applied to the same purposes for which borrowings are permitted under the term loan facility and the bridge facility described below in footnote (2).

(2) Consists of a five-year \$2 billion (multiple draw) secured term loan facility before original issue discount, referred to in this prospectus supplement as the term loan facility, and a one-year \$1.75 billion secured bridge facility, referred to in this prospectus supplement as the bridge facility. Borrowings under the term loan facility and the bridge facility were used to fund the cash portion of the consideration paid to Terra Industries Inc. stockholders pursuant to the exchange offer and the second-step merger, to pay transaction costs and to fund the redemption of the Terra notes.

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- (3) Reflects the fair value of CF Holdings common stock issued or to be issued to Terra Industries Inc. stockholders as a result of the Terra acquisition, calculated by using the closing price of CF Holdings common stock on the New York Stock Exchange, or NYSE, on April 1, 2010 multiplied by the estimated number of shares of CF Holdings stock issued to Terra Industries Inc. stockholders.
- (4) Based on the closing price of CF Holdings common stock on the NYSE on April 1, 2010, the estimated number of shares of Terra Industries Inc. acquired in the Terra acquisition and the cash consideration paid in the Terra acquisition.
- (5) Includes accrued interest and redemption premium in addition to \$600 million principal amount payable upon the redemption of the Terra notes in connection with the second-step merger.
- (6) Includes original issue discount related to the credit facilities referred to in footnotes (1) and (2) above, consisting of original issue discount related to the term loan facility of \$30 million based on pre-syndication assumptions (syndication of the credit facilities resulted in an actual amount of original issue discount of approximately \$13 million); the Yara termination fee; financing fees; and advisory fees for CF Industries and Terra.

The Terra acquisition and related transactions, including the redemption of the Terra notes; the payment of the Yara termination fee; our entry into the revolving credit facility, the bridge facility and the term loan facility, referred to in this prospectus supplement collectively as the credit facilities; our borrowings under the credit facilities in connection with the Terra acquisition; and the payment of transaction costs with respect to the foregoing are referred to in this prospectus supplement collectively as the transactions.

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**Recent Developments**

Although our financial statements for the quarter ended March 31, 2010 are not yet complete, certain preliminary financial information and operating data underlying our results of operations are available. The following financial information and operating data is not a comprehensive statement of the financial results for CF Industries or Terra for the quarter ended March 31, 2010 and has not been reviewed or audited by CF Industries' and Terra's respective independent registered public accounting firms. The final financial results for the quarter ended March 31, 2010 may vary from our expectations and may be materially different from the preliminary financial information and operating data provided below as the quarterly financial statement close process is not complete and additional developments and adjustments may arise between now and the time the financial results for this period are finalized. Accordingly, you should not place undue reliance on the following financial information and operating data.

**CF Industries**

Management currently expects CF Industries' 2010 first quarter net sales to be approximately \$502 million, or approximately 26% lower than CF Industries' 2009 first quarter net sales of \$681 million. Sales volume in the first quarter of 2010 is expected to be 1.7 million tons, or a decline of 6% as compared to the 1.8 million tons sold in the first quarter of 2009. The decline in both net sales and sales volume is due to declines in both the nitrogen and phosphate segments.

Financial results for the first quarter of 2010 will be impacted by merger related costs, including the \$123 million Yara termination fee that was paid on behalf of Terra Industries Inc., a \$28 million gain on the sale of CF Holdings' investment in shares of Terra Industries Inc. common stock and fees for professionals and advisors relating to the Terra acquisition.

***Nitrogen Segment***

In the nitrogen segment, net sales are expected to be approximately \$327 million, or 28% lower than the \$456 million in the first quarter of 2009. Sales volume in the nitrogen segment is expected to decline by 5% to 1.2 million tons compared to the 1.3 million tons in the first quarter of 2009. Sales volume in the first quarter of 2010 declined as urea shipments fell, partially offset by increases in ammonia and UAN shipments. Pre-planting season sales volumes were impacted by cold and wet weather conditions in the first quarter. Average selling prices for all three nitrogen products are expected to be lower in the first quarter of 2010 compared to the first quarter of 2009, as the prior year period benefited from substantial sales volume that had been contracted under our FPP at earlier dates and higher prices. Average selling prices for all products in the first quarter of 2010 are expected to be higher than average selling prices in the fourth quarter of 2009. The weighted average cost of natural gas in the first quarter of 2010 declined by approximately 30% compared to the first quarter of 2009 from \$7.33 per MMBtu in 2009 to \$5.13 per MMBtu in 2010.

## Edgar Filing: CF Industries Holdings, Inc. - Form 424B5

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Set forth below is summary operating data for CF Industries' nitrogen segment based on management's current expectations for the quarters ended March 31, 2010 and 2009:

	<b>Three Months Ended</b>		
	<b>March 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2010 v. 2009</b>
	<b>(in millions, except as noted)</b>		
Net sales	\$ 327	\$ 456	\$ (129)
Tons of product sold (000s)	1,198	1,265	(67)
Sales volume by product (000s)			
Ammonia	189	133	56
Urea	598	733	(135)
UAN <sup>(1)</sup>	404	397	7
Other nitrogen products	7	2	5
Average selling price per ton by product			
Ammonia	\$ 321	\$ 527	\$ (206)
Urea	306	365	(59)
UAN <sup>(1)</sup>	205	298	(93)
Cost of natural gas (per MMBtu) <sup>(2)</sup>			
Donaldsonville	\$ 5.31	\$ 8.09	\$ (2.78)
Medicine Hat	4.70	5.99	(1.29)

- (1) Measured in product tons.
- (2) Includes gas purchases and realized gains and losses on gas derivatives.

### ***Phosphate Segment***

In the phosphate segment, net sales are expected to be approximately \$175 million, or 22% lower than the \$224 million in the first quarter of 2009. Sales volumes in the phosphate segment are expected to have declined by 9% to 480,000 tons compared to 527,000 tons in the first quarter of 2009 as declines in DAP were only partially offset by increases in MAP shipments. Average selling prices for DAP and MAP are expected to be lower in the first quarter of 2010 versus the first quarter of 2009. Average selling prices in the first quarter of 2010 are expected to be higher than average selling prices in the fourth quarter of 2009. Set forth below is summary operating data for CF Industries' phosphate segment based on management's current expectations for the quarters ended March 31, 2010 and March 31, 2009:

	<b>Three Months Ended</b>		
	<b>March 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2010 v. 2009</b>
	<b>(in millions, except as noted)</b>		
Net sales	\$ 175	\$ 224	\$ (49)
Tons of product sold (000s)	480	527	(47)
Sales volume by product (000s)			
DAP	374	445	(71)
MAP	106	82	24
Average selling price per ton by product			
DAP	\$ 361	\$ 418	\$ (57)
MAP	379	466	(87)

### **Terra Industries**

## Edgar Filing: CF Industries Holdings, Inc. - Form 424B5

Management currently expects Terra's 2010 first quarter revenues to be approximately \$409 million, approximately 3% lower than Terra's 2009 first quarter revenues of \$420 million. This decline is primarily due to lower selling prices for ammonia, UAN and AN. The prior year first quarter selling price benefited

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from the orders that were previously committed to under higher prices during 2008. The decline in selling prices was partially offset by an increase in UAN and AN sales volume of 34% and 76%, respectively. For the first quarter, natural gas unit costs, net of forward pricing gains and losses, decreased by approximately 27% from \$7.37 per MMBtu in 2009 to \$5.39 per MMBtu in 2010.

Set forth below is summary operating data for Terra based on management's current expectations for the quarters ended March 31, 2010 and 2009:

	<b>Three Months Ended March 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2010 v. 2009</b>
	<b>(in millions, except as noted)</b>		
Total revenues	\$ 409	\$ 420	\$ (11)
Tons of product sold (000s)	1,589	1,251	338
Sales volume by product (000s)			
Ammonia	374	381	(7)
Urea	82	77	5
UAN <sup>(1)</sup>	837	625	212
Other nitrogen products	296	168	128
Average selling price per ton by product <sup>(2)</sup>			
Ammonia	\$ 314	\$ 336	\$ (22)
Urea	325	322	3
UAN <sup>(1)</sup>	184	282	(98)
Other nitrogen products	193	267	(74)
Cost of natural gas (per MMBtu) <sup>(3)</sup>	\$ 5.39	\$ 7.37	\$ (1.98)

- (1) Measured in tons of UAN containing 32% nitrogen by weight.
- (2) After deducting outbound freight costs.
- (3) Includes all transportation and other logistical costs and any gains or losses on financial derivatives related to North American natural gas purchases.

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. Our Internet website address is <http://www.cfindustries.com>. The content of our website is not incorporated by reference in this prospectus supplement, and you should not consider it a part of this prospectus supplement.

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**The Offering**

Common stock we are offering	11,235,956 shares, or 12,921,350 shares if the underwriters' overallotment option is exercised in full.
Common stock to be outstanding immediately after this offering	69,365,956 shares, or 71,051,350 shares if the underwriters' overallotment option is exercised in full.
Use of proceeds	<p>We estimate that the net proceeds to us from the sale of the common stock offered hereby will be approximately \$963 million (or approximately \$1.1 billion if the underwriters' overallotment option is exercised in full) after deducting the underwriting discounts and commissions and our estimated offering expenses. We intend to use the net proceeds from this offering to repay amounts outstanding under the bridge facility. See "Use of Proceeds."</p> <p>We are conducting the senior notes offering concurrently with this offering of CF Holdings common stock. We intend to use the net proceeds from the senior notes offering to repay additional amounts outstanding under the bridge facility and, to the extent of any net proceeds in excess of the amount required to discharge the obligations under the bridge facility, to repay outstanding borrowings under the term loan facility. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering of CF Holdings common stock is not conditioned on the consummation of the senior notes offering.</p>
Dividends	<p>During 2008 and 2009 and for the first quarter of 2010, we paid quarterly cash dividends on CF Holdings common stock of \$0.10 per share. We expect to continue to pay quarterly cash dividends on CF Holdings common stock at an annual rate of \$0.40 per share. There is no assurance, however, as to the amount or payment of dividends in the future, because all future payments of dividends are at the discretion of CF Holdings' board of directors and will depend on many factors. See "Dividend Policy."</p>
NYSE Symbol	CF

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Conflicts of interest

We intend to use the net proceeds from this offering to repay amounts outstanding under the bridge facility. Affiliates of Morgan Stanley & Co. Incorporated and Mitsubishi UFJ Securities (USA), Inc. are lenders under the bridge facility and the term loan facility. Because more than 5% of the proceeds of this offering, not including underwriting compensation, will be received by affiliates of the underwriters in this offering, this offering is being conducted in compliance with NASD Rule 2720, as administered by the Financial Industry Regulatory Authority, Inc. However, no qualified independent underwriter is needed for this offering because there is a "bona fide public market," as defined in NASD Rule 2720(f)(3), for our common stock. See "Use of Proceeds" and "Underwriting (Conflicts of Interest)."

Risk factors

You should carefully consider the information set forth in the "Risk Factors" section of this prospectus supplement, as well as all other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, before deciding whether to invest in our common stock.

The number of shares of CF Holdings common stock to be outstanding immediately after this offering is based upon 58,130,000 shares outstanding as of April 15, 2010, which includes 9,544,000 shares issued in connection with the Terra acquisition. The number of shares to be outstanding immediately after this offering excludes 3,711,000 shares reserved for issuance under our 2009 Equity and Incentive Plan, of which options to purchase 139,000 shares had been granted as of April 15, 2010.



Table of Contents**Summary Consolidated Historical Financial Data of CF Industries**

The following summary consolidated historical financial data as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 have been derived from the audited consolidated financial statements of CF Industries incorporated by reference herein. The following summary consolidated historical financial data as of December 31, 2007 have been derived from the audited consolidated financial statements of CF Industries not included or incorporated by reference herein. The historical results presented below are not necessarily indicative of results that can be expected for any future period. The table should be read in conjunction with "Use of Proceeds," "Capitalization," "Overview of Financial Condition, Liquidity and Capital Resources," "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements" and "Selected Historical Consolidated Financial Data of CF Industries," included elsewhere in this prospectus supplement, "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and incorporated by reference herein, and CF Industries' consolidated financial statements and accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

**Year Ended December 31,**  
**2009            2008            2007**  
**(in millions, except per share amounts and**  
**ratios)**

<b>Statement of Operations Data:</b>			
Net sales	\$ 2,608.4	\$ 3,921.1	\$ 2,756.7
Gross margin	839.4	1,222.7	670.0
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
Net earnings attributable to common stockholders	365.6	684.6	372.7
<b>Share and Per Share Data:</b>			
Net earnings attributable to common stockholders:			
Basic	\$ 7.54	\$ 12.35	\$ 6.70
Diluted	\$ 7.42	\$ 12.13	\$ 6.56
Weighted average common shares outstanding:			
Basic	48.5	55.4	55.7
Diluted	49.2	56.4	56.8
<b>Balance Sheet Data (at end of period):</b>			
Total current assets	\$ 1,283.1	\$ 1,433.2	\$ 1,279.1
Total assets	2,494.9	2,387.6	2,012.5
Total current liabilities	479.8	818.1	629.3
Total debt	4.7	4.1	4.9
Stockholders' equity	1,728.9	1,338.1	1,187.0
<b>Other Financial Data:</b>			
	105.3x	171.9x	104.1x

Ratio of earnings to  
fixed charges

EBITDA <sup>(1)</sup>	\$	708.5	\$	1,138.5	\$	634.1
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(1)

We report our financial results in accordance with U.S. generally accepted accounting principles, or GAAP. Our management believes that certain non-GAAP financial measures provide additional meaningful information regarding our performance. The non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, the non-GAAP financial measures included in this prospectus supplement may not be comparable to similarly titled measures of other companies.

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EBITDA, as presented in this prospectus supplement, is a supplemental measure of our performance. EBITDA is defined as net earnings attributable to common stockholders plus interest income net, income tax provision and depreciation, depletion and amortization. We have presented EBITDA because management uses the measure to track performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. EBITDA is not required by, or presented in accordance with, GAAP. EBITDA is not a measure of our financial performance or financial position under GAAP and should not be considered as an alternative to revenue, net income or any other performance measures derived in accordance with GAAP.

The table below provides an unaudited reconciliation of net earnings to EBITDA:

	<b>Year ended December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>(in millions)</b>		
Net earnings attributable to common stockholders	\$ 365.6	\$ 684.6	\$ 372.7
Interest expense (income) net	(3.0)	(24.5)	(22.7)
Income taxes	245.4	378.1	200.2
Depreciation, depletion and amortization	101.0	100.8	84.5
Less: Loan fee amortization <sup>(A)</sup>	(0.5)	(0.5)	(0.6)
 EBITDA	 \$ 708.5	 \$ 1,138.5	 \$ 634.1

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(A)

To adjust for amounts included in both interest and amortization.

Table of Contents**Summary Consolidated Historical Financial Data of Terra**

The following summary consolidated historical financial data as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 have been derived from the audited consolidated financial statements of Terra incorporated by reference herein. The following summary consolidated historical financial data as of December 31, 2007 have been derived from the audited consolidated financial statements of Terra not included or incorporated by reference herein. The historical results presented below are not necessarily indicative of results that can be expected for any future period. The table should be read in conjunction with "Use of Proceeds," "Capitalization," "Overview of Financial Condition, Liquidity and Capital Resources," "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements" and "Selected Historical Consolidated Financial Data of Terra," included elsewhere in this prospectus supplement, "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of Terra Industries Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 appearing in CF Holdings' Current Report on Form 8-K/A filed on April 12, 2010 and incorporated by reference herein, and Terra's consolidated financial statements and accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

	<b>Year Ended December 31,</b>		
	<b>2009<sup>(1)</sup></b>	<b>2008<sup>(2)</sup></b>	<b>2007<sup>(3)</sup></b>
	<b>(in millions, except per share amounts and ratios)</b>		
<b>Statement of Operations Data:</b>			
Total revenues	\$ 1,581.4	\$ 2,891.5	\$ 2,342.9
Gross profit	386.2	863.2	527.5
Income from continuing operations	151.5	632.8	220.8
Income (loss) from discontinued operations	1.1	8.3	(18.9)
Net income attributable to Terra Industries Inc.	152.6	641.0	201.9
<b>Share and Per Share Data:</b>			
Basic income (loss) per common share attributable to Terra Industries Inc.:			
Continuing operations	\$ 1.53	\$ 6.65	\$ 2.38
Discontinued operations	\$ 0.01	\$ 0.09	\$ (0.21)
Basic income (loss) per common share	\$ 1.54	\$ 6.74	\$ 2.17
Diluted income (loss) per common share attributable to Terra Industries Inc.:			
Continuing operations	\$ 1.52	\$ 6.12	\$ 2.07
Discontinued operations	\$ 0.01	\$ 0.08	\$ (0.17)
Basic income (loss) per common share	\$ 1.53	\$ 6.20	\$ 1.90
Weighted average common shares outstanding:			
Basic	99.4	93.8	90.6
Diluted	100.0	103.4	106.5
<b>Balance Sheet Data (at end of period):</b>			
Total current assets	\$ 826.3	\$ 1,392.5	\$ 1,029.9
Total assets	1,599.7	2,113.0	1,888.3
Total current liabilities	206.2	465.2	517.7
Long-term debt and capital leases	602.4	330.0	330.0
Stockholders' equity	490.7	1,063.0	621.5
<b>Other Financial Data:</b>			
Ratio of earnings to fixed charges and preferred dividends	3.6x	8.3x	5.8x
Adjusted EBITDA <sup>(4)</sup>	\$ 401.7	\$ 964.3	\$ 500.4

(1)

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 CF Industries' unsolicited acquisition offers.



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(2) The 2008 selected financial data includes (i) the effects of the 4.25% Cumulative Convertible Perpetual Series A Preferred Shares, or Series A Preferred Shares, inducement converting a total of 118,400 Series A Preferred Shares to 11,887,550 shares of Terra Industries Inc. common stock; (ii) the effects of instituting a cash dividend per common share of \$0.10 per quarter starting in May 2008; and (iii) the full year equity earnings effect of the GrowHow joint venture of \$95.6 million.

(3) 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.

(4) Terra's financial results are reported in accordance with GAAP. Our management believes that certain non-GAAP financial measures provide additional meaningful information regarding Terra's performance. The non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Terra's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, the non-GAAP financial measures included in this prospectus supplement may not be comparable to similarly titled measures of other companies.

Adjusted EBITDA, as presented in this prospectus supplement, is a supplemental measure of Terra's performance. Adjusted EBITDA is defined as net income from continuing operations less interest income plus interest expense plus income tax provision plus depreciation, depletion and amortization and charges related to loss on early retirement of debt, which is a non-cash item. We have presented adjusted EBITDA because management uses the measure to track performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not required by, or presented in accordance with, GAAP. Adjusted EBITDA is not a measure of Terra's financial performance or financial position under GAAP and should not be considered as an alternative to revenue, net income or any other performance measures derived in accordance with GAAP.

The table below provides an unaudited reconciliation of net income to adjusted EBITDA:

	<b>Year ended December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>(in millions)</b>		
Income from continuing operations	\$ 151.5	\$ 632.8	\$ 220.8
Interest income	(4.1)	(23.4)	(17.3)
Interest expense	31.9	27.4	29.1
Income tax provision	74.3	239.9	127.3
Depreciation and amortization	94.6	87.6	101.7
EBITDA	\$ 348.2	\$ 964.3	\$ 461.6
Loss on early retirement of debt	53.5		38.8
Adjusted EBITDA	\$ 401.7	964.3	\$ 500.4

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**Summary Unaudited Pro Forma  
Condensed Combined Consolidated Financial and Operating Information**

The following table sets forth summary unaudited pro forma condensed combined consolidated financial information of CF Industries. The pro forma information has been derived from, and should be read in conjunction with, "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements" and related notes, which appear elsewhere in this prospectus supplement. The pro forma information should also be read in conjunction with "Summary Terra Acquisition and Related Financing Transactions," "Selected Historical Consolidated Financial Data of CF Industries," "Selected Historical Consolidated Financial Data of Terra," "Overview of Financial Condition, Liquidity and Capital Resources" and "Description of Certain Indebtedness," included elsewhere in this prospectus supplement, "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of CF Holdings' and Terra Industries Inc.'s Annual Reports on Form 10-K for the fiscal year ended December 31, 2009, respectively, both of which are incorporated by reference herein (with Terra Industries Inc.'s Form 10-K appearing on CF Holdings' Current Report on Form 8-K/A filed on April 12, 2010 and incorporated by reference herein), CF Industries' consolidated financial statements and accompanying notes, appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein, and Terra's consolidated financial statements and accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

The summary unaudited pro forma condensed combined consolidated balance sheet information gives effect to the transactions on a pro forma basis as if the transactions had occurred on December 31, 2009. The summary unaudited pro forma condensed combined consolidated statements of income information gives effect to the transactions on a pro forma basis as if the transactions had occurred on January 1, 2009. The summary unaudited pro forma condensed combined consolidated financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of CF Industries would have been had the transactions occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

The receipt and application of the proceeds from this offering of CF Holdings common stock and the senior notes offering are not reflected in the summary unaudited pro forma condensed combined consolidated financial information. See "Capitalization" and note (d) in the notes to unaudited pro forma condensed combined consolidated financial statements under "Unaudited Pro Forma Condensed

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Combined Consolidated Financial Statements" for certain information regarding potential effects of this offering and the senior notes offering.

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

<b>Statement of Operations Data:</b>		
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		347.3
Interest income		(2.8)
Other non-operating net		(12.8)
Earnings before income taxes and equity in earnings of unconsolidated affiliates		666.9
Income tax provision		213.9
Equity in earnings of unconsolidated affiliates net of taxes		13.1
Net earnings from continuing operations		466.1
Less: Net earnings attributable to the non-controlling interest		108.9
Net earnings attributable to common stockholders	\$	357.2
Net earnings per share attributable to common stockholders		
Basic	\$	6.15
Diluted	\$	6.08
Weighted average common shares outstanding		
Basic		58.0
Diluted		58.7

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	<b>Pro Forma December 31, 2009 (in millions, except per share amounts)</b>	
<b>Balance Sheet Data:</b>		
Cash and cash equivalents	\$	339.9
Total assets		7,610.7
Customer advances		198.7
Total debt		3,737.2
Stockholders' equity		2,238.6
Total equity		2,620.6
Book value per share <sup>(1)</sup>	\$	38.60

	<b>Pro Forma Year Ended December 31, 2009 (in millions, except as noted)</b>	
<b>Other Financial Data:</b>		
EBITDA <sup>(2)</sup>	\$	1,110.2
<b>Operating Data (tons in thousands):</b>		
Combined sales volume: <sup>(3)</sup>		
Net ammonia		2,690
Urea		2,888
UAN		5,316
AN		879
DAP and MAP		2,085
Combined production volume: <sup>(3)</sup>		
Gross ammonia		6,143
Urea		3,153
UAN		5,320
AN		995
DAP and MAP		1,830

*See notes to unaudited pro forma condensed combined consolidated financial statements under "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements."*

(1) Book value per share is equal to stockholders' equity divided by basic weighted average common shares outstanding.

(2) We report our financial results in accordance with GAAP. Our management believes that certain non-GAAP financial measures provide additional meaningful information regarding our performance. The non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, the non-GAAP financial measures included in this prospectus supplement may not be comparable to similarly titled measures of other companies.

Pro forma EBITDA, as presented in this prospectus supplement, is a supplemental measure of our performance on a pro forma combined basis. Pro forma EBITDA is defined as net earnings attributable to common stockholders less interest income, plus interest expense, income taxes and depreciation, depletion and amortization, in each case on a pro forma basis. We have presented pro forma EBITDA because management uses EBITDA to track performance and believes EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. EBITDA is not required by, or presented in accordance with, GAAP. EBITDA is not a measure of our financial performance or financial position under GAAP and should not be considered as an alternative to revenue, net income or any other performance measures derived in accordance with GAAP.

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The table below provides an unaudited reconciliation of net earnings to EBITDA:

	<b>Pro Forma Year Ended December 31, 2009</b>	
	<b>(in millions)</b>	
Net earnings attributable to common stockholders	\$	357.2
Interest income		(2.8)
Interest expense		347.3
Income taxes		213.4
Depreciation, depletion and amortization		195.6
Less: Loan fee amortization <sup>(A)</sup>		(0.5)
<b>EBITDA</b>	<b>\$</b>	<b>1,110.2</b>

(A) To adjust for amounts included in both interest and amortization.

(3) For the years ended December 31, 2009, 2008 and 2007, CF Industries' and Terra's total sales and production volumes were as follows:

	<b>Year ended December 31,</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>(tons in thousands)</b>		
<b>CF Industries total sales volume:</b>			
Net ammonia	1,083	1,079	1,434
Urea	2,604	2,617	2,701
UAN <sup>(A)</sup>	2,090	2,386	2,729
DAP and MAP	2,085	1,787	1,994
<b>Terra total sales volume:</b>			
Net ammonia	1,607	1,670	1,765
Urea	284	249	247
UAN	3,226	3,917	4,072
AN	879	990	968
<b>CF Industries total production volume:</b>			
Gross ammonia	3,098	3,249	3,289
Urea	2,350	2,355	2,358
UAN <sup>(A)</sup>	2,023	2,277	2,285
DAP and MAP	1,830	1,980	1,948
<b>Terra total production volume:</b>			
Gross ammonia <sup>(B)</sup>	3,045	3,171	3,521
Urea	803	250	921
UAN	3,297	3,703	4,131
AN <sup>(B)</sup>	995	986	2,268

(A) UAN volumes previously reported in CF Holdings' Annual Reports on Form 10-K have been converted to UAN containing 32% nitrogen by weight.

(B) Terra's 2007 production volumes for ammonia and AN include U.K. production of 540,000 and 610,000 tons, respectively, since U.K. operations were reported on a consolidated basis prior to the formation of GrowHow in September 2007.



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**RISK FACTORS**

*Our business is subject to a number of risks. If any of the events contemplated by the following risks actually occur, then our business, financial condition or results of operations could be materially adversely affected. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations.*

**Risks Related to Our Business**

*Uncertainties exist in integrating the business and operations of CF Industries and Terra.*

We intend to integrate Terra's operations with those of CF Industries. The integration of two companies as large as CF Industries and Terra is a complex process, and we may encounter substantial difficulties integrating Terra's operations with CF Industries' operations. Any difficulties in integrating the two companies could result in a delay or the failure to achieve the anticipated benefits and synergies of the Terra acquisition and, therefore, the expected cost savings. Additionally, these cost savings may be less than we currently expect, or may not be realized. The difficulties of integrating Terra's operations with those of CF Industries include, among other things:

possible inconsistencies in standards, controls, procedures and policies, and compensation structures between Terra and CF Industries;

the complexities of integrating the business and operations of Terra with those of CF Industries, including as a result of the use of different accounting and reporting systems;

the limited opportunity prior to the consummation of the acquisition to work with Terra management to develop an integration plan;

the increased scope, geographic diversity and complexity of our operations;

exposure to unanticipated costs, expenses or liabilities, including as a result of the limited opportunity we were given prior to entering into the merger agreement with Terra Industries Inc. to conduct due diligence on Terra and its business, operations and financial condition;

the consummation of the Terra acquisition shortly before the fiscal quarter that historically has been one of our and Terra's busiest and most profitable quarters and the potential disruptions that may occur as a result of the timing of the consummation of the acquisition;

the retention of existing customers and attraction of new customers;

the retention of key employees;

the consolidation of corporate and administrative infrastructures;

the diversion of management's attention from ongoing business concerns; and

the possibility of tax costs or inefficiencies associated with the integration of the operations of the combined company.

***Our business is dependent on natural gas, which is subject to a high level of price volatility.***

Natural gas is the principal raw material used to produce nitrogen fertilizers. We use natural gas both as a chemical feedstock and as a fuel to produce ammonia, urea, UAN, AN and other nitrogen products. On a pro forma basis giving effect to the Terra acquisition, excluding expenditures at the GrowHow and Point Lisas nitrogen facilities, expenditures on natural gas comprised approximately 47% of the total cost of our nitrogen fertilizer sales in 2009.

Because most of our nitrogen fertilizer manufacturing facilities are located in the United States and Canada, the price of natural gas in North America directly impacts a substantial portion of our operating expenses. The price of natural gas in North America is highly volatile. During 2009, the median daily price at the Henry Hub, the most heavily-traded natural gas pricing basis in North America, exceeded \$5.60 per MMBtu at the beginning of the year, reached a low of \$1.85 per MMBtu on September 5, 2009, and

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escalated to a high of \$6.00 per MMBtu on December 30, 2009. The market price of natural gas in North America is also generally higher than the price of natural gas in certain other major fertilizer-producing regions, including the Middle East and Trinidad. In addition to having access to lower-priced natural gas, some of our competitors may also benefit from fixed-price natural gas contracts, which may be linked directly to the market price of the nitrogen fertilizer being manufactured. Recent declines in the price of North American natural gas have been driven, in part, by the development of new sources of natural gas for the North American market, including, "unconventional" sources, such as shale gas, exploration and development of new natural gas fields and natural gas imports in the form of liquid natural gas. Any limitation on these sources of natural gas as a result of the environmental concerns some have raised with the development of new natural gas fields or the techniques used to produce shale gas or otherwise could cause the price of natural gas in North America to rise significantly. Given the volatility of pricing and our dependence on North American natural gas, the price we pay for natural gas in the future may be higher than prices paid by producers in certain other fertilizer-producing regions of the world, which may make it more difficult for us to compete against these producers.

Our production facilities outside North America, particularly those in the United Kingdom, are, like those in North America, also subject to high natural gas prices relative to those in certain other major fertilizer-producing regions and to significant natural gas price volatility.

We may not be able to pass along higher operating costs to our customers in the form of higher product prices. A significant increase in the price of natural gas (which can be driven by, among other things, supply disruptions, governmental or regulatory actions, cold weather and oil price spikes) that is not hedged or recovered through an increase in the price of related nitrogen products could result in reduced profit margins and lower product production. If market prices for our products are below our cost of production due to the high cost of natural gas, we may shift our sourcing of nitrogen fertilizers from manufactured to purchased products. We have previously idled one or more of our plants in response to high natural gas prices and may do so again in the future. During late 2005 and early 2006, for example, we curtailed production of fertilizers at the CF Industries Donaldsonville complex for this reason.

***Our business is cyclical, resulting in periods of industry oversupply during which our results of operations tend to be negatively impacted.***

Historically, selling prices for our products have fluctuated in response to periodic changes in supply and demand conditions. Demand is affected by population growth, changes in dietary habits, non-food usage of crops, such as the production of ethanol and other biofuels, and planted acreage and application rates, among other things. Supply is affected by available capacity and operating rates, raw material costs and availability, government policies and global trade.

Periods of high demand, high capacity utilization and increasing operating margins tend to result in new plant investment and increased production, causing supply to exceed demand and prices and capacity utilization to decline. In particular, new capacity is expected to be added abroad in low-cost regions. Future growth in demand for fertilizer may not be sufficient to alleviate any existing or future conditions of excess industry capacity.

During periods of industry oversupply, our results of operations tend to be affected negatively as the price at which we sell our products typically declines, resulting in possible reduced profit margins, write-downs in the value of our inventory, lower production of our products and/or plant closures.

***Our products are global commodities, and we face intense global competition from other fertilizer producers.***

We are subject to intense price competition from both domestic and foreign sources. Fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and to a lesser extent on customer service and product quality. We compete with a number of domestic and foreign producers, including state-owned and government-subsidized entities.

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Some of these competitors have greater total resources and are less dependent on earnings from fertilizer sales, which make them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. Consolidation in the fertilizer industry has increased the resources of several of our competitors, and we expect consolidation among fertilizer producers to continue. In light of this industry consolidation, our competitive position could suffer to the extent we are not able to expand our own resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships.

China, the world's largest producer and consumer of fertilizers, is expected to continue expanding its fertilizer production capability. This expected increase in capacity could adversely affect the balance between global supply and demand and may put downward pressure on global fertilizer prices, which could adversely affect our results of operations and financial condition.

***A decline in U.S. agricultural production or limitations on the use of our products for agricultural purposes could materially adversely affect the market for our products.***

Conditions in the U.S. agricultural industry significantly impact our operating results. The U.S. agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, domestic and international demand for U.S. agricultural products and U.S. and foreign policies regarding trade in agricultural products.

State and federal governmental policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. In recent years, for example, ethanol production in the United States has increased significantly due, in part, to federal legislation mandating greater use of renewable fuels. This increase in ethanol production has led to an increase in the amount of corn grown in the United States and to increased fertilizer usage on both corn and other crops that have also benefited from improved farm economics. While the current Renewable Fuels Standard, or RFS, encourages continued high levels of corn-based ethanol production, a growing "food versus fuel" debate and other factors have resulted in calls to reduce subsidies for ethanol, allow increased ethanol imports and adopt temporary waivers of the current RFS levels, any of which could have an adverse effect on corn-based ethanol production, planted corn acreage and fertilizer demand. Developments in crop technology, such as nitrogen fixation, the conversion of atmospheric nitrogen into compounds that plants can assimilate, could also reduce the use of chemical fertilizers and adversely affect the demand for our products. In addition, several states are currently considering limitations on the use and application of chemical fertilizers due to concerns about the impact of these products on the environment.

***Adverse weather conditions may decrease demand for our fertilizer products and increase the cost of natural gas.***

Weather conditions that delay or intermittently disrupt field work during the planting and growing seasons may cause agricultural customers to use different forms of nitrogen fertilizer, which may adversely affect demand for the forms that we sell or may impede farmers from applying our fertilizers until the following growing season, resulting in lower demand for our products.

Adverse weather conditions following harvest may delay or eliminate opportunities to apply fertilizer in the fall. Weather can also have an adverse effect on crop yields, which lowers the income of growers and could impair their ability to purchase fertilizer from our customers.

Weather conditions or, in certain cases, weather forecasts, can also dramatically affect the price of natural gas, our principal raw material used to make nitrogen based fertilizers. Colder than normal winters and warmer than normal summers increase the natural gas demand for residential use. In addition, hurricanes affecting the gulf coastal states can severely impact the supply of natural gas and cause prices to rise sharply.

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***Our inability to predict future seasonal fertilizer demand accurately could result in excess inventory, potentially at costs in excess of market value, or product shortages.***

The fertilizer business is seasonal. The strongest demand for our products occurs during the spring planting season, with a second period of strong demand following the fall harvest. We and/or our customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. Seasonality is greatest for ammonia due to the short application season and the limited ability of our customers and their customers to store significant quantities of this product. The seasonality of fertilizer demand results in our sales volumes and net sales being the highest during the spring and our working capital requirements being the highest just prior to the start of the spring season. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns.

If seasonal demand exceeds our projections, our customers may acquire products from our competitors, and our profitability will be negatively impacted. If seasonal demand is less than we expect, we will be left with excess inventory that will have to be stored (in which case our results of operations will be negatively impacted by any related storage costs) and/or liquidated (in which case the selling price may be below our production, procurement and storage costs). The risks associated with excess inventory and product shortages are particularly acute with respect to our nitrogen fertilizer business because of the highly volatile cost of natural gas and nitrogen fertilizer prices and the relatively brief periods during which farmers can apply nitrogen fertilizers.

***Our customer base is concentrated, with certain large customers accounting for a substantial portion of our sales.***

During 2009, three customers CHS Inc., or CHS; Gavilon Fertilizer LLC, or Gavilon; and GROWMARK, Inc., or GROWMARK; made combined fertilizer purchases of approximately \$1,121 million from us, representing approximately 43% of our total net sales. On a pro forma basis giving effect to the Terra acquisition during the same time period, these three customers made combined fertilizer purchases of approximately \$1,198 million from us, representing approximately 29% of our total net sales. We have entered into a multi-year supply contract with CHS that expires on June 30, 2010 and contracts with GROWMARK and Gavilon that both expire on June 30, 2013. CHS has informed us they do not intend to renew the multi-year supply contract upon its expiration. Since becoming a public company in 2005, we have diversified our customer base. However, we continue to depend on these three customers for a significant portion of our sales and may have less flexibility than some of our competitors to seek profitable sales to other customers. A substantial change in purchasing decisions by any or all of these customers could have a material adverse effect on our business.

***A change in the use of the Forward Pricing Program by our customers could increase our exposure to fluctuations in our profit margins and materially adversely affect our operating results, liquidity and financial condition.***

In mid-2003, we implemented our FPP, through which we offer our customers the opportunity to purchase product on a forward basis at prices and delivery dates we propose. This improves our liquidity due to the cash payments received from customers in advance of shipment of the product and allows us to improve our production scheduling and planning and the utilization of our manufacturing assets.

As our customers enter into forward nitrogen fertilizer purchase contracts with us, we generally use natural gas derivatives or fixed price fertilizer purchase contracts to hedge against changes in the price of natural gas, the largest and most volatile component of our supply cost. Fixing the selling prices of our products under our FPP, often months in advance of their ultimate delivery to customers, typically causes our reported selling prices and margins to differ from spot market prices and margins available at the time of shipment. Additionally, the use of derivatives to lock in the majority of our margins on FPP sales of nitrogen products can result in volatility in reported earnings due to the unrealized mark-to-market adjustments that occur from changes in the value of the derivatives prior to the purchase of the natural gas.



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Under our FPP, customers generally make an initial cash down payment at the time of order and generally pay the remaining portion of the contract sales value in advance of the shipment date, thereby significantly increasing our liquidity. Any cash payments received in advance from customers in connection with the FPP are reflected on our balance sheet as a current liability until the related orders are shipped, which can take up to several months, or more. As of December 31, 2009 and 2008, our current liability for customer advances related to unshipped orders under the FPP equaled approximately 18% and 56%, respectively, of our cash, cash equivalents and short-term investments. As of December 31, 2009, on a pro forma basis giving effect to the Terra acquisition, our current liability for customer advances equaled approximately 58% of our cash, cash equivalents and short-term investments.

We believe the FPP is most appealing to our customers during periods of generally increasing prices for nitrogen fertilizers. Our customers may be less willing or even unwilling to purchase products on a forward basis during periods of generally decreasing or stable prices or during periods of relatively high fertilizer prices due to the expectation of lower prices in the future or limited capital resources. In periods of rising fertilizer prices, selling our nitrogen fertilizers under the FPP may result in lower profit margins than if we had not used the FPP. Conversely, in periods of declining fertilizer prices, selling our nitrogen fertilizers under the FPP may result in higher profit margins than if we had not used the FPP.

The FPP is less effective at reducing our exposure to fluctuations in our profit margins in circumstances where we purchase the fertilizer product from third parties for resale, rather than manufacture the product at one of our facilities. For example, during periods of high natural gas costs, we may decide to curtail production at our facilities and increase our purchases of fertilizer products originating from offshore, lower-cost producers for resale to our customers. Because it is generally not feasible to purchase fertilizer products from these third parties on a forward basis or match purchased quantities with specific order quantities, we may not be able to fix our profit margins effectively on fertilizer products that we buy for resale under our FPP. One method we use to reduce our margin exposure on sales of purchased products under the program is to purchase the required fertilizer products in advance of the specified delivery date. However, in such circumstances we may be required to buy and store the product sooner and in greater quantities than if produced, thereby reducing the liquidity benefits otherwise associated with the FPP. It also may not be feasible to purchase sufficient quantities of fertilizer in advance of the specified delivery dates at known, acceptable prices. An increase in our purchases of fertilizer products for resale to our customers may increase our exposure to fluctuating profit margins on the purchased products and could have a material adverse affect on our operating results, liquidity and financial condition.

We also sell phosphate products through our FPP. In 2009, forward sales of phosphate fertilizer products represented approximately 14% of our phosphate fertilizer volume compared to 61% of our phosphate fertilizer volume in 2008. Similar to nitrogen sales, phosphate sales under the FPP increased significantly in both 2007 and the first half of 2008 during a period of rapidly rising fertilizer prices. However, FPP sales decreased in 2009 when prices declined from their high in late 2008. Unlike our nitrogen fertilizer products where we have the opportunity to fix the cost of natural gas, we typically are unable to fix the cost of phosphate raw materials, such as sulfur and ammonia, which are among the largest components of our phosphate fertilizer costs. As a result, we are typically exposed to margin risk on phosphate products sold on a forward basis.

***Our business is subject to risks involving derivatives, including the risk that our hedging activities might not prevent losses.***

We manage commodity price risk for our businesses as a whole. Although we implemented risk measurement systems that use various methodologies to quantify the risk, these systems might not always be followed or might not always work as planned. Further, such risk measurement systems do not in themselves manage risk, and adverse changes involving volatility, adverse correlation of commodity prices and the liquidity of markets might still adversely affect earnings and cash flows, as well as the balance sheet under applicable accounting rules, even if risks have been identified. Our ability to manage exposure to

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commodity price risk in the purchase of natural gas through the use of financial derivatives may be affected by limitations imposed by the covenants in the agreements governing our indebtedness.

In order to manage financial exposure to commodity price and market fluctuations, we utilize natural gas derivatives to hedge our exposure to the price volatility of natural gas, the principal raw material used in the production of nitrogen based fertilizers. In these hedging activities, we have used fixed-price, forward, physical purchase and sales contracts (including forward contracts under the FPP), futures, financial swaps and option contracts traded in the over-the-counter, or OTC, markets or on exchanges. Nevertheless, no single hedging arrangement can adequately address all risks present in a given contract or industry. Therefore, unhedged risks will always continue to exist.

In addition, our hedging activities may themselves give rise to various risks that could adversely affect us. For example, we are exposed to counterparty credit risk when our derivatives are in a net asset position. The counterparties to our natural gas derivatives are either large oil and gas companies or large financial institutions. The credit and economic crisis that started in 2008 impacted a number of financial institutions, some of which participate as counterparties to our natural gas swaps. We monitor the swap portfolio and credit quality of our counterparties and adjust the level of activity we conduct with any one counterparty as necessary. We also manage the credit risk through the use of multiple counterparties, established credit limits, cash collateral requirements and master netting arrangements. However, our liquidity could be negatively impacted by a counterparty default on derivative settlements.

Federal legislation is also under consideration that could add substantial regulation to derivatives markets, with emphasis on OTC derivatives, which could adversely affect our business. Some of the most stringent legislation proposed would require most market participants to utilize a formal exchange for these transactions. Utilizing a formal exchange requires gains or losses on derivatives to be settled daily with the exchange. Transacting derivatives over-the-counter rather than through an exchange enables us to take advantage of favorable credit lines provided by our counterparties. Through these credit lines, we are not required to post collateral on our derivatives unless their value surpasses an established threshold. As of March 31, 2010, on a pro forma basis giving effect to the Terra acquisition, the combined credit lines extended to us by our counterparties with which we have open derivative contracts were approximately \$160 million. If we were forced to utilize an exchange, the cost of utilizing derivatives could increase, which would adversely affect our cost of operations and could negatively impact our liquidity.

***Our operations are reliant on a limited number of key facilities that involve significant risks and hazards against which we may not be fully insured.***

Our operations are subject to hazards inherent in the manufacturing, transportation, storage and distribution of chemical fertilizers, including ammonia, which is highly toxic and corrosive. These hazards include: explosions; fires; severe weather and natural disasters; train derailments, collisions, vessel groundings and other transportation and maritime incidents; leaks and ruptures involving storage tanks, pipelines and rail cars; spills, discharges and releases of toxic or hazardous substances or gases; deliberate sabotage and terrorist incidents; mechanical failures; unscheduled downtime; labor difficulties and other risks. Some of these hazards can cause bodily injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and they may result in suspension of operations and the imposition of civil or criminal penalties and liabilities. For example:

an explosion in 1994 at the Port Neal, Iowa facility required Terra to rebuild nearly the entire facility;

over the course of the past few years, we have been involved in numerous property damage and personal injury lawsuits arising out of a hydrogen explosion at the CF Industries Donaldsonville facility in 2000, in which three people died and several others were injured;

the Point Lisas facility experienced four weeks of unplanned outages during the 2006 third quarter to accommodate repairs to failing heat exchangers, and, because the repairs were only partly

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successful, thereafter operated at only about 80% of capacity until replacement exchangers were installed by Terra in early 2007; and

a fire in early 2008 at the Medicine Hat, Alberta facility required us to shut down the facility for approximately one month and, as a result, Viterra Inc., our partner in CFL, initiated a lawsuit against us seeking damages alleging that it was forced to acquire fertilizer in the open market to fulfill its commitments at prices greater than it would have paid to CFL.

The potential impact on us of these types of events is increased because of our reliance on a limited number of key facilities. Our nitrogen fertilizer operations are dependent on the CF Industries Donaldsonville facility, the CFL joint venture's nitrogen fertilizer complex in Medicine Hat, Alberta and the Terra production facilities. Our phosphate fertilizer operations are dependent on our phosphate mine and associated beneficiation plant in Hardee County, Florida; our phosphate fertilizer complex in Plant City, Florida; and our ammonia terminal in Tampa, Florida. The suspension of operations at any of these key facilities could adversely affect our ability to produce our products and fulfill our commitments under our FPP, and could have a material adverse effect on our business. In addition, a number of our key facilities, including the CF Industries Donaldsonville facility, the Terra Donaldsonville facility and all of our phosphate operations, are located in regions of the United States that experience a relatively high level of hurricane activity. Such storms, depending on their severity and location, have the potential not only to damage our facilities and disrupt our operations but also to adversely affect the shipping and distribution of our products and the supply and price of natural gas and sulfur in the Gulf of Mexico region.

We maintain property, business interruption and casualty insurance policies, but we are not fully insured against all potential hazards and risks incident to our business. If we were to incur significant liability for which we were not fully insured, it could have a material adverse effect on our business, results of operations and financial condition. We are subject to various self-retentions and deductibles under these insurance policies. As a result of market conditions, our premiums, self-retentions and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage.

***We rely on third party providers of transportation services and equipment, which subjects us to risks and uncertainties beyond our control that may adversely affect our operations.***

We rely on railroad, trucking, pipeline, river barge and ocean vessel companies to transport raw materials to our manufacturing facilities, to deliver finished products to our distribution system and to ship finished products to our customers. We also lease rail cars from rail car owners in order to ship raw materials and finished products. These transportation operations, equipment and services are subject to various hazards, including extreme weather conditions, work stoppages, delays, accidents such as spills and derailments and other accidents and other operating hazards.

These transportation operations, equipment and services are also subject to environmental, safety, and regulatory oversight. Due to concerns related to accidents, terrorism or the potential use of fertilizers as explosives, local, state and federal governments could implement new regulations affecting the transportation of our raw materials or finished products.

If we are delayed or are unable to ship our finished products or obtain raw materials as a result of these transportation companies' failure to operate properly, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, our sales revenues and/or cost of operations could be adversely affected. In addition, increases in our transportation costs, or changes in such costs relative to transportation costs incurred by our competitors, could have an adverse effect on our revenues and results of operations.

The railroad industry has initiated various efforts to limit the railroads' potential liability stemming from the transportation of Toxic Inhalation Hazard, or TIH, materials, such as the anhydrous ammonia we

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transport to and from our manufacturing and distribution facilities. These efforts by the railroads include (i) requesting that the Surface Transportation Board, or STB, issue a policy statement finding that it is reasonable for a railroad to require a shipper to indemnify the railroads and carry insurance for all liability above a certain amount arising from the transportation of TIH materials; (ii) requesting that the STB approve an increase in the maximum reasonable rates that a railroad can charge for the transportation of TIH materials; and (iii) lobbying for new legislation or regulations that would limit or eliminate the railroads' common carrier obligation to transport TIH materials. If the railroads were to succeed in one or more of these initiatives, it could materially and adversely affect our operating expenses and potentially our ability to transport anhydrous ammonia and increase our liability for releases of our anhydrous ammonia while in the care, custody and control of the railroads.

New regulations could also be implemented affecting the equipment used to ship our raw materials or finished products. The U.S. railroad industry is also proposing higher ammonia tank car performance standards which could require the modification or replacement of our leased tank car fleet. These higher standards could adversely impact our cost of operations and our ability to obtain an adequate supply of rail cars to support our operations.

***We are exposed to risks associated with our joint ventures.***

We participate in joint ventures with third parties, including CFL (which owns our facility in Medicine Hat, Alberta), Point Lisas (which owns our facility in Trinidad), GrowHow (which owns our facilities in Billingham and Ince, United Kingdom) and Keytrade. Our joint venture partners may have shared or majority control over the operations of our joint ventures. As a result, our investments in joint ventures involve risks that are different from the risks involved in owning facilities and operations independently. These risks include the possibility that our joint ventures or our partners: have economic or business interests or goals that are or become inconsistent with our business interests or goals; are in a position to take action contrary to our instructions, requests, policies or objectives; subject the joint venture to liabilities exceeding those contemplated; take actions that reduce our return on investment; or take actions that harm our reputation or restrict our ability to run our business.

In addition, we may become involved in disputes with our joint venture partners, which could lead to impasses or situations that could harm the joint venture, which could reduce our revenues or increase our costs.

***Expansion of our business may result in unanticipated adverse consequences.***

We routinely consider possible expansions of our business, both domestically and in foreign locations. Major investments in our business, including as a result of acquisitions, partnerships, joint ventures or other major investments require significant managerial resources, which may be diverted from our other activities and may impair the operation of our businesses. The risks of any expansion of our business through investments, acquisitions, partnerships or joint ventures are increased due to the significant capital and other resources that we may have to commit to any such expansion, which may not be recoverable if the expansion initiative to which they were devoted is ultimately not implemented. As a result of these and other factors, including general economic risk, we may not be able to realize our projected returns from any future acquisitions, partnerships, joint ventures or other investments.

***We are subject to numerous environmental and health and safety laws and regulations, as well as potential environmental liabilities, which may require us to make substantial expenditures.***

We are subject to numerous environmental and health and safety laws and regulations in the United States, Canada, the United Kingdom and Trinidad, including laws and regulations relating to land reclamation; the generation, treatment, storage, disposal and handling of hazardous substances and wastes; and the cleanup of hazardous substance releases. In the United States, these laws include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, or RCRA, the Comprehensive

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Environmental Response, Compensation and Liability Act, or CERCLA, the Toxic Substances Control Act and various other federal, state, provincial, local and international statutes.

As a fertilizer company working with chemicals and other hazardous substances, our business is inherently subject to spills, discharges or other releases of hazardous substances into the environment. Certain environmental laws, including CERCLA, impose joint and several liability, without regard to fault, for cleanup costs on persons who have disposed of or released hazardous substances into the environment. Given the nature of our business, we have incurred, are incurring currently, and are likely to incur periodically in the future, liabilities under CERCLA and other environmental cleanup laws at our current or former facilities, adjacent or nearby third-party facilities or offsite disposal locations. The costs associated with future cleanup activities that we may be required to conduct or finance may be material. Additionally, we may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment.

Violations of environmental and health and safety laws can result in substantial penalties, court orders to install pollution-control equipment, civil and criminal sanctions, permit revocations and facility shutdowns. Environmental and health and safety laws change rapidly and have tended to become more stringent over time. As a result, we have not always been and may not always be in compliance with all environmental and health and safety laws and regulations. Additionally, future environmental and health and safety laws and regulations or more vigorous enforcement of current laws and regulations, whether caused by violations of environmental and health and safety laws by us or other chemical fertilizer companies or otherwise, may require us to make substantial expenditures. Additionally, our costs to comply with, or any liabilities under, these laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

In October 2007, Terra received a request for information from the United States Environmental Protection Agency, or EPA, pursuant to Section 114 of the Clean Air Act with respect to its nitric acid plant at Port Neal, Iowa. Subsequently, Terra proposed to the EPA to resolve a number of potential Clean Air Act violations associated with historical modifications at all nine of its nitric acid plants. Terra and the EPA have been engaged in negotiations since May 2008 with respect to a proposed consent decree that, if finalized, will require Terra to achieve compliance with significantly lower nitrogen oxide emission standards. Terra has projected that compliance with these emission limits (which have been agreed to in principle by Terra and the EPA) will require new or upgraded selective catalytic reduction systems and continuous emission monitors, at an estimated cost of \$17 million over five years. Terra's capital budgets through 2012 include projected costs associated with the upgrades required by the anticipated consent decree. Terra and the EPA are continuing to negotiate the final terms of the consent decree to resolve this matter.

We have liability as a "potentially responsible party" at certain sites under certain environmental remediation laws, and have also been subject to related claims by private parties alleging property damage and possible personal injury arising from contamination relating to active as well as discontinued operations. We may be subject to additional liability or additional claims in the future. Some of these matters may require significant expenditures for investigation and/or cleanup or other costs.

From time to time, our production of anhydrous ammonia has resulted in accidental releases that have temporarily disrupted our manufacturing operations and resulted in liability for administrative penalties and claims for personal injury. Although, to date, our costs to resolve these liabilities have not been material, we could incur significant costs if our liability coverage is not sufficient to pay for all or a large part of any judgments against us, or if our carrier refuses coverage for these losses.

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***Our operations are dependent on numerous required permits, approvals and financial assurance requirements from governmental authorities.***

We hold numerous environmental, mining and other governmental permits and approvals authorizing operations at each of our facilities. Expansion of our operations is also predicated upon securing the necessary environmental or other permits or approvals. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility and on our business, financial condition and results of operations.

In certain cases, as a condition to procure such permits and approvals or as a condition to maintain existing approvals, we may be required to comply with regulatory financial assurance requirements. The purpose of these requirements is to assure local, state or federal government agencies that we will have sufficient funds available for the ultimate closure, post-closure care and/or reclamation at our facilities. For example, in 2006, we established an escrow account for the benefit of the Florida Department of Environmental Protection as a means of complying with Florida's regulations governing financial assurance related to closure and post-closure of phosphogypsum stacks.

We may be subject to additional financial assurance requirements in connection with an enforcement initiative concerning compliance with RCRA at our Plant City, Florida phosphate fertilizer complex. A final settlement may require us to meet specified financial tests and/or contribute cash or other qualifying assets into a trust designated to be used for closure, long-term maintenance, and monitoring costs for our phosphogypsum stacks, as well as any costs incurred to manage the water contained in the stack systems upon closure. We are currently in negotiations with the United States Department of Justice and the EPA on this aspect as well as other aspects of the enforcement initiative.

Florida regulations also mandate payment of certain mining taxes based on the quantity of ore mined and are subject to change based on local regulatory approvals. Additional financial assurance requirements or other increases in local mining regulations and taxes could have a material adverse effect on our business, financial condition and results of operations.

Florida regulations also require mining companies to demonstrate financial responsibility for wetland and other surface water mitigation measures in advance of any mining activities. If and when we are able to expand our Hardee mining activities to areas not currently permitted, we will be required to demonstrate financial responsibility for wetland and other surface water mitigation measures in advance of any mining activities. The demonstration of financial responsibility may be provided by passage of financial tests. In the event that we are unable to satisfy these financial tests, alternative methods of complying with the financial assurance requirements would require us to expend funds for the purchase of bonds, letters of credit, insurance policies or similar instruments. It is possible that we will not be able to comply with either current or new financial assurance regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2009, the area permitted by local, state and federal authorities for mining at our Hardee phosphate complex had approximately 46 million tons of recoverable phosphate rock reserves, which will meet our requirements, at current operating rates, for approximately 13 years. We have initiated the process of applying for authorization and permits to expand the geographical area in which we can mine at our Hardee property. The expanded geographical area has an estimated 34 million tons of recoverable phosphate reserves, which will allow us to conduct mining operations at our Hardee property for approximately 10 additional years at current operating rates, assuming we secure the authorization and permits to mine in this area. In Florida, local community participation has become an important factor in the authorization and permitting process for mining companies. A denial of the authorizations or permits to continue and/or expand our mining operations at our Hardee property would prevent us from mining all of our reserves and have a material adverse effect on our business, financial condition and results of operations.

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Likewise, our phosphogypsum stack system at Plant City has sufficient capacity to meet our requirements through 2014 at current operating rates and is subject to regular renewals of our operating permits. We have secured the local development authorization to increase the capacity of this stack system. Based on this authorization, estimated stack system capacity is expected to meet our requirements until 2040 at current operating rates and is subject to securing the corresponding operating permits. This time frame is approximately eight years beyond our current estimate of available phosphate rock reserves at our Hardee mine. A decision by the state or federal authorities to deny a renewal of our current permits or to deny operating permits for the expansion of our stack system could have a material adverse effect on our business, financial condition and results of operations.

***Future regulatory restrictions on greenhouse gas emissions or other environmental discharges in the jurisdictions in which we operate could materially adversely affect our operating results.***

There have been increased initiatives by various parties to legislate and/or regulate carbon emissions, including carbon dioxide. Our nitrogen operations produce substantial quantities of carbon dioxide in the chemical reactions that are necessary to produce anhydrous ammonia.

Pursuant to the Kyoto Protocol, Canada and the United Kingdom have committed to reducing greenhouse gas, or GHG, emissions, and the United Kingdom has adopted GHG-related additional measures to, among other things, implement the European Union Greenhouse Gas Emission Trading System. Terra's U.K. manufacturing plants are required to report GHG emissions annually to the United Kingdom Environment Agency pursuant to their site Environmental Permits and Climate Change Agreement, which specify energy efficiency targets. Failure to meet efficiency targets may require purchase of CO<sub>2</sub> emissions allowances. The steam boilers at each of Terra's U.K. sites are also subject to the European Union Emissions Trading Scheme. In Canada, Terra is required to conduct an annual review of its operations with respect to compliance with Environment Canada's National Pollutant Release Inventory and Ontario's Mandatory Monitoring and Reporting Regulation and the GHG Reporting Regulation. Presently there are no specific GHG emissions reduction targets that have been set by the federal or provincial governments. Ontario has also joined the Western Climate Initiative, comprised of several states in the Western U.S. and several Canadian provinces, which intends to establish a cap and trade regime for the trading of GHG credits within the regional area (ostensibly commencing in 2012).

In the United States, it is possible that GHG emissions will be limited through federal legislation and/or regulatory action. In June 2009, the American Clean Energy and Security Act was passed by the U.S. House of Representatives. This legislation would establish an economy-wide cap and trade system for carbon emissions commencing in 2012. Emitters of GHGs would be required to have allowances to offset their GHG emissions and, over time, the cap on aggregate GHG emissions would decline. Similar legislation was introduced in the U.S. Senate in September 2009. The fertilizer industry likely would be affected by such a cap and trade system due to anticipated increases in the cost of natural gas fuel and feedstock resulting from its implementation and due to the cost of emission allowances. In addition, cap and trade proposals would likely increase the cost of electricity we use. At this time, we cannot predict whether legislation imposing limits on GHG emissions in the United States will be enacted.

The Greenhouse Gas Mandatory Reporting Rule promulgated by the EPA requires our facilities in Donaldsonville, Louisiana and Plant City, Florida, as well as all of Terra's former facilities, to monitor emissions beginning on January 1, 2010 and begin reporting on the previous year's emissions annually starting in 2011. In addition to the GHG reporting rule, which directly affects our facilities, the EPA has issued or proposed other regulations which could eventually impact us, including potentially applying the Clean Air Act to regulate GHGs.

The state of Iowa requires major air emissions sources to report GHG emissions as part of annual air emissions inventory reports. Terra's Port Neal, Iowa plant is subject to this obligation. None of the other state governments in Florida, Louisiana, Mississippi or Oklahoma, where our U.S. production facilities are

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located, has proposed regulations on GHG emissions. However, coalitions of states in the Northeast, Midwest (including Iowa) and West (as noted above) are working together to develop regional GHG emission reduction programs and several states (the most noteworthy of which is California) are developing regulatory programs on their own.

Federal and/or state regulation of GHGs may require us to make changes in our operating activities that would increase our operating costs, reduce our efficiency, limit our output, require us to make capital improvements to our facilities, increase our costs for or limit the availability of energy, raw materials or transportation, or otherwise materially adversely affect our operating results. In addition, to the extent climate change restrictions imposed in countries where our competitors operate are less stringent than in the United States or Canada, our competitors could gain cost or other competitive advantages over us.

On August 18, 2009, the EPA entered into a consent decree with environmental groups with respect to the promulgation of numeric criteria for nitrogen and phosphorous in surface waters in Florida. The consent decree was approved by a federal district court judge on November 16, 2009. Pursuant to the consent decree, on January 26, 2010, the EPA proposed numeric criteria (to replace narrative standards) for nitrogen and phosphorous in lakes and inland flowing waters. The EPA intends to adopt numeric water quality standards for these waters by October 2010. Pursuant to the consent decree, the EPA is also required to propose and adopt numeric criteria for nitrogen and phosphorous in coastal and estuarine water bodies in 2011. The proposed numeric water quality criteria are substantially lower than water quality criteria developed on a case-by-case basis. In addition, on September 30, 2009, the EPA proposed a Total Maximum Daily Load, or TMDL, for certain bodies of water within the Charlotte Harbor and Peace River watersheds. The proposed TMDL specifies a zero nutrient load from all National Pollutant Discharge Elimination System, or NPDES, dischargers within these watersheds, including our NPDES discharge associated with our mining operation in Hardee County.

The outcome of these regulatory initiatives could result in more stringent waste water discharge limits for our mining, manufacturing and distribution operations in Florida. The specific limits imposed on wastewater discharges from our facilities will depend on the criteria that are adopted and the development of specific permit conditions that are consistent with these criteria. More stringent limits could increase our costs and/or limit our operations and, therefore, could have a material adverse affect on our business, financial condition and results of operations.

***Acts of terrorism and regulations to combat terrorism could negatively affect our business.***

Like other companies with major industrial facilities, our plants and ancillary facilities may be targets of terrorist activities. Many of these plants and facilities store significant quantities of ammonia and other items that can be dangerous if mishandled. Any damage to infrastructure facilities, such as electric generation, transmission and distribution facilities, or injury to employees, who could be direct targets or indirect casualties of an act of terrorism, may affect our operations. Any disruption of our ability to produce or distribute our products could result in a significant decrease in revenues and significant additional costs to replace, repair or insure our assets, which could have a material adverse impact on our financial condition and results of operations. In addition, due to concerns related to terrorism or the potential use of certain fertilizers as explosives, local, state, federal and foreign governments could implement new regulations impacting the security of our plants, terminals and warehouses or the transportation and use of fertilizers. These regulations could result in higher operating costs or limitations on the sale of our products and could result in significant unanticipated costs, lower revenues and/or reduced profit margins. We manufacture and sell AN in the United States and, through our GrowHow joint venture, in the United Kingdom. AN can be used as an explosive and was used in the Oklahoma City bombing in April 1995. It is possible that the U.S. or U.K. governments could impose limitations on the use, sale or distribution of AN, thereby limiting our ability to manufacture or sell that product.



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***Our operations are dependent upon raw materials provided by third parties and an increase in the price or any delay or interruption in the delivery of these raw materials may adversely affect our business.***

We use natural gas, ammonia and sulfur as raw materials in the manufacture of fertilizers. We purchase these raw materials from third-party suppliers. Prices for these raw materials can fluctuate significantly due to changes in supply and demand. We may not be able to pass along to our customers increases in the costs of raw materials, which could have a material adverse effect on our business. These products are transported by barge, truck, rail or pipeline to our facilities by third-party transportation providers or through the use of facilities owned by third parties. Any delays or interruptions in the delivery of these key raw materials, including those caused by capacity constraints; explosions; fires; severe weather and natural disasters; train derailments, collisions, vessel groundings and other transportation and maritime incidents; leaks and ruptures involving pipelines; deliberate sabotage and terrorist incidents; mechanical failures; unscheduled downtime; or labor difficulties, could have a material adverse effect on our business.

***We are subject to risks associated with international operations.***

Our international business operations are subject to numerous risks and uncertainties, including difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations; unexpected changes in regulatory environments; currency fluctuations; tax rates that may exceed those in the United States; earnings that may be subject to withholding requirements; and the imposition of tariffs, exchange controls or other restrictions. During 2009, we derived approximately 15% of our net sales on a pro forma basis giving effect to the Terra acquisition from outside of the United States. Our business operations include a 50% interest in an ammonia production joint venture in Trinidad and a 50% interest in a U.K. joint venture for the production of ammonia. We are also evaluating development of a new nitrogen fertilizer manufacturing facility in Peru.

***Our investments in securities are subject to risks that may result in losses.***

We invest in several types of securities, including notes and bonds issued by governmental entities or corporations and money market funds. Securities issued by governmental agencies include those issued directly by the U.S. government, those issued by state, local or other governmental entities, and those guaranteed by entities affiliated with governmental entities. Our investments are subject to fluctuations in both market value and yield based upon changes in market conditions, including interest rates, liquidity, general economic and credit market conditions and conditions specific to the issuers.

At December 31, 2009, we held investments of \$133.9 million in tax-exempt auction rate securities. These securities were issued by various state and local government entities and are all supported by student loans that were primarily issued under the Federal Family Loan Program. These auction rate securities have stated maturities that range up to 38 years, and the underlying securities are guaranteed by entities affiliated with governmental entities. In February 2008, the market for these securities began to show signs of illiquidity and auctions for several securities failed on their scheduled auction dates. As a result, we continue to hold investments in certain of these securities. These investments, for which auctions have failed, are no longer liquid, and we will not be able to access these funds until such time as an auction of these investments is successful or a buyer is found outside of the auction process.

Due to the risks of investments, we may not achieve expected returns or may realize losses on our investments which could have a material adverse effect on our business, results of operations, liquidity or financial condition.

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***Deterioration of global market and economic conditions could have a material adverse effect on our business, financial condition and results of operations.***

A continued slowdown of, or persistent weakness in, economic activity caused by the current recession could adversely affect our business in the following ways, among others: conditions in the current credit markets could impact the ability of our customers and their customers to obtain sufficient credit to support their operations; the failure of our customers to fulfill their purchase obligations could result in increases in bad debts and impact our working capital; the failure of certain key suppliers or derivative counterparties could increase our exposure to disruptions in supply or to financial losses; and the continuation of both the volatility of interest rates and negative market returns could result in increased expense and greater contributions to our defined benefit plans. We have experienced declining demand and falling prices for some of our products due to the general economic slowdown and our customers' reluctance to replenish inventories. Industrial demand for ammonia, for example, has remained relatively weak as the economy has struggled to recover. The overall impact of the global economic downturn on us is difficult to predict, and our business could be materially adversely impacted.

**Risks Related to the Terra Acquisition, Related Financing Transactions and Our Indebtedness**

***Our substantial indebtedness, and covenant restrictions under our indebtedness, could adversely affect our operations and liquidity.***

We historically operated with very limited indebtedness, but incurred substantial indebtedness to finance the Terra acquisition. Our increased indebtedness could have important consequences for our business and to holders of CF Holdings common stock in adversely affecting our operations and liquidity, and we may not be able to reduce our financial leverage when we choose to do so. Our substantial indebtedness could, among other things:

make it more difficult for us to pay or refinance our debts as they become due during adverse economic and industry conditions, because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled debt payments;

cause us to use a portion of our cash flow from operations for debt service, reducing the availability of cash to fund working capital and capital expenditures, research and development and other business activities;

cause us to be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions;

cause us to be more vulnerable to general adverse economic and industry conditions;

cause us to be disadvantaged compared to competitors with less leverage;

result in a downgrade in our credit rating or that of our indebtedness which could increase the cost of further borrowings; and

limit our ability to borrow additional monies in the future to fund working capital, capital expenditures and other general corporate purposes.

The terms of our indebtedness include covenants restricting our ability to finance our future operations and capital needs and to engage in other business activities, including, among other things, making investments and conducting asset dispositions.

***If we are unable to comply with restrictions in the credit facilities, or debt incurred in replacement thereof, including the senior notes, the indebtedness thereunder could be accelerated.***

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The agreements governing the credit facilities, and agreements governing debt we may incur in replacement thereof, including the senior notes, impose or will impose restrictions on us and require

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certain payments of principal and interest over time. A failure to comply with these restrictions or to make these payments could lead to an event of default that could result in an acceleration of the related indebtedness. We cannot make any assurances that our future operating results will be sufficient to ensure compliance with the covenants in our agreements or to remedy any such default. In the event of an acceleration of this indebtedness, we may not have or be able to obtain sufficient funds to make any accelerated payments.

***We may be unable to refinance our debt upon a change of control.***

In the event that we experience an event constituting a change of control, we may need to refinance large amounts of debt. In particular, a "change of control" (as defined for purposes of the credit facilities and the term loan facility) would constitute an event of default under the credit facilities. We may not be able to replace the credit facilities on terms equal to or more favorable than the current terms if the commitments are terminated and the loans are repaid under the credit facilities upon an event of default. We expect that the indenture governing the senior notes would require that, if a change of control (as defined for purposes of the indenture) occurs, we offer to buy back the senior notes for a price equal to 101% of the debt securities' principal amount plus any interest that has accrued and remains unpaid as of the repurchase date. There can be no assurance that there would be sufficient funds available for any repurchases that could be required by a change of control.

***The historical and unaudited pro forma financial information included elsewhere in this prospectus supplement may not be representative of our results as a combined company after the Terra acquisition, and accordingly, you have limited financial information on which to evaluate the combined company and your investment decision.***

We and Terra operated as separate companies prior to the Terra acquisition. We have had no prior history as a combined company and our operations have not previously been managed on a combined basis. The pro forma financial information included elsewhere in this prospectus supplement, which was prepared in accordance with Article 11 of the SEC's Regulation S-X, is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have actually occurred had the Terra acquisition been completed at or as of the dates indicated, nor is it indicative of the future operating results or financial position of the combined company. The pro forma financial information does not reflect future nonrecurring charges resulting from the Terra acquisition. The unaudited pro forma condensed combined consolidated statement of operations does not reflect future events that may occur after the Terra acquisition, including the potential realization of operating cost savings (synergies) or restructuring activities or other costs related to the planned integration of Terra, and do not consider potential impacts of current market conditions on revenues, expense efficiencies or asset dispositions. The pro forma financial information presented in this prospectus supplement is based in part on certain assumptions regarding the Terra acquisition that we believe are reasonable under the circumstances. We cannot assure you that our assumptions will prove to be accurate over time.

***Following the Terra acquisition, we will depend on our senior management team and other key employees to successfully integrate our businesses, and the loss of any of these employees could adversely affect the combined company's business.***

The success of our company following the Terra acquisition will depend in part upon our ability to retain senior management and other key employees of both CF Industries and Terra. Competition for qualified personnel can be very intense. In addition, senior management and key employees may depart because of issues relating to the uncertainty or difficulty associated with the integration of the businesses of CF Industries and Terra or a desire not to remain with us. Accordingly, we cannot provide any assurance that we will be able to retain senior management and key employees to the same extent as we and Terra have been able to do so in the past.

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*Litigation is currently pending relating to the Terra acquisition.*

Terra Industries Inc. and certain of its current and former directors are also subject to pending litigation relating to the Terra acquisition. Recently, the plaintiffs in one of these actions filed their consolidated putative class action complaint, as well as a motion for partial summary judgment as to liability. The consolidated complaint generally alleges that the director defendants breached their fiduciary duties by, among other things, approving Terra Industries Inc.'s prior agreement to be acquired by Yara without engaging in an adequate process to determine that such agreement was the best available transaction. The complaint seeks monetary damages based on the \$123 million Yara termination fee. Terra Industries Inc. has an obligation to indemnify and advance expenses to the director defendants in connection with these matters to the fullest extent permitted by law.

**Risks Related to this Offering and Ownership of CF Holdings Common Stock**

*The price of CF Holdings common stock may be volatile and subject to wide fluctuations.*

The trading price of CF Holdings common stock has historically fluctuated significantly. The price of CF Holdings common stock could be subject to wide fluctuations in the future in response to many events or factors, including those discussed in the risk factors below, as well as:

actual or anticipated fluctuations in operating results;

changes in market prices for nitrogen and phosphate based fertilizers or for the raw materials used to produce such fertilizers, such as natural gas;

changes in expectations as to future financial performance or buy/sell recommendations of securities analysts;

our inability to raise additional capital;

acquisitions, strategic alliances or joint ventures involving us or our competitors;

actions of CF Holdings' current stockholders, including sales of common stock by directors and executive officers of CF Holdings;

the arrival or departure of key personnel;

our, or a competitor's, announcement of new products, services or innovations;

actual or expected changes in our growth rates or our competitors' growth rates; and

the operating and stock price performance of other comparable companies.

General market conditions and domestic or international macroeconomic factors unrelated to our performance may also affect the price of CF Holdings common stock. For these reasons, investors should not rely on recent trends to predict future prices of CF Holdings common stock or financial results.

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*Resales of shares of CF Holdings common stock following the transactions and future issuances of equity or equity-linked securities by CF Holdings may cause the market price of shares of CF Holdings common stock to fall.*

As of April 15, 2010, CF Holdings had 58.1 million shares of common stock outstanding, which includes 9.5 million shares issued in connection with the Terra acquisition. The issuance of those new shares, the common stock offered hereby and the sale of additional shares that may become eligible for sale in the public market from time to time upon the exercise of stock options could have the effect of depressing the market price for shares of CF Holdings common stock.

We believe the current stockholders of CF Holdings include a number of arbitrage and investment firms that may quickly sell their shares of CF Holdings common stock in connection with the Terra acquisition and that the current stockholders of Terra Industries Inc. include a number of arbitrage and

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investment firms that may quickly sell the shares of CF Holdings common stock they receive in the offer or the second-step merger. In addition, because a number of former Terra Industries Inc. stockholders are also stockholders of CF Holdings, some may decide to sell rather than hold the additional shares of CF Holdings common stock they received pursuant to the Terra acquisition. Sales of shares of CF Holdings common stock by these arbitrage and investment firms and former stockholders of Terra Industries Inc. could be substantial and could have the effect of depressing the market price for shares of CF Holdings common stock.

***CF Holdings' issuance of preferred stock could adversely affect holders of common stock.***

CF Holdings' board of directors has the authority, without further action by CF Holdings' stockholders, to issue up to 50,000,000 shares of CF Holdings preferred stock in one or more series and to fix the terms of any such series of preferred stock that may be issued, including the designation of each series, the number of shares of each series, as well as the powers, preferences and rights and the qualifications, limitations or restrictions thereof, dividends rights and the dividend rate, if any, the rights and terms of conversion or exchange, if any, the voting rights, if any, the rights and terms of redemption (including sinking fund provisions), if any, and the redemption price, and the rights of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of CF Holdings' affairs. Any or all of these rights may be greater than the rights of CF Holdings common stock.

If CF Holdings issues preferred stock in the future that has preference over CF Holdings common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if CF Holdings issues preferred stock with voting rights that dilute the voting power of its common stock, the rights of holders of CF Holdings common stock or the price of the common stock could be adversely affected.

***Anti-takeover provisions in CF Holdings' certificate of incorporation and bylaws and Delaware law may make an acquisition of CF Holdings more difficult.***

Anti-takeover provisions in CF Holdings' certificate of incorporation and bylaws may make an acquisition of us more difficult, despite the possible benefit to our stockholders. For example, these provisions:

authorize CF Holdings' board of directors to issue preferred stock without further action by CF Holdings' stockholders; if issued, such preferred stock would increase the number of outstanding shares of CF Holdings' capital stock and could include terms that may deter an acquisition of us;

impose advance notice requirements for nominations to the board of directors or for proposals that can be acted on at stockholder meetings;

stagger the terms of CF Holdings' board of directors into three classes, with one class to be elected each year to serve for a three-year term;

limit the ability of stockholders to remove directors;

prohibit stockholders from filling vacancies on CF Holdings' board of directors;

deny stockholders the right to call a special meetings of stockholders and the ability to act at an annual or special meeting by written consent without a meeting;

grant CF Holdings' board of directors the authority to amend and repeal CF Holdings' bylaws without a stockholder vote in any manner not inconsistent with the laws of the State of Delaware and require the approval of the holders of at least two-thirds of the voting power of the issued and outstanding shares of CF Holdings' capital stock entitled to vote generally at an election of directors to amend or repeal CF Holdings' bylaws; and





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require the approval of the holders of at least two-thirds of the voting power of the issued and outstanding shares of CF Holdings' capital stock entitled to vote generally at an election of directors to amend any provision of CF Holdings' certificate of incorporation described in the third through seventh bullet points above or the supermajority provision described in this bullet point.

These provisions may discourage potential takeover attempts, discourage bids for CF Holdings common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, CF Holdings common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors other than the candidates nominated by CF Holdings' board of directors.

In addition, because CF Holdings is incorporated in Delaware, it is governed by the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit large stockholders from consummating a merger with, or acquisition of, us. These provisions may deter an acquisition of us that might otherwise be attractive to stockholders.

***CF Holdings' stockholder rights plan could prevent you from receiving a premium over the market price for your shares of CF Holdings common stock from a potential acquirer.***

CF Holdings has adopted a stockholder rights plan pursuant to which its stockholders are entitled to acquire shares of CF Holdings common stock at a price equal to 50% of the then current market value in limited circumstances when a third party acquires 15% or more of CF Holdings' outstanding common stock or announces its intent to commence a tender offer for at least 15% of CF Holdings' outstanding common stock, in each case in a transaction that CF Holdings' board of directors does not approve. Because, under these limited circumstances, all of CF Holdings' stockholders would become entitled to effect discounted purchases of its common stock, other than the person or group that caused the rights to become exercisable, the existence of these rights would significantly increase the cost of acquiring control of CF Holdings without the support of its board of directors. The existence of the rights plan could therefore deter potential acquirers and thereby reduce the likelihood that you will receive a premium for your CF Holdings common stock in an acquisition.

***CF Holdings may not be able to pay cash dividends on its common stock.***

The credit facilities limit, and any indentures and other financing agreements that we enter into in the future may limit, CF Holdings' ability to pay cash dividends on its capital stock, including its common stock. In the event that the credit facilities or any of our indentures or other financing agreements in the future restrict CF Holdings' ability to pay cash dividends on its common stock, CF Holdings will be unable to pay cash dividends on its common stock unless we can refinance amounts outstanding under those agreements.

Under Delaware law, cash dividends on capital stock may only be paid from "surplus" or, if there is no "surplus," from the corporation's net profits for the then current or the preceding fiscal year. Unless CF Holdings continues to operate profitably, its ability to pay cash dividends on its common stock would require the availability of adequate "surplus," which is defined as the excess, if any, of its net assets (total assets less total liabilities) over its capital. Further, even if adequate surplus is available to pay cash dividends on its common stock, CF Holdings may not have sufficient cash to pay dividends on its common stock.

***Our holding company structure may impact your ability to receive dividends.***

CF Holdings is a holding company with no material assets other than the capital stock of its subsidiaries. As a result, CF Holdings' ability to pay dividends is dependent on the generation of cash flow by its subsidiaries and their ability to make such cash available to CF Holdings, by dividend, debt repayment or otherwise. CF Holdings' subsidiaries do not have any obligation to make funds available to

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CF Holdings to pay dividends. In addition, CF Holdings' subsidiaries may not be able to, or be permitted to, make distributions to enable CF Holdings to pay dividends. Each of CF Holdings' subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions, as well as the financial condition and operating requirements of those subsidiaries, may limit CF Holdings' ability to obtain cash from its subsidiaries. CF Holdings' rights to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganization or insolvency would generally be subject to the prior claims of the subsidiaries' creditors, including any trade creditors and preferred shareholders.

***Dividend payments are subject to the discretion of CF Holdings' board of directors. Although CF Holdings currently pays quarterly dividends on its common stock, CF Holdings' board of directors may, at its discretion, discontinue the payment of dividends.***

There is no assurance as to the amount or payment of dividends in the future, because all future payments of dividends are at the discretion of CF Holdings' board of directors and will depend on many factors, including general economic and business conditions, our strategic plans, our financial results and condition, legal requirements and such other factors as CF Holdings' board of directors deems relevant.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and documents incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as oral statements we make from time to time, contain forward-looking statements that are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those in the forward-looking statements. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions and assumptions and other statements that are not historical facts. Forward-looking statements can generally be identified by their use of terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict" or "project" and similar terms and phrases, including references to assumptions. Forward-looking statements also may relate to our operations, financial results, financial condition, liquidity and business prospects and strategy and include statements about anticipated cost synergies and savings from the Terra acquisition.

Our forward-looking statements are made based on our expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Accordingly, you should not unduly rely on these forward-looking statements. Except as required by law, we undertake no obligation to update or revise any forward-looking statements.

Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including, among others, the factors described in the sections of this prospectus supplement entitled "Risk Factors" and "Overview of Financial Condition, Liquidity and Capital Resources," the risk factors and management's discussion and analysis of financial condition and results of operations contained in CF Holdings' SEC filings and the following:

our ability to promptly and effectively integrate the businesses of CF Industries and Terra and to achieve the cost savings and synergies we anticipate from the Terra acquisition within the expected time frame or at all;

the potential for disruption from the Terra acquisition to make it more difficult for us to maintain relationships with customers, employees or suppliers;

the volatile cost of natural gas in the areas where our production facilities are principally located;

the cyclical nature of our business and the agricultural sector;

the global commodity nature of our fertilizer products, the impact of global supply and demand on our selling prices, and the intense global competition in the consolidating markets in which we operate;

conditions in the U.S. agricultural industry;

weather conditions;

our inability to accurately predict seasonal demand for our products;

the concentration of our sales with certain large customers;

the impact of changing market conditions on our FPP;

risks involving derivatives and the effectiveness of our risk measurement and hedging activities;

the reliance of our operations on a limited number of key facilities and the significant risks and hazards against which we may not be fully insured;

reliance on third party transportation providers;

risks associated with joint ventures;

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risks associated with expansion of our business, including unanticipated adverse consequences and the significant resources that could be required;

potential liabilities and expenditures related to environmental and health and safety laws and regulations;

our potential inability to obtain or maintain required permits and governmental approvals or to meet financial assurance requirements;

future regulatory restrictions and requirements related to GHG emissions, climate change or other environmental requirements;

acts of terrorism and regulations to combat terrorism;

difficulties in securing the supply and delivery of raw materials we use and increases in their costs;

risks associated with international operations;

losses on our investments in securities;

deterioration of global market and economic conditions;

our substantial indebtedness and the limitations on our operations imposed by the terms of our indebtedness;

our ability to comply with the covenants under our indebtedness and to make payments under such indebtedness when due;

potential inability to refinance our indebtedness in connection with any change of control affecting us; and

loss of key members of management and professional staff.

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**USE OF PROCEEDS**

We estimate the net proceeds from the issuance and sale of the shares of common stock offered hereby, after deducting estimated offering expenses, will be approximately \$963 million (\$1.1 billion if the underwriters exercise their overallotment option in full). We intend to use the net proceeds from this offering to repay outstanding borrowings under the bridge facility. See "Capitalization" and note (d) in the notes to unaudited pro forma condensed combined consolidated financial statements under "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements" for certain information regarding potential effects of this offering and the senior notes offering.

Borrowings under the bridge facility were used to fund cash requirements for the transactions. See "Summary Terra Acquisition and Related Financing Transactions." Borrowings under the bridge facility, which mature on April 5, 2011 (and, to the extent still outstanding on such date, would automatically be converted into extended term loans maturing on April 5, 2017), currently bear interest at a weighted-average rate of 12.5% per annum, and borrowings under the term loan facility, which mature on April 5, 2015, currently bear interest at a weighted-average rate of 5.3% per annum. See "Description of Certain Indebtedness." Under the credit facilities, Morgan Stanley Senior Funding, Inc. and Morgan Stanley Bank, N.A., affiliates of Morgan Stanley & Co. Incorporated, are lenders, Morgan Stanley Senior Funding, Inc. is the administrative agent and collateral agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., an affiliate of Mitsubishi UFJ Securities (USA), Inc., is a lender.

We intend to use the net proceeds from the senior notes offering, if completed, to repay additional amounts outstanding under the bridge facility and, to the extent of any net proceeds in excess of the amount required to discharge the obligations under the bridge facility, to repay outstanding borrowings under the term loan facility. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering of CF Holdings common stock is not conditioned on the consummation of the senior notes offering.

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**CAPITALIZATION**

The following table shows our cash and cash equivalents and capitalization as of December 31, 2009:

on an actual basis;

on a pro forma basis giving effect to the transactions; and

on a pro forma as adjusted basis giving effect to the transactions, the offering of CF Holdings common stock to which this prospectus supplement relates and the application of the net proceeds from such offering of CF Holdings common stock (assuming no exercise of the underwriters' overallotment option) as described under "Use of Proceeds."

The senior notes offering is not reflected in the pro forma as adjusted column of the table; however, a discussion of the impact on the pro forma as adjusted column of the senior notes offering and the application of the net proceeds therefrom as described under "Use of Proceeds" appears below the following table.

The following table is unaudited and should be read in conjunction with "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements," "Selected Historical Consolidated Financial Data of CF Holdings," "Selected Historical Consolidated Financial Data of Terra," "Use of Proceeds," "Overview of Financial Condition, Liquidity and Capital Resources," "Description of Certain

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Indebtedness" and the financial statements and related notes of CF Industries and Terra, which are incorporated by reference in this prospectus supplement.

	As of December 31, 2009		
	Actual (in millions, except share and per share amounts)	Pro Forma	Pro Forma As Adjusted
Cash and cash equivalents	\$ 697.1	\$ 339.9	\$ 339.9
<b>Debt:</b>			
\$250 million credit facility <sup>(1)</sup>			
Term loan facility <sup>(2)</sup>		1,970.0	1,970.0
Bridge facility <sup>(2)</sup>		1,750.0	787.0
Revolving credit facility <sup>(3)</sup>			
Terra senior notes due 2017 <sup>(4)</sup>		12.5	12.5
Terra Nitrogen, Limited Partnership credit facility <sup>(5)</sup>			
Notes payable <sup>(6)</sup>	4.7	4.7	4.7
<b>Total debt</b>	<b>4.7</b>	<b>3,737.2</b>	<b>2,774.2</b>
<b>Stockholders' equity:</b>			
Preferred stock \$0.01 par value, 50,000,000 shares authorized			
Common stock \$0.01 par value, 500,000,000 shares authorized; 48,569,985 shares (actual), 58,130,000 shares (pro forma) and 69,365,956 shares (pro forma as adjusted) issued and outstanding	0.5	0.6	0.7
Paid-in capital	723.5	1,605.5	2,568.4
Retained earnings	1,048.1	688.9	674.4
Accumulated other comprehensive loss	(43.2)	(56.4)	(56.4)
<b>Total stockholders' equity</b>	<b>1,728.9</b>	<b>2,238.6</b>	<b>3,187.1</b>
Noncontrolling interest	16.0	382.0	382.0
<b>Total equity</b>	<b>1,744.9</b>	<b>2,620.6</b>	<b>3,569.1</b>
<b>Total capitalization</b>	<b>\$ 1,749.6</b>	<b>\$ 6,357.8</b>	<b>\$ 6,343.3</b>

(1) Our former \$250 million credit facility was terminated on April 5, 2010. There were no outstanding borrowings under this credit facility as of December 31, 2009. See Note 24 to our consolidated financial statements incorporated by reference into this prospectus supplement for additional information concerning this credit facility.

(2) For a description of the terms of the bridge facility and the term loan facility, see "Description of Certain Indebtedness Credit Facilities."

(3) The revolving credit facility initially provided for up to \$300 million of borrowings outstanding at any time. On April 15, 2010, we and the lead arrangers agreed to increase the amount available under the revolving credit facility to \$500 million. As of April 15, 2010, \$17.1 million of letters of credit were outstanding and \$482.9 million was available for borrowing under the revolving credit facility. See "Description of Certain Indebtedness Credit Facilities."

(4)



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On October 27, 2009, Terra completed a cash tender offer and consent solicitation for its outstanding 7% senior notes due 2017. Terra purchased approximately \$317.5 million aggregate principal amount of the Terra senior notes due 2017 in the tender offer. The approximately \$12.5 million aggregate principal amount of the Terra senior notes due 2017 that Terra did not purchase in the tender offer remain outstanding and are redeemable at our option.

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- (5) TNLP has a \$50 million revolving credit facility, referred to in this prospectus supplement as the TNLP facility, that expires in January 2012. The TNLP facility is currently subject to a waiver of an event of default that would have resulted from the consummation of the exchange offer. The waiver expires on July 1, 2010. Under the terms of the TNLP facility, TNLP may borrow an amount generally based on its eligible cash balances, 85% of its eligible accounts receivable and 60% of its eligible finished goods inventory, less outstanding letters of credit. See "Description of Certain Indebtedness TNLP Facility."
- (6) Refers to amounts owed by CFL to its noncontrolling interest holder with respect to advances. On December 31, 2009, CFL refinanced its existing notes payable and the new unsecured promissory notes are now due December 30, 2011. See "Overview of Financial Condition, Liquidity and Capital Resources."

Assuming the consummation of the senior notes offering in an aggregate principal amount of \$1.6 billion, we estimate that we will receive net proceeds from such offering in the amount of \$1.55 billion after deducting the underwriting discounts and commissions and estimated offering expenses. Giving effect to the senior notes offering and the application of these net proceeds as described under "Use of Proceeds" as of December 31, 2009 would result in bridge facility borrowings being reduced to zero as of such date, rather than the \$787 million shown in the foregoing table on a pro forma as adjusted basis, would result in borrowings under the term loan facility being reduced to approximately \$1.21 billion as of such date, rather than the \$1.97 billion shown in the foregoing table on a pro forma as adjusted basis, and would result in there being \$1.6 billion in senior notes outstanding as of such date. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering is not conditioned on the consummation of the senior notes offering.

Table of Contents**PRICE RANGE OF CF HOLDINGS COMMON STOCK**

CF Holdings common stock is listed on the NYSE under the symbol "CF." The following table sets forth, for the periods indicated, the range of high and low sales prices of CF Holdings common stock as reported on the NYSE.

<b>Fiscal Year Ended December 31, 2008</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 131.71	\$ 78.73
Second Quarter	172.99	97.35
Third Quarter	168.14	81.13
Fourth Quarter	93.63	37.71

<b>Fiscal Year Ended December 31, 2009</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 75.15	\$ 42.30
Second Quarter	84.61	64.84
Third Quarter	91.93	67.94
Fourth Quarter	95.13	76.95

<b>Fiscal Year Ended December 31, 2010</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 110.00	\$ 90.00
Second Quarter (through April 15, 2010)	93.00	87.15

As of April 9, 2010, there were 252 stockholders of record of CF Holdings common stock. The last reported sale price of CF Holdings common stock on the NYSE on April 15, 2010 was \$90.00 per share.

**DIVIDEND POLICY**

During 2008 and 2009 and for the first quarter of 2010, CF Holdings' board of directors declared, and we paid, quarterly cash dividends on CF Holdings common stock of \$0.10 per share. We expect to continue to pay quarterly cash dividends on CF Holdings common stock at an annual rate of \$0.40 per share. There is no assurance, however, as to the amount or payment of dividends in the future, because all future payments of dividends are at the discretion of CF Holdings' board of directors and will depend on many factors, including general economic and business conditions, our strategic plans, our financial results and condition, legal requirements and such other factors as CF Holdings' board of directors deems relevant. Our ability to pay dividends on CF Holdings common stock is limited under the terms of the credit facilities. See "Description of Certain Indebtedness." We may in the future become subject to debt instruments or other agreements that further limit our ability to pay dividends.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CF INDUSTRIES**

The following table sets forth the selected historical consolidated financial data of CF Industries. The selected historical consolidated financial data for CF Industries as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 has been derived from CF Industries' consolidated financial statements incorporated by reference in this prospectus supplement, and the selected historical consolidated financial data of CF Industries as of December 31, 2007, 2006 and 2005 and for the years ended December 31, 2006 and 2005 has been derived from CF Industries' consolidated financial statements not included or incorporated by reference in this prospectus supplement. The selected historical consolidated financial data of CF Industries reflects the retrospective adoption of the provisions of Accounting Standards Codification, or ASC, Topic 810 that pertain to the standard formerly known as Statement of Financial Accounting Standards, or SFAS, 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 Financial Accounting Standards Board, or FASB, Staff Position, or 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. Historical results are not indicative of the results that may be expected for any future period.

You should read the selected consolidated financial and operating data of CF Industries in conjunction with "Overview of Financial Condition, Liquidity and Capital Resources" and "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements," included elsewhere in this prospectus supplement, "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and incorporated by reference herein, and CF Industries' consolidated financial statements and

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accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

	Year ended December 31,				
	2009	2008	2007	2006	2005
(in millions, except ratios and per share amounts)					
<b>Statement of Operations Data:</b>					
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 <sup>(1)</sup>	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 <sup>(2)</sup>					(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

	Year ended December 31,				
	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Pro forma <sup>(4)</sup> 2005
(in millions, except per share amounts)					
<b>Share and Per Share Data:</b>					
Net earnings (loss) attributable to common stockholders: <sup>(3)</sup>					
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

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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, except per share amounts)				
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 697.1	\$ 625.0	\$ 366.5	\$ 25.4	\$ 37.4
Short-term investments <sup>(5)</sup>	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 <sup>(6)</sup>	\$ 35.65	\$ 24.15	\$ 21.31	\$ 13.95	\$ 13.74

	August 17, 2005 through December 31, 2005 (in millions, except per share amounts)
<b>Post-IPO Information Net Loss and Loss Per Share:</b>	
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 <sup>(3)</sup>	\$ (2.04)

- (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 our initial public offering, or IPO, 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

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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.

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

The following table sets forth the selected historical consolidated financial data of Terra. The selected historical consolidated financial data of Terra as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 have been derived from Terra's consolidated financial statements incorporated by reference in this prospectus supplement, and the selected historical consolidated financial data of Terra as of December 31, 2007, 2006 and 2005 and for the years ended December 31, 2006 and 2005 have been derived from Terra's consolidated financial statements not included or incorporated by reference in this prospectus supplement. Certain prior-year amounts have been reclassified to conform to the current-year presentation. The selected historical consolidated financial data of Terra reflects the retrospective adoption of consolidation guidance issued by the FASB related to noncontrolling interests in consolidated financial statements effective January 1, 2009. Historical results are not indicative of the results that may be expected for any future period.

You should read the selected consolidated financial and operating data of Terra in conjunction with "Overview of Financial Condition, Liquidity and Capital Resources" and "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements," included elsewhere in this prospectus supplement, "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of Terra's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 appearing on CF Holdings' Current Report on Form 8-K/A filed on April 12, 2010 and incorporated by reference herein, and Terra's consolidated financial statements and accompanying notes appearing on CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

	Year ended December 31,				
	2009 <sup>(2)</sup>	2008 <sup>(3)</sup>	2007 <sup>(4)</sup>	2006	2005 <sup>(5)</sup>
	(in millions, except per share amounts and ratios)				
<b>Statement of Operations Data:<sup>(1)</sup></b>					
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
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)				
<b>Share and Per Share Data:</b>					
Basic weighted average common shares outstanding	99.4	93.8	90.6	92.7	92.5
<b>Earnings per share basic</b>					
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
<b>Diluted weighted average common shares outstanding</b>					
	100.0	103.4	106.4	92.7	94.9
<b>Earnings per share diluted</b>					
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)				
<b>Other Financial Data:</b>					
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, except per share amounts)				
<b>Balance Sheet Data:</b>					
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 <sup>(6)</sup>	\$ 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 CF Industries' unsolicited acquisition offers.
- (3) The 2008 selected financial data includes (i) the effects of the 4.25% Cumulative Convertible Perpetual Series A Preferred Shares, or Series A Preferred Shares, inducement converting a total of 118,400 Series A Preferred Shares to 11,887,550 shares of Terra common stock; (ii) the effects of instituting a cash dividend per common share of \$0.10 per quarter starting in May 2008; and (iii) 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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**UNAUDITED PRO FORMA CONDENSED COMBINED  
CONSOLIDATED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed combined consolidated financial statements, or pro forma financial statements, have been derived from the historical consolidated financial statements of CF Industries and Terra, both of which are incorporated by reference into this prospectus supplement. For a summary of the transactions to which the pro forma financial statements relate, see "Summary Terra Acquisition and Related Financing Transactions." For purposes of the pro forma financial statements, the Terra acquisition is accounted for by applying the acquisition method under ASC, Topic 805 *Business Combinations*, as outlined in the accompanying notes to the pro forma financial statements.

The transactions reflected on the pro forma financial statements include (i) the exchange of each outstanding share of Terra Industries Inc. common stock for 0.0953 shares of CF Holdings common stock and \$37.15 in cash, (ii) the vesting of all of Terra Industries Inc.'s unvested restricted stock and the exchange of such restricted stock for CF Holdings common stock and cash, as described in (i) above, (iii) the vesting of all of Terra Industries Inc.'s unvested phantom units, performance shares and phantom performance shares, or Terra Industries Inc. stock-based awards, and the exchange of the Terra Industries Inc. stock-based awards for cash, and (iv) the conversion of Terra Industries Inc.'s 4.25% Series A cumulative convertible perpetual preferred shares, or Terra Industries Inc. preferred stock, into Terra Industries Inc. common stock and the exchange of this common stock for CF Holdings common stock and cash, as described in (i) above.

On October 27, 2009, Terra completed a cash tender offer and consent solicitation for its outstanding 7% senior notes due 2017. Terra purchased approximately \$317.5 million aggregate principal amount of the Terra senior notes due 2017 in the tender offer. The approximately \$12.5 million aggregate principal amount of the Terra senior notes due 2017 that Terra did not purchase in the tender offer remain outstanding and are redeemable at our option. Terra funded the purchase of Terra senior notes due 2017 in the tender offer with the proceeds from the offering of its 7.75% senior notes due 2019, which were redeemed in connection with the Terra acquisition.

The accompanying unaudited pro forma condensed combined consolidated balance sheet as of December 31, 2009, or pro forma balance sheet, is presented on a pro forma basis to give effect to transactions as if the transactions had occurred on December 31, 2009. The accompanying 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 transactions as if the transactions had occurred on January 1, 2009.

The unaudited pro forma adjustments are based on certain assumptions that we believe are reasonable, which are described in the accompanying notes to the pro forma financial statements. Pro forma adjustments have been included only to the extent appropriate information is known, factually supportable, and reasonably available to us.

We have not completed detailed valuation analyses necessary to determine the fair market values of the Terra assets acquired and liabilities assumed and accordingly the pro forma financial statements do not include an allocation of the purchase price. Further, we have not yet identified all of the adjustments which would result from conforming Terra's critical accounting policies to those of CF Industries or identified all other items, actions or events, including events that could occur upon a change in control of Terra, that could significantly change the purchase price, the purchase price allocation, or any of the assumptions that have been made in the preparation of the pro forma financial statements. As a result, we have characterized the amount by which the purchase price exceeds the reported book value of the assets acquired and liabilities assumed as excess purchase price, and have not allocated any amounts to reflect the fair market values of the assets acquired and liabilities assumed or considered any related income tax effects that could result from such allocation. In addition, we have not been able to ascertain the existence of additional liabilities that may need to be recorded on Terra's opening balance sheet, or additional

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depreciation or amortization that may result from increased values in the tangible and intangible assets acquired from Terra, which will need to be identified and recorded at estimated fair market values, and the related income tax effects, as applicable, in completing the allocation of the purchase price. It is expected that an increase in the recorded book value of property, plant and equipment and equity investments and/or the identification of certain finite-lived intangible assets will occur under the provisions of ASC Topic 805 upon the completion of the detailed valuation analyses. Accordingly, actual results will differ from those reflected in the pro forma financial statements once we have determined the final purchase price for Terra, completed the valuation analyses necessary to finalize the required purchase price allocations and identified any necessary conforming accounting changes or other acquisition-related adjustments. There can be no assurance that such finalization will not result in material changes to the pro forma financial statements.

The pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of CF Industries would have been had the Terra acquisition occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position. We expect the Terra acquisition to generate \$105-\$135 million in annual cost synergies by combining overlapping corporate functions, optimizing transportation and distribution systems, and through greater economies of scale in procurement and purchasing. However, the pro forma financial statements do not reflect any cost savings from operating efficiencies or synergies, or any expenditures related to restructuring actions to achieve cost savings. The effects of both cost savings and expenditures for restructuring could materially impact the pro forma financial statements.

For the year ended December 31, 2009, Terra incurred costs of \$18.0 million related to responding to CF Industries' prior exchange offer and proposals to acquire Terra, which are reflected in the Terra column in the pro forma statement of operations for the year ended December 31, 2009. CF Industries incurred net costs of \$41.5 million associated with its prior exchange offer and proposals to acquire Terra, and with evaluating and responding to the proposal of Agrium Inc., or Agrium, to acquire CF Industries, and CF Industries' recognized gains on the sale of Terra Industries Inc. common stock, which net costs and gains are reflected in the CF Industries column in the pro forma statement of operations for the year ended December 31, 2009. These transaction costs and CF Industries' gains on the sale of Terra Industries Inc. common stock have not been eliminated from the pro forma statement of operations for the year ended December 31, 2009.

The pro forma financial statements should be read in conjunction with the accompanying notes to the pro forma financial statements and CF Industries' historical consolidated historical financial statements and accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed on April 15, 2010 and incorporated by reference herein and Terra's historical consolidated historical financial statements and accompanying notes appearing in CF Holdings' Current Report on Form 8-K filed with the SEC on April 15, 2010 and incorporated by reference herein. See "Where You Can Find More Information."

## CF INDUSTRIES AND TERRA

## UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET

As of December 31, 2009

(amounts in millions)

	CF Holdings(a)	Terra(a)	Reclassifications(b)	Acquisition-Related and Other Adjustments(j)(k)	Pro forma
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 697.1	\$ 501.3		\$ (3,721.2)(c)	\$ 339.9
				(43.8)(c)	
				(123.0)(h)	
				3,597.0 (d)	
				167.1 (e)	
				185.0 (e)	
				(11.2)(j)	
				(763.4)(m)	
				(145.0)(h)	
Short-term investments	185.0			(185.0)(e)	
Accounts receivable	167.4	100.2			267.6
Inventories	207.8	137.1			344.9
Prepaid income taxes	14.7			60.7 (l)	75.4
Other	11.1	87.7			98.8
Total current assets	1,283.1	826.3		(982.8)	1,126.6
Property, plant and equipment net	793.8	456.7	\$ 25.0		1,275.5
Deferred plant turnaround costs net		25.0	(25.0)		
Goodwill	0.9				0.9
Excess purchase price				4,540.0 (c)	4,540.0
Asset retirement obligation escrow account	36.5				36.5
Investments in and advances to unconsolidated affiliates	45.6	258.8			304.4
Investments in auction rate securities	133.9				133.9
Investment in marketable equity securities	160.2			(160.2)(e)	
Other assets	40.9	32.9		123.0 (d)	192.9
				(1.1)(d)	
				(14.0)(m)	
				11.2 (j)	
Total assets	\$ 2,494.9	\$ 1,599.7	\$	\$ 3,516.1	\$ 7,610.7
<b>Liabilities and Equity</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 172.5	\$ 87.9	\$ 69.4	\$ (8.4)(m)	\$ 321.4
Income taxes payable			9.4	112.5 (c)	121.9
Customer advances	159.5	39.2			198.7
Deferred income taxes	52.6				52.6
Distributions payable to noncontrolling interest	92.1				92.1
Derivative hedge liabilities		0.3	0.9		1.2
Other	3.1	78.8	(79.7)		2.2
Total current liabilities	479.8	206.2		104.1	790.1

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Long term debt	602.4		3,720.0 (d)	3,732.5
			(589.9)(m)	
Notes payable	4.7			4.7
Deferred income taxes	68.3	76.8	(8.2)(e)	136.9
Pension liabilities		27.5	(27.5)	
Other noncurrent liabilities	197.2	101.2	27.5	325.9
Preferred stock		0.5	(0.5)(c)	
Equity:				
Stockholders' equity:				
Common stock	0.5	152.8	0.1 (c)	0.6
			(152.8)(c)	
Additional paid-in capital	723.5	446.1	882.0 (c)	1,605.5
			(446.1)(c)	
Retained earnings	1,048.1	12.2	(12.2)(c)	688.9
			28.3 (e)	
			(1.1)(d)	
			(179.1)(m)	
			60.7 (l)	
			(145.0)(h)	
			(123.0)(h)	
Accumulated other comprehensive loss	(43.2)	(120.4)	(13.2)(e)	(56.4)
			120.4 (c)	
Total stockholders' equity	1,728.9	490.7	19.0	2,238.6
Noncontrolling interest	16.0	94.4	271.6 (c)	382.0
Total equity	1,744.9	585.1	290.6	2,620.6
Total liabilities and equity	\$ 2,494.9	\$ 1,599.7	\$ 3,516.1	\$ 7,610.7

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements, which are an integral part of these statements.

**CF INDUSTRIES AND TERRA**  
**UNAUDITED PRO FORMA CONDENSED COMBINED**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

**For the Year Ended December 31, 2009**

(amounts in millions, except per share data)

	CF Holdings(a)	Terra(a)	Acquisition-Related and Other Adjustments(j)(k)	Pro forma
Net sales	\$ 2,608.4	\$ 1,581.4	\$	\$ 4,189.8
Cost of sales	1,769.0	1,195.2		2,964.2
Gross margin	839.4	386.2		1,225.6
Selling, general and administrative	62.9	67.1		130.0
Equity in earnings of unconsolidated affiliates		(17.7)		(17.7)
Other operating net	96.7	18.0		114.7
Operating earnings	679.8	318.8		998.6
Interest expense	1.5	31.8	346.1 (d)	347.3
			(8.9)(m)	
			(23.2)(f)	
Interest income	(4.5)	(4.1)	5.8 (g)	(2.8)
Loss on early retirement of debt		53.5	(53.5)(f)	
Other non-operating net	(12.8)			(12.8)
Earnings before income taxes and equity in earnings of unconsolidated affiliates	695.6	237.6	(266.3)	666.9
Income tax provision	246.0	74.3	(106.4)(l)	213.9
Equity in earnings of unconsolidated affiliates net of taxes	(1.1)	14.2		13.1
Net earnings from continuing operations	448.5	177.5	(159.9)	466.1
Less: Net earnings attributable to the noncontrolling interest	82.9	26.0		108.9
Net earnings attributable to common stockholders	\$ 365.6	\$ 151.5	\$ (159.9)	\$ 357.2



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Net earnings per  
share attributable to  
common  
stockholders(n)

Basic	\$	7.54	\$	1.53	\$	6.15
Diluted	\$	7.42	\$	1.52	\$	6.08

Weighted average  
common shares  
outstanding(n)

Basic	48.5	99.4	58.0
Diluted	49.2	100.0	58.7

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements, which are an integral part of these statements.

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**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED**

**CONSOLIDATED FINANCIAL STATEMENTS**

a)

*Basis of Presentation* The pro forma financial statements have been derived from historical consolidated financial statements of CF Industries and Terra. The unaudited pro forma adjustments are based on certain assumptions that we believe are reasonable, which are described herein. Pro forma adjustments have been included only to the extent appropriate information is known, factually supportable and reasonably available to us.

Differences in the accounting practices or policies applied by CF Industries and Terra may exist that would materially impact the pro forma financial statements. We believe that there may be differences in accounting practices or policies of CF Industries and Terra related to, among other things, the use of hedge accounting or useful lives of depreciable assets. Because we have not yet completed an analysis of the information which would enable the estimation of any differences which may result from CF Industries' and Terra's application of differing accounting practices or policies, the extent of the adjustments that may be necessary is not known at this time and no pro forma adjustments have been recorded to conform accounting practices or policies.

The pro forma financial statements do not reflect any cost savings from operating efficiencies or synergies, or any expenditures related to restructuring actions to achieve cost savings. The effects of both cost savings and expenditures for restructuring could materially impact the pro forma financial statements. Costs incurred by Terra of \$18.0 million and net costs incurred by CF Industries of \$41.5 million associated with CF Industries' prior exchange offer and proposals to acquire Terra, CF Industries' costs of evaluating and responding to Agrium's proposed acquisition of CF Industries and gains recognized by CF Industries on the sale of Terra Industries Inc. common stock have not been eliminated from the pro forma financial statements.

b)

*Reclassification on the Pro Forma Balance Sheet* Certain financial statement line items included in CF Industries' and Terra's historical presentation have been recast to conform to the presentations of the companies, including a reclassification of CF Industries' derivative liabilities consistent with Terra's presentation and reclassification of Terra's deferred turnaround cost, accrued liabilities, income taxes payable and pension liabilities consistent with CF Industries' presentation. These reclassifications had no impact on the financial position, historical operating earnings or net earnings from continuing operations reported by CF Industries or Terra. There may be additional differences in presentation applied by CF Industries and Terra upon further review of Terra's financial records that could materially impact the pro forma financial statements.

c)

*Purchase Price* In the Terra acquisition, CF Industries acquired 100% of the outstanding shares of Terra Industries Inc. common stock, including unvested restricted stock, for consideration consisting of 0.0953 shares of CF Holdings common stock and \$37.15 in cash for each share of Terra Industries Inc. common stock.

Based on the number of shares acquired and the closing price per share of CF Holdings common stock on April 1, 2010, the last trading day before consummation of the exchange offer, of \$92.41 per share, the purchase consideration is \$4,647.1 million. This includes the consideration paid for Terra Industries Inc.'s unvested restricted stock and unvested Terra Industries Inc. stock-based awards, each of which vested upon consummation of the exchange offer. Holders of the unvested restricted stock received the same consideration per share as other holders of Terra Industries Inc. common stock as described above. Holders of unvested Terra Industries Inc. stock-based awards received cash payments in accordance with the merger agreement based on the number of shares of Terra Industries Inc. common stock subject to such awards valued at \$45.96 per share, which represents \$37.15 per share plus 0.0953 times the average price of CF Holdings common stock for 10 consecutive trading days

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

ending two days prior to April 5, 2010, the date of the acceptance of shares of Terra Industries Inc. common stock for payment in the exchange offer.

CF Industries utilized available Terra cash as a source of funding for the transaction. A portion of Terra's available cash was held in a foreign Terra subsidiary. The pro forma financial statements assume the repatriation of the cash from that foreign Terra subsidiary to a domestic Terra subsidiary, resulting in income tax liabilities and additional excess purchase price of \$112.5 million at December 31, 2009. However, once more information is known, CF Industries ultimately may be able to take other actions to access this cash.

The amount by which the purchase price exceeds the book value of the net assets acquired as of December 31, 2009 is \$4,540.0 million, calculated as follows:

	<b>December 31, 2009</b> <b>(amounts in millions,</b> <b>except per share data)</b>
Terra shares of common stock acquired	99.9
Terra shares of unvested restricted stock, which vested on April 5, 2010	0.2
Terra shares of common stock issued upon conversion of Terra preferred stock	0.1
<b>Total Terra shares of common stock acquired</b>	<b>100.2</b>
Exchange ratio	0.0953
<b>Number of shares of CF Holdings common stock issued in exchange</b>	<b>9.5</b>
Closing price of CF Holdings common stock	\$ 92.41
<b>Fair value of consideration of CF Holdings common stock issued in exchange</b>	<b>\$ 882.1</b>
<b>Total Terra shares acquired</b>	<b>100.2</b>
Cash consideration per share of Terra Industries Inc. common stock	\$ 37.15
<b>Cash consideration paid</b>	<b>\$ 3,721.2</b>
Cash consideration paid on Terra Industries Inc. stock-based awards	\$ 43.8
<b>Total purchase price</b>	<b>\$ 4,647.1</b>

Terra's noncontrolling interest represents third-party interest in the publicly held common units of TNCLP. As part of acquisition accounting, noncontrolling interest is required to be recorded at fair value on the books of the acquirer. For the purposes of the pro forma financial statements, we have assumed that the fair value of the noncontrolling interest is equal to the market value of TNCLP's

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

common units closing price of \$79.34 on April 1, 2010. The fair value of the noncontrolling interest as of December 31, 2009 of \$366.0 million was calculated as follows:

	<b>December 31, 2009</b> (amounts in millions, except per unit data)
Closing price of TNCLP common units	\$ 79.34
TNCLP common units held by third parties	4.6
Fair value of noncontrolling interest	\$ 366.0
Terra recorded noncontrolling interest at December 31, 2009	94.4
Excess fair value of noncontrolling interest	\$ 271.6

The following table sets forth the calculation of excess purchase price included in the pro forma balance sheet:

	<b>December 31, 2009</b> (amounts in millions)
Total purchase price	\$ 4,647.1
Excess fair value of noncontrolling interest	271.6
Total to be allocated	4,918.7
Book value of net assets acquired at December 31, 2009	490.7
Reduction of Terra net assets for:	
Recognition of tax liability for assumed repatriation action	(112.5)
Additional paid-in capital associated with the conversion of preferred stock to common stock (see note (i))	0.5
Adjusted book value of net assets acquired	378.7
Excess purchase price	\$ 4,540.0

As we have not completed detailed valuation analyses necessary to arrive at the estimated fair market value of the Terra assets acquired and liabilities assumed and the related allocations of purchase price, we have characterized the amount by which the purchase price exceeds the reported book value of the assets acquired and liabilities assumed as excess purchase price, and have not allocated any amounts to reflect the fair market value of the assets acquired and liabilities assumed or considered any related income tax effects that could result from such allocation. We have not yet completed the valuation analyses necessary to estimate the fair values of the net assets of Terra and TNCLP as of the closing date. We will reduce the excess purchase price reflected in the pro forma balance sheet for the amounts allocated to the fair value of Terra's net assets, including property, plant and equipment, equity investments and any identified intangible assets and record the related income tax effects, as applicable. In connection therewith, we may identify additional charges to the pro forma statement of operations, for example, due to additional depreciation of property, plant and equipment or amortization of identified finite-lived intangible assets, or may identify additional tangible or intangible assets or liabilities that have not been included on the pro forma balance sheet.

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED**

**CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

d)

*Financing* To finance the transactions, CF Industries obtained senior bank financings of \$4,050.0 million under credit facilities from Morgan Stanley Senior Funding, Inc., Morgan Stanley Bank, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., consisting of:

a \$2,000.0 million term loan facility;

a \$300.0 million revolving credit facility; and

a \$1,750.0 million bridge facility.

We have assumed there will be no borrowings under the revolving credit facility in connection with the transactions, so the unused commitment fee on the revolving credit facility will be 0.75% of the total \$300.0 million commitment. The term loan facility has a 5-year maturity, an effective interest rate of 5.3% and was issued with original issue discount of 1.5%. Principal amortization on the term loan facility is 1% annually. Interest rates may be increased or decreased in the circumstances described below, in addition to post-default rate increases of 2% per annum.

Borrowings under the bridge facility carry an initial interest rate equal to LIBOR plus a margin of 8.00% with the minimum LIBOR rate not less than 2.00%. The pro forma financial statements reflect that the interest rate on borrowings under the bridge facility is initially 10.0% and that, pursuant to the terms of the bridge facility, such interest rate will increase by 1.0% each 30 days, subject to an interest rate cap of 12.5%. Borrowings under the bridge facility will automatically convert to 7-year extended term loans (from the date of the initial borrowing under the bridge facility) that accrue interest at the interest rate cap if not refinanced within 12 months of issuance. The bridge facility is assumed to remain outstanding for the full year.

The interest rates for borrowings under the term loan facility, the revolving credit facility and the bridge facility and the interest rate cap for the bridge facility may be increased in specific circumstances, provided that the weighted average interest rate for borrowings under the term loan facility, the bridge facility and the revolving credit facility may not exceed an agreed upon amount. The applicable margin on the term loan facility and the revolving credit facility borrowings may be decreased by 0.5% provided that the bridge facility is repaid and CF Holdings can successfully effect a public offering of shares of CF Holdings common stock by September 30, 2010. In addition, the applicable margin and the commitment fee on the revolving credit facility may be subsequently reduced should CF Industries meet specified leverage ratios.

At December 31, 2009, the pro forma balance sheet reflects the borrowing of \$3,720.0 million which represents borrowings of \$2,000.0 million under the term loan facility, net of \$30.0 million of original issue discount, and \$1,750.0 million under the bridge facility. Based on the maturity dates, the net amounts reflected on the pro forma balance sheet include the long-term borrowings of \$3,720.0 million that are shown in long-term debt and an increase in other assets of \$123.0 million reflecting the capitalization of debt issuance costs, resulting in an increase in cash of \$3,597.0 million. The pro forma balance sheet also reflects the write-off of \$1.1 million of debt issuance costs associated with CF Industries' previous revolving credit facility.

Sensitivity to the impact on interest expense from changes in interest rates on the term loan facility and the bridge facility is provided below. The estimated incremental impact of interest expense, amortization of the discount, amortization of the debt issuance costs and certain commitment fees related to the new credit facilities on the pro forma statement of operations is \$346.1 million for the

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

year ended December 31, 2009. The following table sets forth the pro forma adjustments impacting the pro forma statement of operations:

	Year ended December 31, 2009 (amounts in millions)	
Interest expense on term loan facility	\$	105.7
Interest expense on bridge facility <sup>(1)</sup>		217.8
Amortization of debt issuance costs <sup>(2)</sup>		22.1
Incremental increase in CF Industries' commitment fee <sup>(3)</sup>		1.6
Elimination of Terra's annual commitment fee <sup>(4)</sup>		(1.1)
Net impact on interest expense	\$	346.1

- (1) The interest expense calculation for the bridge facility assumes that the bridge facility remains outstanding for the full year.
- (2) Amortization of debt issuance costs of the term loan facility and revolving credit facility is on a straight-line basis over 5 years. Debt issuance costs for the bridge facility are amortized on a straight-line basis over 7 years.
- (3) CF Industries' incremental commitment fee reflects the new \$300 million revolving credit facility with an annual commitment fee rate of 0.75%, versus the current \$250 million revolving credit facility with an annual commitment fee rate of 0.25%.
- (4) The elimination of Terra's commitment fee includes elimination of \$200 million of available credit with an annual effective commitment fee rate of 0.53%.

The table below illustrates the sensitivity of interest expense on the term loan facility and bridge facility from a range of changes in the underlying interest rates as follows:

	Change in Annual Pro Forma Interest Expense for Year ended December 31, 2009		
	Dollar Change	% Change	
	(amounts in millions)		
100 basis points increase	\$ 36.7	11.3%	
50 basis points increase	18.4	5.7%	
10 basis points increase	3.7	1.1%	
10 basis points decrease	(1.7)	(0.5)%	
50 basis points decrease	(8.4)	(2.6)%	
100 basis points decrease	(17.0)	(5.2)%	

- e) *Investment in Terra Industries Inc. Common Stock and Short-Term Investments* CF Industries acquired 7.0 million shares of Terra Industries Inc. common stock in the third quarter of 2009. The investment in Terra Industries Inc. common stock was recorded as an available-for-sale investment, with all unrealized gains and losses recorded in other comprehensive income. In December 2009, CF Industries sold approximately 2.0 million shares and recognized a pre-tax gain of \$11.9 million. CF Industries recognized in accumulated other comprehensive income an unrealized holding gain of \$21.4 million on the remaining shares held as of

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December 31, 2009. In January 2010, CF Industries sold the remaining 5.0 million shares of Terra Industries Inc. common stock for \$167.1 million and recognized a gain of \$28.3 million. The sale of CF Industries' remaining equity interest in Terra Industries Inc. resulted in an increase in cash of \$167.1 million, elimination of investment in

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## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

marketable equity securities of \$160.2 million, elimination of the unrealized holding gains in accumulated other comprehensive income of \$13.2 million (net of taxes), and recognition of a \$28.3 million gain in retained earnings. The \$11.9 million pre-tax gain recognized in CF Industries' statement of operations for the year ended December 31, 2009 has not been eliminated from the pro forma statement of operations.

The pro forma balance sheet also includes an adjustment to reflect the sale of short-term investments of \$185.0 million as of December 31, 2009.

f)

*Terra Senior Notes Due 2017* On October 27, 2009, Terra completed a cash tender offer and consent solicitation for its outstanding 7% senior notes due 2017. At the close of the tender offer, Terra received tenders from holders of approximately \$317.5 million aggregate principal amount of its senior notes due 2017, representing 96.2% of the then outstanding Terra senior notes due 2017. Approximately \$12.5 million of the Terra senior notes due 2017 remained outstanding as of December 31, 2009. Terra funded the purchase of the tendered Terra senior notes due 2017 with the proceeds from the offering of its 7.75% senior notes due 2019 in October 2009. See note (m) in the accompanying notes to the pro forma financial statements. The loss on early retirement of debt is as follows:

	Year ended December 31, 2009 (amounts in millions)	
Tender premium	\$	48.8
Accelerated amortization of deferred financing fees		4.5
Estimated fees		0.2
Estimated loss on early retirement of debt	\$	53.5

The pro forma statement of operations for the year ended December 31, 2009 reflects the elimination of the \$53.5 million loss on the early retirement of debt, an adjustment for the elimination of interest expense on the Terra senior notes due 2017 that were repurchased in the tender offer and the elimination of the amortization of debt issuance costs associated with these notes. The following table illustrates the pro forma adjustments impacting the pro forma statement of operations for the year ended December 31, 2009:

	Year ended December 31, 2009 (amounts in millions)	
Elimination of interest expense on Terra senior notes due 2017 <sup>(1)</sup>	\$	(18.2)
Elimination of amortization expense associated with debt issuance costs <sup>(2)</sup>		(5.0)
Total reduction of interest expense	\$	(23.2)

(1)

Interest expense assumes a 360-day interest basis on \$317.5 million at an interest rate of 7%.

(2)

Amortization of debt issuance costs assumes \$6.4 million of debt issuance costs amortized on a straight-line basis over ten years (the term of the Terra senior notes due 2017).

The pro forma financial statements reflect our expectation, based on currently available information and our analysis to date, that the remaining \$12.5 million of outstanding Terra senior notes due 2017 will not be redeemed and will remain outstanding after the transactions.





## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

g)

*Interest Income* The pro forma statement of operations for the year ended December 31, 2009 reflects the reduction of interest income due to the use of cash and cash equivalents used to repay the Terra senior notes due 2019 and to fund the transaction. The following table illustrates the pro forma adjustments impacting the pro forma statement of operations for the year ended December 31, 2009:

	Year ended December 31, 2009 (amounts in millions, except as noted)	
Assumed average cash and investment balance	\$	475.0
Annual interest income rate <sup>(1)</sup>		0.6%
Pro forma interest income	\$	2.8
CF Industries and Terra combined historical interest income		8.6
Interest income lost	\$	5.8

(1)

Annual interest rate has been calculated as CF Industries' and Terra's combined interest income divided by CF Industries' and Terra's combined average cash, cash equivalents and short-term investments balances for the period presented.

h)

*Transaction Costs* For the year ended December 31, 2009, Terra incurred costs of \$18.0 million related to responding to CF Industries' prior exchange offer and proposals to acquire Terra, which are reflected in the Terra column in the pro forma statement of operations for the year ended December 31, 2009. CF Industries incurred net costs of \$41.5 million associated with its prior exchange offer and proposals to acquire Terra and with evaluating and responding to Agrium's proposed acquisition of CF Industries and recognized gains on the sale of Terra Industries Inc. common stock, which net costs and gains are reflected in the CF Industries column in the pro forma statement of operations for the year ended December 31, 2009. These transaction costs and CF Industries' gains on the sale of Terra Industries Inc. common stock have not been eliminated from the pro forma statement of operations for the year ended December 31, 2009.

Terra and Yara agreed to a \$123.0 million termination fee that was paid by CF Industries (on Terra's behalf) to Yara upon the termination of the merger agreement between Terra and Yara on March 12, 2010. The payment of the \$123.0 million termination fee is reflected in the pro forma balance sheet as a decrease in both cash and retained earnings at December 31, 2009.

We estimate that additional transaction expenses of approximately \$145.0 million related to the transactions will be incurred, which will be reflected as expenses of the combined companies in the periods in which the expenses are incurred, but are not reflected in the pro forma statement of operations, as the expenses are non-recurring. Some of these costs may be deductible for income tax purposes. However, we have not made this determination yet and, accordingly, no income tax benefit has been assumed. The \$145.0 million of estimated additional transaction expenses has been reflected in the pro forma balance sheet at December 31, 2009 as a reduction of cash and retained earnings.

i)

*Conversion of Terra Industries Inc. Preferred Stock* Terra Industries Inc. preferred stock with a carrying value of \$0.5 million was outstanding at December 31, 2009. On March 15, 2010, all Terra Industries Inc. preferred stock converted to Terra Industries Inc. common stock at a rate of 120.4819 shares of common stock per preferred share. Accordingly, we have reflected an adjustment in the pro forma balance sheet at December 31, 2009 to recognize the conversion of the preferred stock and to record additional paid-in capital of \$0.5 million to reflect the issuance of 60,241 shares of Terra Industries Inc. common stock. The conversion of the Terra Industries Inc. preferred stock into Terra

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED**

**CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Industries Inc. common stock and the exchange of such common stock for CF Holdings common stock are reflected in the pro forma financial statements.

j)

*Compensation Arrangements* Several of Terra's executive officers have entered into agreements with Terra that include severance and other arrangements that occur upon a change of control if Terra terminates the employment relationship, or if the respective executive terminates the employment relationship because the executive's position with Terra has materially and negatively changed following a change in control, referred to as without cause or for good reason. On April 5, 2010, all of Terra's unvested restricted stock vested due to the change in control and, in accordance with the merger agreement, was exchanged for cash and shares of CF Holdings common stock at the exchange ratio, and Terra's stock-based awards vested due to the change in control and, in accordance with the merger agreement, were paid out in cash as described in note (c) in the accompanying notes to the pro forma financial statements. These awards were paid based on the number of Terra shares subject to such award valued at \$45.96 per share. This value was calculated as \$37.15 per share plus 0.0953 times the average price of CF Holdings common stock for 10 consecutive trading days ending two days prior to April 5, 2010, the date of the acceptance of shares of Terra Industries Inc. common stock for payment in the exchange offer.

In addition, payments of \$20.8 million would need to be made to certain employees if those employees are terminated following a change in control. No decisions have been made regarding the evaluation of staffing or employment levels, the extent of any adjustment relating to change of control payments to these or any other executive officers or employees that may be necessary is not known and no pro forma adjustments have been recorded.

Under Terra's 2010 Officers and Key Employees Annual Incentive Plan, upon a change in control, a participant that remains employed through December 31, 2010 will receive his or her full bonus under the plan calculated as the greater of (i) target performance and (ii) actual performance during the quarters completed through the effective time of the change of control. If the employee is terminated without cause or for good reason, the participant will be entitled to a prorated bonus through the participant's termination date. Payments of \$2.0 million would need to be made to the participants upon a change in control and termination without cause or for good reason.

On February 12, 2010, the board of directors of Terra approved the establishment of a "rabbi trust", which is intended to provide a source of funds to assist Terra in meeting its liabilities under its existing excess benefits plan, or SERP. Pursuant to the terms of the rabbi trust, within five days following a change in control, Terra was obligated to make an irrevocable contribution to the rabbi trust in an amount such that the rabbi trust would, immediately following such contribution, hold assets sufficient to pay each SERP participant or beneficiary his or her accrued benefits under the SERP as of the date of the change in control. On April 1, 2010, Terra contributed approximately \$11.2 million to the rabbi trust. The contribution to the rabbi trust has been reflected in the pro forma balance sheet in the pro forma column as a reduction in cash and increase in other assets.

k)

*Derivatives* Terra enters into derivative transactions related to foreign currency transactions, natural gas purchase transactions, and the selling price of nitrogen products. Terra accounts for certain of these derivatives as accounting hedges in accordance with ASC Topic 815 *Derivatives and Hedging*. In accordance with these rules, all other derivatives are recorded at fair value on Terra's consolidated balance sheet. At December 31, 2009, Terra reported no margin deposits with derivative counterparties, assets related to derivative transactions of \$9.1 million and liabilities related to derivative transactions of \$0.3 million in its consolidated balance sheet.

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

CF Industries will not continue to designate any of these derivatives as hedges under ASC Topic 815. CF Industries has not yet determined if the derivative hedge liability, or any other liability related to purchasing or hedging activities, will be accelerated by a change in control. Accordingly, there may be adjustments related to the evaluation of the hedging relationships or the payment of any liabilities related to purchasing or hedging that are impacted by a change in control that could materially impact the pro forma financial statements.

l)

*Income Taxes* The income tax effects reflected in the pro forma adjustments are based on an estimated statutory tax rate of 40%. The pro forma balance sheet includes the following:

an adjustment of \$60.7 million, which consists of an adjustment of \$71.6 million that represents the estimated tax impact of the \$179.1 million loss on the extinguishment of the Terra senior notes due 2019, an adjustment of \$0.4 million that reflects the tax impact of the \$1.1 million write-off of debt issuance costs associated with CF Industries' previous revolving credit facility, and an offsetting adjustment of \$11.3 million to reflect the tax impact of the \$28.3 million gain recognized on the sale of Terra Industries Inc. common stock; and

an adjustment of \$112.5 million to reflect income tax liabilities incurred on the assumed repatriation of cash from a foreign Terra subsidiary to a domestic Terra subsidiary. As discussed in note (c) in the accompanying notes to the pro forma financial statements, these tax liabilities would result in additional excess purchase price at December 31, 2009.

Additionally, we have not completed a review of Terra's deferred tax assets and liabilities, so there may be further adjustments that could materially impact the pro forma financial statements. We have characterized the entire amount by which the purchase price exceeds the reported book value of the assets acquired and liabilities assumed as excess purchase price, and no tax impact has been reflected on this adjustment.

m)

*Redemption of Terra Senior Notes Due 2019* On October 26, 2009, Terra issued \$600.0 million of senior notes due 2019. The Terra senior notes due 2019 have an interest rate of 7.75% per annum and were issued at a price equal to 98.298% of their face value. Net proceeds related to the Terra senior notes due 2019 offering were as follows:

<b>Terra Senior Notes due 2019</b>		
(amounts in millions)		
Face value	\$	600.0
Discount		(10.2)
Debt net of discount		589.8
Estimated fees		(14.4)
Net proceeds	\$	575.4

The pro forma financial statements reflect the redemption of 100% of the Terra senior notes due 2019 at a redemption price equal to 100% of the principal amount of the notes redeemed plus the applicable premium as of the applicable redemption date and accrued and unpaid interest. The applicable premium with respect to any senior note due 2019 on any redemption date is the greater of (1) 1% of the principal amount of such note and (2) the excess, if any, of (a) the present value at such redemption date of (i) the redemption price of such note at November 1, 2014, plus (ii) all required interest payments due on such note through November 1, 2014 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the applicable treasury rate

## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

specified in the indenture governing the Terra senior notes due 2019 as of the redemption date plus 50 basis points; over (b) the then outstanding principal amount of such note.

Accordingly, the pro forma balance sheet at December 31, 2009 reflects the use of cash and cash equivalents for the redemption of the outstanding Terra senior notes due 2019. The following table illustrates the pro forma adjustments for the Terra senior notes due 2019 impacting the pro forma balance sheet at December 31, 2009:

	<b>Terra Senior Notes due 2019</b>	
	<b>(amounts in millions)</b>	
Face value of Terra senior notes due 2019	\$	600.0
Applicable premium <sup>(1)</sup>		138.7
<b>Total paid to debt holders</b>		<b>738.7</b>
Book value of Terra senior notes due 2019		589.9
<b>Loss on extinguishment of Terra senior notes due 2019 before taxes</b>		<b>(148.8)</b>
Additional interest expense due at redemption <sup>(2)</sup>		(16.3)
Write-off of debt issuance costs associated with Terra senior notes due 2019		(14.0)
<b>Total impact on retained earnings before taxes</b>	<b>\$</b>	<b>(179.1)</b>

(1) The premium was calculated based on the applicable treasury rate specified in the indenture governing the Terra senior notes due 2019 as of May 12, 2010, the assumed redemption date.

(2) Additional interest expense represents interest expense for the period of January 1, 2010 through May 12, 2010, the assumed redemption date.

The \$763.4 million payment to redeem the outstanding Terra senior notes due 2019 includes the \$600.0 million face value, the \$138.7 million premium, \$8.4 million of accrued interest at December 31, 2009 and \$16.3 million of additional interest expense for the period of January 1, 2010 through May 12, 2010, the assumed redemption date.

An adjustment to the pro forma statement of operations for the year ended December 31, 2009 has been reflected for the elimination of interest expense on the Terra senior notes due 2019 and the amortization of debt issuance costs associated with these notes. The following table illustrates the pro forma adjustments impacting the pro forma statement of operations:

	<b>Year ended</b>	
	<b>December 31, 2009</b>	
	<b>(amounts in millions)</b>	
Elimination of interest expense on Terra senior notes due 2019 <sup>(1)</sup>	\$	(8.5)
Elimination of amortization expense associated with debt issuance costs <sup>(2)</sup>		(0.4)
<b>Total reduction of interest expense</b>	<b>\$</b>	<b>(8.9)</b>

(1) Interest expense assumes a 360-day interest basis on \$600.0 million at an interest rate of 7.75%.

(2)

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Amortization of debt issuance costs assumes \$13.5 million of debt issuance costs associated with the Terra senior notes due 2019 and \$0.8 million of debt issuance costs associated with refinancing Terra's

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## NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED

## CONSOLIDATED FINANCIAL STATEMENTS (Continued)

revolving credit facility, which are amortized on a straight-line basis over the term of the Terra senior notes due 2019 (ten years) and Terra's revolving credit facility (three years), respectively.

n)

*Net Earnings per Share Attributable to Common Stockholders* The unaudited pro forma consolidated net earnings per share attributable to common stockholders is calculated based on the exchange of all outstanding Terra Industries Inc. common stock for CF Holdings common stock and cash. This exchange includes the conversion of Terra Industries Inc. unvested restricted stock. The incremental number of common shares issued by CF Holdings in this exchange is 9.5 million. The calculation of pro forma net earnings per share attributable to CF Industries for the year ended December 31, 2009 is summarized below:

	Year ended December 31, 2009 (amounts in millions, except per share amounts)
Pro forma net earnings from continuing operations	\$ 466.1
Net earnings attributable to noncontrolling interest in subsidiaries	(108.9)
Net earnings attributable to CF Industries	\$ 357.2
Basic:	
CF Holdings weighted average common shares	48.5
Equivalent Terra common shares after exchange	9.5
Pro forma weighted average basic common shares	58.0
Diluted:	
CF Holdings weighted average common shares	49.2
Equivalent Terra common shares after exchange	9.5
Pro forma weighted average diluted common shares	58.7
Basic net earnings per common share attributable to CF Industries	\$ 6.15
Diluted net earnings per common share attributable to CF Industries	\$ 6.08

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**OVERVIEW OF FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

*You should read the following overview in conjunction with "Unaudited Pro Forma Condensed Combined Consolidated Financial Statements," "Capitalization" and "Use of Proceeds," included elsewhere in this prospectus supplement, CF Industries' and Terra's consolidated financial statements and accompanying notes incorporated by reference in this prospectus supplement, and Items 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and 7A (Quantitative and Qualitative Disclosures About Market Risk) in the Annual Reports on Form 10-K for the fiscal year ended December 31, 2009 of each of CF Holdings and Terra Industries Inc., which are incorporated by reference in this prospectus supplement. See "Where You Can Find More Information." CF Industries' and Terra's consolidated financial statements and accompanying notes incorporated by reference in this prospectus supplement and Items 7 and 7A in CF Holdings' and Terra Industries Inc.'s Annual Reports on Form 10-K for the fiscal year ended December 31, 2009 do not reflect or otherwise give effect to the transactions, this offering of CF Holdings common stock or the senior notes offering.*

**Overview**

The Terra acquisition requires us to incur significant debt. As of December 31, 2009, on a pro forma basis giving effect to the transactions, we had approximately \$3.74 billion of total indebtedness, including \$1.97 billion under the term loan facility and \$1.75 billion under the bridge facility. We expect that the application of the net proceeds from this offering of CF Holdings common stock will result in the repayment of \$963 million of bridge facility borrowings.

Assuming the consummation of the senior notes offering in an aggregate principal amount of \$1.6 billion, and assuming that all of the net proceeds of this offering of CF Holdings common stock will have been applied to repay outstanding borrowings under the bridge facility, borrowings under the bridge facility will be fully repaid and borrowings under the term loan facility will be reduced to approximately \$1.21 billion. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering of CF Holdings common stock is not conditioned on the consummation of the senior notes offering.

We have a revolving credit facility, which provides for borrowings for working capital requirements and for general corporate purposes. The revolving credit facility initially provided for up to \$300 million of borrowings outstanding at any time. On April 15, 2010, we and the lead arrangers agreed to increase the amount available under the revolving credit facility to \$500 million. At April 15, 2010, approximately \$17.1 million of letters of credit were outstanding under the revolving credit facility. On a pro forma basis giving effect to the transactions, as of December 31, 2009, \$500 million was available for borrowing under the revolving credit facility, reflecting no outstanding borrowings or letters of credit thereunder.

TNLP has a revolving credit facility which is available for borrowings only by TNLP of up to \$50 million at any time outstanding. In connection with the Terra acquisition, on April 2, 2010, TNLP entered into a waiver with the lenders under the TNLP facility. The waiver provides for the waiver of the "change of control" event of default that would have resulted from the Terra acquisition. The waiver is effective through July 1, 2010. We are currently considering options to replace the TNLP facility. There can be no assurance, however, that the TNLP facility can be replaced on terms acceptable to us or at all. At April 9, 2010, no amounts were outstanding under the TNLP facility.

For a description of certain of our indebtedness, including the credit facilities, see "Description of Certain Indebtedness."

Our primary source of cash is cash from operations, which includes customer advances. Our primary uses of cash are for operating costs, working capital, capital expenditures, debt service requirements, investments and dividends. Our working capital requirements are affected by several factors, including demand for our products, selling prices for our products, raw material costs, freight costs and seasonal



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factors inherent in the business. Under our short-term investment policy, we invest our excess cash balances in several types of securities, including notes and high investment grade bonds issued by governmental entities or corporations, and money market funds. Securities issued by governmental agencies include those issued directly by the U.S. government; those issued by state, local or other governmental entities; and those guaranteed by entities affiliated with governmental entities.

**Cash Balances**

As of December 31, 2009, on a pro forma basis giving effect to the transactions, we had cash and cash equivalents of \$339.9 million and \$790.1 million of total current liabilities, of which \$198.7 million was attributable to customer advances.

**Auction Rate Securities**

As of December 31, 2009, on a pro forma basis giving effect to the transactions, our investments in auction rate securities, which we do not consider to be liquid investments, were \$133.9 million, after reflecting a \$4.5 million unrealized holding loss against a par value of \$138.4 million. For a detailed description of investment in auction rate securities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing in Item 7 of CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and incorporated by reference herein.

**Synergies**

We have identified substantial synergy value that we expect will generate \$105-135 million in annual cost synergies, through headquarters consolidation, optimizing transportation and distribution networks and generating 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 to realize these synergies within two years after the closing of the Terra acquisition at an expected one-time cost of \$40-60 million. We also expect to achieve a one-time cash benefit of approximately \$30-60 million from a reduced inventory requirement.

**Capital Spending**

In our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, we stated that we expected to spend approximately \$150 million to \$200 million on routine capital expenditures in 2010, including approximately \$18 million for capital expenditures at CFL. In its Annual Report on Form 10-K for the fiscal year ended December 31, 2009, Terra stated that it expected 2010 plant and equipment purchases of \$175 million to \$180 million consisting primarily of \$90 million to \$95 million in expenditures for replacement of equipment or to improve operating results at its manufacturing facilities and approximately \$85 million to \$90 million for the expansion of the Woodward, Oklahoma production facility and that it estimated 2010 plant turnaround costs would approximate \$25 million to \$30 million. We are evaluating our capital spending plans for 2010 in light of the Terra acquisition and our increased indebtedness resulting from the financing of the Terra acquisition, and we expect to reduce planned capital

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expenditures relative to the amounts described in our and Terra's Annual Reports on Form 10-K for the fiscal year ended December 31, 2009, respectively.

**Forward Pricing Program (FPP)**

Any cash payments received in advance from customers in connection with the FPP are reflected on our balance sheet as a current liability until the related orders are shipped, which may be several months after the order is placed. As is the case for all of our sale transactions, revenue is recognized when title and risk of loss transfers upon shipment or delivery of the product to customers. As of December 31, 2009 and December 31, 2008, we had approximately \$159.5 million and \$347.8 million, respectively, in customer advances on our consolidated balance sheet. As a result of the use a significant portion of our cash and cash equivalents in connection with the transactions, customer advances may become an increasingly significant component of our balance sheet. As of December 31, 2009, on a pro forma basis giving effect to the transactions, our current liability for customer advances equaled approximately 58% of our cash and cash equivalents.

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**INDUSTRY OVERVIEW**

Fertilizers serve an important role in global agriculture by providing vital nutrients that help increase both the yield and the quality of crops. The three main nutrients required for plant growth are nitrogen, phosphate and potash. According to the IFA, global agricultural consumption for the three principal crop nutrients in 2008 was approximately 169 million tonnes comprising 101 million tonnes, or 60%, of nitrogen, 39 million tonnes, or 23%, of phosphate and 29 million tonnes, or 17%, of potash.

The performance of the global fertilizer industry is driven by several key factors, including population growth, changes in dietary habits, planted acreage and fertilizer application rates, available production capacity and operating rates, raw material costs, government policies and global trade. According to a 2009 report by the USDA, the global consumption of coarse grains, a key food staple, grew steadily between 1990 and 2002 and at an accelerated rate beginning in 2003. According to the OECD-FAO, global consumption of coarse grain is expected to have a compound annual growth rate, or CAGR, of 1.6% per year between 2008 and 2018.

**Global Coarse Grains Production and Consumption**

(million Tonnes)

**Sources** USDA Production, Supply and Distribution Online; OECD-FAO Agricultural Outlook

To meet growing demand, we believe that increases in crop production will come primarily from improved crop yields because the amount of arable land for agriculture is limited. Historically, yield improvement has been driven by the use of higher quality seed, more efficient farming practices and increased fertilizer application. According to Fertecon, a fertilizer industry consultant, global consumption of nitrogen and phosphate fertilizers is projected to grow from 2008 to 2020 at CAGRs of 1.7% and 3.2%, respectively, and North American consumption of nitrogen and phosphate fertilizers is projected to grow during the same period at CAGRs of 1.1% and 2.4%, respectively.

In 2008 and 2009, world consumption of nitrogen, phosphate and potash declined due to a combination of historically high prices for all three nutrients, an unwillingness on the part of purchasers to build fertilizer inventories in a volatile pricing environment and reduced availability of credit in certain regions of the world. The decline in consumption of nitrogen was significantly less than the decline in consumption of phosphate or potash. We believe that this pattern resulted from the agronomic fact that nitrogen, unlike phosphate and potash, must be applied to crops every year in order to maintain yields.



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**World Nitrogen Fertilizer Consumption**  
(million Tonnes Nitrogen)

**Source** Fertecon, Nitrogen Fertilizer Data File Issue No. 51, March 2010

**World Phosphate Fertilizer Consumption**  
(million Tonnes  $P_2O_5$ )

**Source** Fertecon, Phosphate Fertilizer Data File Issue No. 65, January 2010

**Nitrogen Fertilizer**

The principal nitrogen fertilizers are ammonia, urea, UAN and AN. In 2008, these four fertilizers together accounted for approximately 76% of global nitrogen fertilizer consumption and approximately 87% of U.S. nitrogen fertilizer consumption.



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Natural gas is the principal raw material used to produce nitrogen fertilizers, accounting for as much as 90% of the cost of producing ammonia, which is the building block for the other nitrogen fertilizers.

While the Middle East and Trinidad have a significant natural gas cost advantage, the natural gas costs for North American producers are below the costs for two major nitrogen exporters, the Ukraine and Western Europe.

**World Natural Gas Prices**

(\$ per million Btu)

**Source** Fertecon, Ammonia Outlook 2009, March 2010

We believe that, factoring in transportation costs, North American fertilizer producers have a significant cost advantage for nitrogen delivered to the United States compared to the Ukraine and Western Europe, and are competitive with Russian producers, another major exporting country.

**U.S. Delivered Ammonia Supply Cost U.S. Gulf**

(\$ per Tonne)

**Source** Fertecon, Ammonia Outlook 2009, March 2010

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**Phosphate Fertilizer**

The principal phosphate fertilizers are DAP and MAP. According to Fertecon, for 2006 through 2008, DAP and MAP accounted for over 75% of U.S. phosphate fertilizer consumption and over 65% of global phosphate fertilizer, based on tons of P<sub>2</sub>O<sub>5</sub>, the basic measure of nutrient content in phosphate fertilizer products. The United States has substantial phosphate rock reserves and is the world's largest exporter of DAP and MAP. In 2008, the United States accounted for over 20% of global DAP and MAP capacity and exported approximately 47% of its production.

Phosphate fertilizers including DAP and MAP are produced from phosphate rock, sulfur and ammonia. According to Fertecon, phosphate producers with captive phosphate rock reserves have a significant cost advantage over non-integrated producers that purchase phosphate rock.

**U.S. DAP Raw Material Cost**

(\$ per ton)

**Integrated vs. Non-Integrated Producer**

**Source** Fertecon, DAP Market Update Issue No. 22, March 2010

**Note** Excludes costs associated with upgrading to DAP

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The following table sets forth our executive officers and directors, their ages as of April 1, 2010 and the positions they hold:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Stephen R. Wilson	61	Chairman of the Board, President and Chief Executive Officer
Anthony J. Nocchiero	59	Senior Vice President and Chief Financial Officer
Douglas C. Barnard	51	Vice President, General Counsel, and Secretary
Bert A. Frost	45	Vice President, Sales and Market Development
Richard A. Hoker	45	Vice President and Corporate Controller
Wendy S. Jablow Spertus	47	Vice President, Human Resources
Philipp P. Koch	58	Vice President, Supply Chain
Lynn F. White	57	Vice President, Corporate Development
W. Anthony Will	44	Vice President, Manufacturing and Distribution
Stephen A. Furbacher	62	Lead Independent Director
Robert C. Arzbaecher	50	Director
Wallace W. Creek	71	Director
William Davisson	62	Director
David R. Harvey	70	Director
John D. Johnson	61	Director
Edward A. Schmitt	63	Director

*Stephen R. Wilson* has been a member of our board of directors since April 2005 and chairman of the board since July 2005. Mr. Wilson has served as our president and chief executive officer since October 2003. Mr. Wilson joined us in 1991 as senior vice president and chief financial officer, following a lengthy career with Inland Steel Industries, Inc. Mr. Wilson is also a director of Ameren Corporation.

*Anthony J. Nocchiero* joined us in April 2007 as senior vice president and chief financial officer. Before joining us, Mr. Nocchiero was chief financial officer and vice president, finance, of Merisant Worldwide, Inc., a position he held from July 2005 to March 2007. From January 2002 to July 2005, Mr. Nocchiero was self-employed as an advisor and private consultant. From January 1999 to December 2001, Mr. Nocchiero served as vice president and chief financial officer of BP Chemicals, the global petrochemical business of BP p.l.c. Prior to that, he spent twenty-four years with Amoco Corporation, including service as Amoco's vice president and controller from April 1998 to January 1999.

*Douglas C. Barnard* has served as our vice president, general counsel, and secretary since January 2004. From January 2001 to July 2003, Mr. Barnard served as an executive vice president and general counsel of Bcom3 Group, Inc., an advertising and marketing communication services group (including service from January 2003 to July 2003 in a successor corporation formed to market and sell securities received in the sale of Bcom3 Group). From July 2003 until January 2004, Mr. Barnard was not employed. Previously, from August 2000 to January 2001, he was a partner in the law firm of Kirkland and Ellis. From August 1996 to July 2000, Mr. Barnard was vice president, general counsel, and

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secretary of LifeStyle Furnishings International Ltd., a manufacturer and distributor of residential furniture and decorative fabrics.

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*Bert A. Frost* has served as our vice president, sales and market development since January 2009. Before joining us in November 2008, Mr. Frost spent over 13 years with Archer-Daniels-Midland Company, where he served most recently as Managing Director International Fertilizer/Inputs from June 2008 to November 2008 and Director Fertilizer, Logistics and Ports Divisions, ADM Brazil from April 2000 to June 2008. Earlier in his career, Mr. Frost held positions of increasing responsibility at Archer-Daniels-Midland and Koch Industries, Inc.

*Richard A. Hoker* has served as our vice president and corporate controller since November 2007. Before joining us, Mr. Hoker spent over 11 years with Sara Lee Corporation, where he served most recently as vice president and controller from January 2007 to November 2007 and principal accounting officer from July 2007 to November 2007. Prior to being named controller, Mr. Hoker held other financial management positions of increasing responsibility at Sara Lee. Prior to joining Sara Lee, Mr. Hoker was a member of the financial advisory services consulting group at Coopers & Lybrand LLP in Chicago (now PricewaterhouseCoopers) and previously led teams in the firm's audit practice. He is a certified public accountant.

*Wendy S. Jablow Spertus* has served as our vice president, human resources, since August 2007. Prior to joining us, Ms. Jablow Spertus served as the chief human resources officer of Fenwal, Inc., a medical device manufacturer, from December 2006 to July 2007. From April 2006 to July 2006, she served as vice president, human resources, of The Boler Company, a manufacturer of truck and suspension systems. Ms. Jablow Spertus spent the previous eight years with Ideal Industries, Inc., an electrical equipment manufacturer and technology design company, where she served as vice president, human resources and administration, from February 1998 to February 2006 and for six concurrent years as vice president and general manager of Ideal Industries' DataComm business unit. During March 2006 and from August 2006 to December 2006, Ms. Jablow Spertus was not employed.

*Philipp P. Koch* has served as our vice president, supply chain, since January 2008 and was previously our vice president, raw materials procurement, from July 2003 to January 2008. Before joining us, Mr. Koch spent nearly 25 years in the energy industry with Amoco Corporation and BP PLC from January 1980 to July 2003.

*Lynn F. White* has served as our vice president, corporate development, since June 2009. Before joining us, Mr. White was the founder and managing director of Twemlow Group LLC, a consulting firm he established in January 2008. Prior to that time, he held a number of executive positions with Deere & Company from May 2000 through December 2007, where he served most recently as president, John Deere Agri Services from May 2005 through October 2007, and vice president, Global AgServices from May 2000 through May 2005. Earlier in his career, he was senior vice president, corporate development for IMC Global Inc. and held several executive positions at FMC Corporation.

*W. Anthony Will* has served as our vice president, manufacturing and distribution, since March 2009 and was previously our vice president, corporate development, from April 2007 to March 2009. Before joining us, Mr. Will was a partner with Accenture Ltd., a position he held from April 2005 to December 2006. From January 2002 to August 2004, he was vice president business development of Sears, Roebuck and Company. From January 2007 to March 2007 and from September 2004 to March 2005, Mr. Will was not employed. From January 2001 to January 2002, Mr. Will was a consultant with Egon Zehnder International, a global consulting firm. Previously, from October 1998 to January 2001, he served as vice president, strategy and corporate development, of Fort James Corporation, a global paper and consumer products company. Prior to joining Fort James, Mr. Will was a manager with the Boston Consulting Group, a global strategy consulting firm.

*Stephen A. Furbacher* has been a member of our board of directors since July 2007 and serves as the chairman of our corporate governance and nominating committee and as a member of our compensation committee. Mr. Furbacher is also our lead independent director. Mr. Furbacher served as president and chief operating officer of Dynegy Inc., a provider of wholesale power, capacity and ancillary services to

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utilities, cooperatives, municipalities and other energy companies, from August 2005 until December 2007 and as executive vice president of Dynegey's previously owned natural gas liquids business segment from September 1996 to August 2005. He joined Dynegey in May 1996, just prior to Dynegey's acquisition of Chevron's midstream business. Before joining Dynegey, Mr. Furbacher served as President of Warren Petroleum Company, the natural gas liquids division of Chevron U.S.A. He began his career with Chevron in August 1973 and served in positions of increasing responsibility before being named President of Warren Petroleum Company in July 1994. Mr. Furbacher serves as a member of the board of directors for Valparaiso University.

*Robert C. Arzbaeher* has been a member of our board of directors since August 2005 and serves as the chairman of our compensation committee and as a member of our audit committee. Mr. Arzbaeher has served as chairman of the board of Actuant Corporation, a manufacturer and marketer of industrial products and systems, since 2001 and president and chief executive officer of Actuant since 2000. From 1992 until 2000, he held various financial positions with Applied Power, Inc., Actuant's predecessor, the most recent of which was chief financial officer. Prior to 1992, Mr. Arzbaeher held various financial positions with Grabill Aerospace, Farley Industries, and Grant Thornton, a public accounting firm. Mr. Arzbaeher is a certified public accountant, and he is also a director of FMI Common Stock Fund, Inc., FMI Funds, Inc., and FMI Mutual Funds, Inc.

*Wallace W. Creek* has been a member of our board of directors since August 2005 and serves as the chairman of our audit committee. Mr. Creek served as controller of General Motors Corporation from 1992 to 2002 and held several executive positions in finance at GM over a 43-year career. Mr. Creek was senior vice president of finance of Collins & Aikman Corporation, a leading manufacturer of automotive interior components, from December 2002 to June 2004. On May 17, 2005, Collins & Aikman filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Michigan seeking reorganization relief under the provisions of Chapter 11 of the United States Bankruptcy Code. Mr. Creek is also a director of Columbus McKinnon Corporation.

*William Davisson* has been a member of our board of directors since August 2005. Mr. Davisson has served as the chief executive officer of GROWMARK, an agricultural cooperative system, since 1998. GROWMARK was an owner of our predecessor company, CFI, before our IPO, and GROWMARK remains one of our largest customers. From 1998 to 2005, Mr. Davisson served as a member of the board of directors of CFI, and he was chairman of the board of directors of CFI from 2002 to 2004. Mr. Davisson has worked in the GROWMARK system his entire career, since 1970, and he is a certified public accountant.

*David R. Harvey* has been a member of our board of directors since August 2005 and is a member of our audit and corporate governance and nominating committees. From 2005 to 2009, Mr. Harvey also served as the chairman of our corporate governance and nominating committee and as our lead independent director. Mr. Harvey served as chairman of the board of Sigma Aldrich Corporation, a manufacturer and distributor of biochemical and organic chemicals, from 2001 to 2009. From 1999 through 2005, Mr. Harvey served as chief executive officer of Sigma Aldrich and, from 1986 until 1999, as its chief operating officer. Prior to 1986, Mr. Harvey served in various executive positions at Aldrich Chemical Company, including president and vice president Europe, and in various sales and marketing positions at Shell International Chemical Company. Mr. Harvey has served as a director of Sigma Aldrich since 1981.

*John D. Johnson* has been a member of our board of directors since August 2005. Mr. Johnson has served as the president and chief executive officer of CHS (formerly Cenex Harvest States), a diversified energy, grains, and foods company, since 2000. CHS was an owner of our predecessor company, CFI, before our IPO in August 2005, and CHS remains one of our largest customers. From 2000 to 2005, Mr. Johnson served as a member of the board of directors of CFI, and he was chairman of the board of directors of CFI from 2004 to 2005. Mr. Johnson joined Harvest States, a predecessor to CHS, in 1976, and served as president and chief executive officer of Harvest States from 1995 to 1998. From 1998 to 2000,

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Mr. Johnson served as general manager and president of CHS. Mr. Johnson served as a director of Gold Kist Holdings Inc. from 2004 to 2007.

*Edward A. Schmitt* has been a member of our board of directors since August 2005 and is a member of our compensation and corporate governance and nominating committees. Mr. Schmitt served as chairman of the board, chief executive officer, and president of Georgia Gulf Corporation, a major manufacturer of chemical products, from 2001 until 2008. From 1985 until 2001, he held various manufacturing and executive positions with Georgia Gulf, including executive vice president, president, and chief executive officer. Prior to 1985, Mr. Schmitt held manufacturing and engineering positions with Georgia Pacific Corporation (Georgia Gulf was created in 1985 from Georgia Pacific's commodity chemicals division), Allied Chemical Corporation, and the Aluminum Company of America. Mr. Schmitt served as a director of Georgia Gulf from 1998 to 2008.

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**DESCRIPTION OF CERTAIN INDEBTEDNESS**

**Credit Facilities**

*The description of the credit facilities set forth below is based on the terms of the related credit agreements as initially entered into on April 5, 2010. On April 15, 2010, we and the lead arrangers agreed to increase the amount available under the revolving credit facility to \$500 million.*

The following description of the credit facilities is not complete and is qualified in all respects by reference to the related credit agreements, which CF Holdings has filed with the SEC as exhibits to a Current Report on Form 8-K incorporated by reference herein. See "Where You Can Find More Information."

In connection with the Terra acquisition, we entered into two agreements providing for three senior secured borrowing facilities with various lenders for which Morgan Stanley Senior Funding, Inc. is acting as administrative agent and collateral agent.

***Term Loan Facility and Revolving Credit Facility***

In connection with the Terra acquisition, on April 5, 2010, CF Holdings, as a guarantor, and its wholly-owned subsidiary CFI, as borrower, entered into a \$2.3 billion senior secured credit agreement, referred to in this prospectus supplement as the credit agreement, with certain lenders, Morgan Stanley Senior Funding, Inc., as agent for such lenders and as collateral agent, and Morgan Stanley Senior Funding, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as joint lead arrangers.

The credit agreement provides for multiple-draw term loans of up to \$2.0 billion under the term loan facility, or term loans. The credit agreement also provides for a revolving credit facility of up to \$300 million with an option to increase the amount available to CFI under the revolving credit facility to up to \$500 million within 90 days of the date of the credit agreement (or such later date as may be consented to by the lead arrangers) with the consent of the lead arrangers and the lenders providing the additional funds. The revolving credit facility provides for a \$50 million swingline subfacility and a \$75 million letter of credit subfacility (which may be increased to up to \$125 million in certain circumstances). All loans outstanding under the credit agreement must be repaid on April 5, 2015.

Borrowings under the term loan facility have been used to fund in part the cash portion of the consideration paid to Terra Industries Inc. stockholders pursuant to the Terra acquisition, to repay all outstanding obligations under our \$250 million credit facility with JPMorgan Chase Bank, N.A., to fund the redemption of the Terra notes and to pay transaction fees and expenses. The revolving credit facility is to be used primarily for working capital requirements and for general corporate purposes of CFI and its subsidiaries (subject to certain limitations). Up to \$100 million of the borrowings under the revolving credit facility can also be used for the purposes discussed above with respect to the term loan facility. At April 12, 2010, \$879.4 million was outstanding under the term loan facility and outstanding letters of credit issued pursuant to the letter of credit subfacility totaled approximately \$17.1 million. There are no other borrowings under the revolving credit facility.

***Interest; Unused Commitment Fee***

Each term loan and each loan under the revolving credit facility, or revolving loan, initially bears interest at an annual rate equal to either LIBOR (which minimum LIBOR rate shall not be less than 1.50%) plus a margin of 3.50%, or a base rate (which minimum base rate shall not be less than 2.50%) plus a margin of 2.50%. In each case, such rate is subject to a permanent reduction by 0.50% on the latest to occur of: (a) the repayment of loans made under the bridge facility, or bridge loans, in full and (b) the issuance by CF Holdings of equity interests for gross cash proceeds of at least \$750 million and the application of all net cash proceeds from such issuance to repay bridge loans or term loans, but only if (a) and (b) occur on or prior to September 30, 2010. Additionally, the revolving loan margin will be reduced to

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LIBOR plus a margin between 2.25% and 2.75% or a base rate plus a margin between 1.25% and 1.75% if CFI maintains certain leverage ratios as set forth in the credit agreement and the term loan margin will be reduced to LIBOR plus a margin of 2.75% or a base rate plus a margin of 1.75% if CFI maintains certain leverage ratios as set forth in the credit agreement. Unused loan commitments under the revolving credit facility are subject to an unused commitment fee of 0.75% per annum; provided that while CFI maintains certain leverage ratios, the unused commitment fee will be reduced to 0.50% per annum or 0.375% per annum, as applicable.

*Prepayments and Repayments; Reductions in Commitments*

Each of the term loan facility and the revolving credit facility may be voluntarily repaid from time to time without premium or penalty other than customary breakage costs with respect to LIBOR loans. The credit agreement is mandatorily prepayable with (a) the net cash proceeds from the issuance of equity securities of CF Holdings, (b) the issuance of certain indebtedness by CF Holdings or its subsidiaries, and (c) with the net cash proceeds from the disposition of assets of, or receipt of certain cash casualty insurance proceeds and condemnation awards by, CF Holdings or its subsidiaries, with certain exceptions (including a right to reinvest such proceeds or awards in assets to be used in the business of CF Holdings and its subsidiaries) set forth in the credit agreement. The order of application of these prepayments among the credit agreement and the bridge loan agreement described below are set forth in documentation governing the respective facilities. CFI is also required to prepay term loans under the credit agreement annually with 50% of the excess cash flow of CF Holdings and its subsidiaries (which percentage may be reduced based on the achievement of certain total leverage ratio targets).

In addition, CFI is required to make quarterly scheduled amortization payments of the term loans prior to the maturity of the term loan facility in an amount equal to 0.25% of the principal amount of the term loans outstanding.

*Guarantees and Collateral*

CFI's obligations under the credit agreement are jointly and severally guaranteed by CF Holdings and certain direct and indirect existing and future wholly-owned domestic subsidiaries of CF Holdings, collectively referred to in this prospectus supplement as the guarantors. CFI's obligations under the credit agreement and the guarantees of those obligations by the guarantors are secured by first priority liens on substantially all of the assets of CFI and the guarantors, subject to certain exceptions (including certain restrictions on the pledge of more than 66% of the voting equity interests of all present and future first-tier foreign subsidiaries and certain domestic subsidiaries the sole assets of which consist of equity in foreign subsidiaries).

*Covenants*

The credit agreement contains affirmative and negative covenants (applicable to CF Holdings and its subsidiaries (other than certain excluded subsidiaries)) customary for a transaction of this type which, among other things, require us to meet certain financial tests, including a minimum interest coverage ratio and a maximum leverage ratio. The credit agreement also contains customary covenants which, among other things, limit:

indebtedness (including guarantees and other contingent obligations);

liens on the assets of CF Holdings and its subsidiaries;

fundamental changes, including mergers and consolidations of CF Holdings and its subsidiaries;

dispositions of assets of CF Holdings and its subsidiaries;

investments, loans, advances, guarantees and acquisitions by CF Holdings and its subsidiaries;



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capital expenditures;

dividends and other restricted payments;

prepayments and amendments of certain indebtedness;

affiliate transactions; and

issuance of equity interests.

*Events of Default*

The credit agreement contains customary events of default, including but not limited to:

non-payment of principal, interest or fees;

inaccuracy of representations and warranties in any material respect;

payment defaults;

failure to comply with covenants;

cross-defaults to certain other indebtedness;

certain bankruptcy or insolvency events;

judgments in excess of a specified amount;

certain specified ERISA events;

invalidity or unenforceability of any guarantee or pledge agreement;

failure or loss of any lien created in favor of the loan parties to be a valid, perfected and first priority lien on any specified collateral securing the credit agreement; and

a change of control, as such term is defined in the credit agreement.

Upon the occurrence and during the continuance of an event of default under the credit agreement, other than a bankruptcy event of default, the administrative agent may, and at the request of certain lenders would be required to, accelerate the loans under the term loan facility and the revolving credit facility, resulting in the borrowings thereunder becoming immediately due and payable, and terminate the lenders' commitments

under the term loan facility and the revolving credit facility. In the case of a bankruptcy event of default under the credit agreement, borrowings under the term loan facility and the revolving credit facility would automatically become immediately due and payable, and the lenders' commitments under the term loan facility and the revolving credit facility would automatically terminate.

***Bridge Facility***

In connection with the Terra acquisition, on April 5, 2010, CF Holdings, as a guarantor, and its wholly-owned subsidiary CFI, as borrower, entered into a \$1.75 billion senior secured bridge loan agreement, referred to in this prospectus supplement as the bridge loan agreement, with certain lenders and Morgan Stanley Senior Funding, Inc., as agent for such lenders and as collateral agent.

The bridge facility provides for multiple-draw bridge loans of up to \$1.75 billion. Borrowings under the bridge loan agreement were used to fund in part the cash portion of the consideration paid to Terra Industries Inc. stockholders pursuant to the Terra acquisition and to pay transaction fees and expenses. On April 5, 2010, we made initial borrowings of \$1.75 billion to purchase shares of Terra Industries Inc. common stock in the exchange offer. At April 9, 2010, \$1.75 billion was outstanding under the bridge loan agreement.

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*Interest; Unused Commitment Fee*

Bridge loans bear interest at an annual rate equal to LIBOR (which minimum LIBOR rate shall not be less than 2.00%) plus a spread initially equal to 8.00%. The spread increases by 1.00% at the end of each 30-day period until the bridge loans are repaid or rolled over into extended term loans or senior exchange notes at the maturity of the bridge facility, subject to an interest rate cap of 12.5% that may be raised to 14.5% if the bridge loans remain outstanding after the rollover date but are not converted into extended term loans, as described below.

*Maturity; Conversion of Bridge Loans*

All bridge loans outstanding under the bridge loan agreement must be repaid on April 5, 2011, referred to in the prospectus supplement as the rollover date. If any portion of the bridge facility is not repaid in full on the rollover date, then, unless there exists an event of default under the bridge facility, the bridge loans will automatically be converted into extended term loans maturing on April 5, 2017, referred to in this prospectus supplement as the extended term loans. Each lender under the bridge facility has the option, at any time on or after the rollover date, to receive senior exchange notes maturing on April 5, 2017, referred to in this prospectus as the exchange notes, in exchange for its bridge loans or extended term loans. Extended term loans and exchange notes would accrue interest at an annual rate equal to 12.5%. The exchange notes would be guaranteed by the same guarantors as the extended loans and would be secured, on a pari passu basis with the extended loans, with the same assets that secure extended loans, subject to certain limited exceptions. The exchange notes would benefit from customary registration rights. Interest on the exchange notes would be payable semi-annually.

*Prepayments and Repayments; Reductions in Commitments*

The bridge facility may be voluntarily repaid from time to time without premium or penalty other than customary breakage costs with respect to LIBOR loans. The bridge loan agreement is mandatorily prepayable with (a) the net cash proceeds from the issuance of equity securities of CF Holdings, (b) the issuance of certain indebtedness by CF Holdings or its subsidiaries, and (c) with the net cash proceeds from the disposition of assets of, or receipt of certain cash casualty insurance proceeds and condemnation awards by, CF Holdings or its subsidiaries, with certain exceptions (including a right to reinvest such proceeds or awards in assets to be used in the business of CF Holdings and its subsidiaries). The order of application of prepayments among the credit agreement and the bridge loan agreement are set forth in documentation governing the respective facilities. The bridge loans are also mandatorily prepayable in full upon the occurrence of a change of control. There are no scheduled amortization payments required under the bridge facility.

*Guarantees and Collateral*

CFI's obligations under the bridge loan agreement are jointly and severally guaranteed by CF Holdings and certain direct and indirect existing and future wholly-owned domestic subsidiaries of CF Holdings. CFI's obligations under the bridge loan agreement and the guarantees of those obligations by the guarantors are secured by liens on substantially all of the assets of CFI and the guarantors, subject to certain exceptions (including certain restrictions on the pledge of more than 66% of the voting equity interests of all present and future first-tier foreign subsidiaries and certain domestic subsidiaries the sole assets of which consist of equity in foreign subsidiaries), that are junior and subordinated to the liens securing the credit agreement. The terms of this subordination are contained in an intercreditor agreement that has been entered into by the CF Holdings, CFI and Morgan Stanley Senior Funding, Inc., in its capacities as administrative agent under the credit agreement, and administrative agent under the bridge loan agreement.

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*Covenants; Events of Default*

The covenants and events of default contained in the bridge loan agreement are substantially similar to those contained in the credit agreement.

Upon the occurrence and during the continuance of an event of default under the bridge loan agreement, other than a bankruptcy event of default, the administrative agent may, and at the request of certain lenders would be required to, accelerate the loans under the bridge facility, resulting in the borrowings thereunder becoming immediately due and payable, and terminate the lenders' commitments under the bridge facility. In the case of a bankruptcy event of default under the bridge loan agreement, borrowings under the bridge facility would automatically become immediately due and payable, and the lenders' commitments under the bridge facility would automatically terminate.

***CF Holdings Common Stock Offering and Replacement Financing***

We intend to use the net proceeds from this offering, together with the net proceeds from the senior notes offering in an aggregate principal amount of \$1.6 billion, to refinance the bridge facility and, to the extent of any net proceeds in excess of the amount required to discharge the obligations under the bridge facility, to repay outstanding borrowings under the term loan facility. See "Use of Proceeds" and "Capitalization." There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated. This offering is not conditioned on the consummation of the senior notes offering.

**TNLP Facility**

TNLP has a revolving credit facility which is available for borrowings only by TNLP of up to \$50 million at any time outstanding. In connection with the Terra acquisition, on April 2, 2010, TNLP entered into a waiver with the lenders under the TNLP facility. The waiver provides for the waiver of the "change of control" event of default that would have resulted from the consummation of the exchange offer. The waiver is effective through July 1, 2010. At April 9, 2010, no amounts were outstanding under the TNLP facility. We are currently considering options to replace the TNLP facility. There can be no assurance, however, that the TNLP facility can be replaced on terms acceptable to us or at all.

Under the TNLP facility, TNLP may borrow an amount generally based on eligible cash balances, 85% of eligible accounts receivable and 60% of eligible inventory, less outstanding letters of credit. A portion of the TNLP facility is available for swingline loans and for the issuance of letters of credit. At April 9, 2010, there were no borrowings and no outstanding letters of credit, and there was \$50 million of borrowing availability, under the TNLP facility. Borrowings under the TNLP facility bear interest at an annual rate equal to either LIBOR plus a margin of 2.50%, or a base rate (which minimum base rate shall not be less than the federal funds effective rate plus 0.50%) plus a margin of 1.25%. TNLP's borrowings under the TNLP facility are secured by substantially all of the assets of TNLP and TNCLP. The credit agreement governing the TNLP facility also requires TNCLP and TNLP to meet certain financial tests, including minimum EBITDA, and contains customary covenants which, among other things, limit indebtedness, capital expenditures, acquisitions, liens, asset sales, investments, prepayments of subordinated indebtedness, changes in lines of business and transactions with affiliates and effectively limits the ability of TNCLP and TNLP to make distributions of cash or loans to CF Holdings and other subsidiaries of CF Holdings.

**Terra Notes**

In October 2009, Terra Industries Inc.'s subsidiary, Terra Capital, Inc., issued \$600 million of 7.75% senior notes due 2019. The Terra notes are unconditionally guaranteed by Terra Industries Inc. and certain of its U.S. subsidiaries. The Terra notes and guarantees are unsecured and will rank equal in right of payment with any existing and future senior obligations of such guarantors. The indenture governing the

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Terra notes contains covenants that limit, among other things, Terra's ability to: incur additional debt, pay dividends on common stock of Terra Industries Inc. or repurchase shares of such common stock, make certain investments, sell assets, enter into transactions with affiliates, pay dividends or make other payments by its restricted subsidiaries, enter into sale and leaseback transactions, engage in other businesses, sell all or substantially all of its assets or merge with or into other companies, and reduce its insurance coverage. In connection with the second-step merger, the notes were called for redemption in accordance with their terms and the indenture governing the notes was satisfied and discharged.

**Other**

Notes payable, representing amounts owed by CFL to its noncontrolling interest holder with respect to advances, were \$4.7 million as of December 31, 2009 and \$4.1 million as of December 31, 2008. On December 31, 2009, CFL refinanced its existing notes payable and the new unsecured promissory notes are now due December 30, 2011.

Our former \$250 million credit facility, as amended on September 7, 2005 and July 31, 2007, which was scheduled to be available until July 31, 2012, was terminated on April 5, 2010. There were no outstanding borrowings under this credit facility as of December 31, 2009 or December 31, 2008. See Note 24 to our consolidated financial statements incorporated by reference into this prospectus supplement for additional information concerning this credit facility.

In February 2007, Terra Capital, Inc. issued \$330 million of 7% unsecured senior notes due in 2017, or the 2017 notes. The 2017 notes are unconditionally guaranteed by Terra Industries Inc. and certain of its U.S. subsidiaries. The 2017 notes and guarantees are unsecured and rank equal in right of payment with any existing and future senior obligations of such guarantors. On October 27, 2009, Terra Capital, Inc. completed a tender offer with approximately \$317.5 million aggregate principal amount of the 2017 notes tendered, representing 96.2% of the then outstanding 2017 notes, and a consent solicitation to eliminate substantially all the restrictive covenants and certain events of default and to modify certain other provisions of the indenture relating to the 2017 notes. As of the date of this prospectus supplement, approximately \$12.5 million of the 2017 notes remain outstanding.

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**DESCRIPTION OF COMMON STOCK**

Please read the information discussed under the heading "Description of Capital Stock" beginning on page 3 of the accompanying prospectus. As of April 15, 2010, CF Holdings had 58,130,000 shares of common stock outstanding, which includes 9,544,000 shares issued or in connection with the Terra acquisition.

Upon completion of the offering, 69,365,956 shares of our common stock will be outstanding, based on the number of shares outstanding on April 15, 2010 (assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding stock options). See "Risk Factors Risks Related to this Offering and Ownership of CF Holdings Common Stock."

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**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS**

The following discussion is a summary of the material U.S. federal income tax considerations generally applicable to the purchase, ownership and disposition of CF Holdings common stock by Non-U.S. Holders (as defined below). This summary deals only with shares of CF Holdings common stock held as capital assets by Non-U.S. Holders who purchase common stock in this offering. This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to the purchase, ownership or disposition of CF Holdings common stock by prospective investors in light of their particular circumstances. In particular, this discussion does not address all of the tax considerations that may be relevant to certain types of investors subject to special treatment under U.S. federal income tax laws, such as:

dealers in securities or currencies;

financial institutions;

regulated investment companies;

real estate investment trusts;

tax-exempt entities;

insurance companies;

cooperatives;

persons holding common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

persons liable for alternative minimum tax;

foreign entities subject to special U.S. taxing regimes (such as "controlled foreign corporations" or "passive foreign investment companies");

U.S. expatriates;

partnerships or entities or arrangements treated as a partnership or other pass-through entity for U.S. federal tax purposes (or investors therein); or

U.S. Holders (as defined below).

Furthermore, this summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Such authorities may be

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repealed, revoked, modified or subject to differing interpretations, possibly on a retroactive basis, so as to result in U.S. federal income tax consequences different from those discussed below. We have not received a ruling from the Internal Revenue Service, or IRS, with respect to any of the matters discussed herein. This discussion does not address any state, local or non-U.S. tax considerations.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds CF Holdings common stock, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership holding CF Holdings common stock, we particularly urge you to consult your own tax advisors.

**If you are considering the purchase of CF Holdings common stock, we urge you to consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership**

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**and disposition of CF Holdings common stock, as well as any consequences to you arising under state, local and non-U.S. tax laws.**

The following discussion applies only to Non-U.S. Holders. A "Non-U.S. Holder" is a beneficial owner of CF Holdings common stock (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder. For purposes of this summary, a "U.S. Holder" means a beneficial owner of CF Holdings common stock that is for U.S. federal income tax purposes one of the following:

a citizen or an individual resident of the United States;

a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if it (i) is subject to the primary supervision of a court within the United States and one or more persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Special rules may apply to you if you are a "controlled foreign corporation" or a "passive foreign investment company" or are otherwise subject to special treatment under the Code. Any such holders should consult their own tax advisors to determine the U.S. federal income, state, local and non-U.S. tax consequences that may be relevant to them.

**Distributions**

Distributions on CF Holdings common stock (other than certain distributions made in shares of CF Holdings stock) will constitute dividends for U.S. federal income tax purposes to the extent such distributions are made out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Distributions in excess of our current and accumulated earnings and profits will be treated first as a tax-free return of capital to the extent of a Non-U.S. Holder's tax basis in its CF Holdings common stock (with a corresponding reduction in such Non-U.S. Holder's tax basis in its CF Holdings common stock), and thereafter will be treated as gain realized on the sale, exchange or other disposition of CF Holdings common stock (as described below under "Sale, Exchange or Other Taxable Disposition of Common Stock").

Dividends generally will be subject to U.S. federal withholding tax at a 30% rate or such lower rate as may be specified by an applicable tax treaty. However, dividends that are effectively connected with a trade or business you conduct within the United States, and, if certain tax treaties apply, are attributable to a permanent establishment you maintain in the United States, are not subject to the U.S. federal withholding tax, but instead are subject to U.S. federal income tax on a net income basis at the applicable graduated individual or corporate rates. Special certification and disclosure requirements must be satisfied for effectively connected income to be exempt from withholding. If you are a corporation, any such effectively connected dividends that you receive may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you wish to claim the benefit of an applicable treaty rate for dividends paid on our common stock, you must provide the withholding agent with a properly executed IRS Form W-8BEN, claiming an exemption from or reduction in withholding under the applicable income tax treaty. In the case of common stock held by a foreign intermediary (other than a "qualified intermediary"), the intermediary generally must provide an IRS Form W-8IMY and attach thereto an appropriate certification by each beneficial owner for which it is receiving the dividends.

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If you are eligible for a reduced rate of U.S. federal withholding tax pursuant to an applicable income tax treaty, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

**Sale, Exchange or Other Taxable Disposition of Common Stock**

You generally will not be subject to U.S. federal income tax with respect to gain recognized on a sale, exchange or other taxable disposition of shares of CF Holdings common stock unless:

the gain is effectively connected with your conduct of a trade or business in the United States (and, if certain tax treaties would apply to exempt effectively-connected gain from taxation, such gain is also attributable to a permanent establishment you maintain in the United States);

if you are an individual and hold shares of CF Holdings common stock as a capital asset, you are present in the United States for 183 or more days in the taxable year of the sale, exchange or other taxable disposition, and you have a "tax home" in the United States; or

CF Holdings is or has been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding such disposition and your holding period in the common stock, and (i) you beneficially own, or have owned, more than 5% of the total fair market value of CF Holdings common stock at any time during the five-year period preceding such disposition, or (ii) CF Holdings common stock has ceased to be traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs.

If you are an individual and are described in the first bullet above, you will be subject to tax on any gain derived from the sale, exchange or other taxable disposition under regular graduated U.S. federal income tax rates. If you are an individual and are described in the second bullet above, you will be subject to a flat 30% tax on any gain derived from the sale, exchange or other taxable disposition that may be offset by U.S. source capital losses (even though you are not considered a resident of the United States). If you are a corporation and are described in the first bullet above, you will be subject to tax on your gain under regular graduated U.S. federal income tax rates and, in addition, may be subject to the branch profits tax on your effectively connected earnings and profits for the taxable year, which would include such gain, at a rate of 30% or at such lower rate as may be specified by an applicable income tax treaty, subject to adjustments.

While no assurance can be provided in this regard, we believe that CF Holdings is not, and we do not anticipate that it will become, a "United States real property holding corporation" for U.S. federal income tax purposes. Generally, a corporation is a United States real property holding corporation if the fair market value of its U.S. real property interests, as defined in the Code and applicable regulations, equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. If CF Holdings is or becomes a United States real property holding corporation and you are or have been a holder of greater than 5% of the total fair market value of CF Holdings common stock, you should consult your tax advisor.

**U.S. Federal Estate Tax**

Shares of CF Holdings common stock held by an individual Non-U.S. Holder at the time of his or her death will be included in such Non-U.S. Holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

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**Information Reporting and Backup Withholding**

A Non-U.S. Holder not subject to U.S. income tax may nonetheless be subject to backup withholding and information reporting with respect to distributions on CF Holdings common stock, and with respect to amounts realized on the disposition of CF Holdings common stock, unless the Non-U.S. Holder provides the withholding agent with the applicable IRS Form W-8 or otherwise establishes an exemption. Non-U.S. Holders are urged to consult their tax advisors as to their qualifications for an exemption for backup withholding and the procedure for obtaining such an exemption. In addition, the amount of any dividends paid to you and the amount of tax, if any, withheld from such payment generally must be reported annually to you and the IRS. The IRS may make such information available under the provisions of an applicable income tax treaty to the tax authorities in the country in which you reside. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, if any, provided the required information is timely furnished by you to the IRS. Non-U.S. Holders should consult their own tax advisors regarding the filing of a U.S. tax return for claiming a refund of such backup withholding.

Furthermore, recently enacted legislation will require, after December 31, 2012, withholding at a rate of 30% on dividends in respect of, and gross proceeds from the sale of, CF Holdings common stock held by certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to shares in the institution held by certain United States persons and by certain non-US entities that are wholly or partially owned by United States persons. Similarly, dividends in respect of, and gross proceeds from the sale of, CF Holdings common stock held by an investor that is a non-financial non-US entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to CF Holdings or the relevant withholding agent, as applicable, that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which CF Holdings or the relevant withholding agent, as applicable, will in turn provide to the Secretary of the Treasury. Non-U.S. Holders are encouraged to consult with their tax advisors regarding the possible implications of the legislation on their investment in CF Holdings common stock.

Table of Contents**UNDERWRITING (CONFLICTS OF INTEREST)**

Under the terms and subject to the conditions of an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for which Morgan Stanley & Co. Incorporated is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, the number of shares of CF Holdings common stock indicated below:

<b>Name</b>	<b>Number of Shares</b>
Morgan Stanley & Co. Incorporated	7,312,360
Mitsubishi UFJ Securities (USA), Inc.	3,285,394
BMO Capital Markets Corp.	220,224
Natixis Bleichroeder LLC	160,674
Wells Fargo Securities, LLC	160,674
Broadpoint Capital, Inc.	48,315
Dahlman Rose & Company, LLC	48,315
 Total	 11,235,956

The underwriters and the representative are referred to herein as the "underwriters" and the "representative," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus supplement if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus supplement and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 1,685,394 additional shares of CF Holdings common stock at the public offering price listed on the cover page of this prospectus supplement, less the underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus supplement. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of CF Holdings common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of CF Holdings common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, the underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 1,685,394 shares of CF Holdings common stock.

	<b>Per Share</b>	<b>Total</b>	
		<b>No Exercise</b>	<b>Full Exercise</b>
Public offering price	\$ 89.00	\$ 1,000,000,084	\$ 1,150,000,150
Underwriting discounts and commissions to be paid by us	\$ 3.115	\$ 35,000,003	\$ 40,250,005
Proceeds, before expenses, to us	\$ 85.885	\$ 965,000,081	\$ 1,109,750,145

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Pursuant to an engagement letter with Morgan Stanley & Co. Incorporated and Mitsubishi UFJ Securities (USA), Inc., we have also granted to Morgan Stanley & Co. Incorporated a right of first refusal to act as an underwriter in a similar capacity to that in which it has acted in this offering in connection with any debt or equity offering by us or our affiliates. If Morgan Stanley & Co. Incorporated terminates the engagement letter, which it is entitled to do with or without cause, the rights and obligations of Morgan Stanley & Co. Incorporated under the engagement letter, including the right of first refusal, will inure to the benefit of Mitsubishi UFJ Securities (USA), Inc. Pursuant to Financial Industry Regulatory Authority, Inc., or FINRA, Rule 5110(c)(3)(A)(ix), the right of first refusal that we have granted is considered compensation in connection with this offering of CF Holdings common stock and is deemed to have compensation value of 1% of the proceeds of this offering. The right of first refusal lasts for 12 months after the date of completion of the second-step merger unless the bridge facility is fully paid and we terminate the engagement letter.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

Our common stock is listed on the NYSE under the trading symbol "CF."

We and all directors and officers have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, we and they will not, during the period ending 90 days after the date of this prospectus supplement:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;

file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, it will not, during the period ending 90 days after the date of this prospectus supplement, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to:

the sale of shares to the underwriters;

transfers or other dispositions (i) that are bona fide gifts, (ii) by distribution to limited partners, members or stockholders of such persons, (iii) to affiliates of such persons and (iv) to a trust the beneficiaries of which are drawn solely from a group consisting of such persons or immediate family of such persons, provided, in each case, that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, regarding a reduction in beneficial ownership is required or voluntarily made and each donee, trust, distributee or transferee agrees to be subject to such restrictions during the balance of the 90-day period;

the establishment of trading plans pursuant to Rule 10b5-1, provided that such plan does not provide for the transfer of common stock during the restricted period and no public announcement or filing under the Exchange Act regarding the establishment of such plan is required or voluntarily made; or

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transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares; provided that no filing under Section 16(a) of the Exchange Act is required or voluntarily made.

In addition to the exceptions described above, two executive officers, Anthony J. Nocchiero, our Senior Vice President and Chief Financial Officer, and W. Anthony Will, our Vice President, Manufacturing and Distribution, who were issued shares of restricted stock pursuant to our 2005 Equity and Incentive Plan, will be permitted to surrender to us on account of withholding taxes a portion of those shares upon their vesting on May 8, 2010 and April 24, 2010, respectively. Such surrender will be disclosed on a Form 4 filed under the Exchange Act and will relate to approximately 1,400 and 560 shares of each executive officer, respectively.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of CF Holdings common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of CF Holdings common stock above independent market levels or prevent or retard a decline in the market price of CF Holdings common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We have been advised by the underwriters that prior to purchasing the CF Holdings common stock being offered pursuant to this prospectus supplement, on April 15, 2010, Morgan Stanley & Co. Incorporated purchased, on behalf of the underwriters, 132,300 shares of CF Holdings common stock at \$90 per share in stabilizing transactions.

The estimated offering expenses payable by us, in addition to any underwriting discounts and commissions, in connection with this offering of CF Holdings common stock are approximately \$2.0 million.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or the Securities Act.

A prospectus supplement in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

**Conflicts of Interest**

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they

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have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

As described in "Use of Proceeds," we intend to use the net proceeds from this offering to repay outstanding borrowings under the bridge facility. We intend to use the net proceeds from the senior notes offering, if completed, to repay additional amounts outstanding under the bridge facility and, to the extent of any net proceeds in excess of the amount required to discharge the obligations under the bridge facility, to repay outstanding borrowings under the term loan facility. There can be no assurance that the senior notes offering can be consummated on terms acceptable to us or at all or that, if consummated, it will be for the amount contemplated.

Morgan Stanley Senior Funding, Inc. and Morgan Stanley Bank, N.A., affiliates of Morgan Stanley & Co. Incorporated, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., an affiliate of Mitsubishi UFJ Securities (USA), Inc., are lenders under the credit facilities, and may receive their pro rata portion of the proceeds from this offering used to repay amounts outstanding under the credit facilities. In addition, Morgan Stanley & Co. Incorporated served as a financial advisor to CF Holdings in connection with the Terra acquisition. Because more than 5% of the proceeds of this offering, not including underwriting compensation, will be received by affiliates of certain of the underwriters in this offering, this offering is being conducted in compliance with NASD Rule 2720, as administered by the FINRA. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering is of a class of equity securities for which a "bona fide public market," as defined by FINRA rules, exists as of the date of the filing of the registration statement and as of the effective date thereof.

**European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each of which is referred to in this prospectus supplement as a Relevant Member State, each of the underwriters has represented, warranted and undertaken that it has not made and will not make an offer of shares to the public in that Relevant Member State, except that it may make an offer of shares to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior written consent of Morgan Stanley & Co. Incorporated for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Member State by any measure

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implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

**United Kingdom**

Each underwriter has represented and agreed that (a) it has not made and will not make an offer of the shares to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares that has been approved by the FSA except that it may make an offer of the shares to persons who fall within the definition of "qualified investor" as that term is defined in Section 86(1) of the Financial Services and Markets Act 2000, or FSMA, or otherwise in circumstances which do not require the publication by us of a prospectus pursuant to Section 85(1) of FSMA; (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with the issue or sale of the shares in circumstances in which Section 21(1) of FSMA does not apply; and (c) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any shares in, from or otherwise involving the United Kingdom.

**Hong Kong**

This prospectus supplement has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any shares other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares being offered by this prospectus supplement will be issued which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong except if permitted under the securities laws of Hong Kong; and any advertisement, invitation or document relating to the shares being offered by this prospectus supplement will be issued only to persons outside Hong Kong or to "professional investors" referenced in the immediately preceding sentence.

**Japan**

The shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended, or the FIEL). Each underwriter has represented and agreed that the shares which it purchases will be purchased by it as principal and that, in connection with the offering, it will not, directly or indirectly, offer or sell any shares in Japan or to, or for the benefit of, any Japanese Person or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, "Japanese Person" shall mean any "Person Resident in Japan" (*kyojusha*) as defined in Section 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (Law No. 228 of 1949, as amended), including any corporation or other entity organized under the laws of Japan. If any underwriter offers to sell or solicits an offer to buy any shares to any Japanese Person by way of the "Solicitation for Small Number of Investors" (*shouninzuu muke kan'yu*) as defined in Section 23-13, Paragraph 4 of the FIEL, such underwriter shall make it clear in offering to sell or soliciting offers to buy such shares that sales of the shares are subject to the condition that any shares issued by the same issuer shall not be owned by 1,000 or more Japanese Persons.



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**Singapore**

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, or the SFA. Accordingly, no person may offer or sell shares or cause such shares to be made the subject of an invitation for subscription or purchase, or circulate or distribute, this prospectus supplement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such shares, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or (iii) to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA), to a relevant person defined in Section 275(2) of the SFA or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

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**LEGAL MATTERS**

The validity of the common stock offered by this prospectus supplement will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois. The underwriters are being represented by White & Case LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and related financial statement schedule of CF Industries Holdings, Inc., incorporated in this prospectus supplement by reference from CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on April 15, 2010, and management's assessment of the effectiveness of CF Industries Holdings, Inc.'s internal control over financial reporting as of December 31, 2009 incorporated in this prospectus supplement by reference from CF Industries Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and in the registration statement of which this prospectus supplement is a part, and upon the authority of said firm as experts in accounting and auditing.

KPMG LLP's report on the consolidated financial statements refers to CF Industries Holdings, Inc.'s retrospective adoption of the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810 *Consolidation*, that pertain to the standard formerly known as Statement of Financial Accounting Standards (SFAS) No. 160 *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* and the provisions of ASC Topic 260 *Earnings Per Share*, that pertain to the standard formerly known as FSP No. EITF 03-6-1 *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, on January 1, 2009.

The consolidated financial statements of Terra Industries Inc., incorporated in this prospectus supplement by reference from CF Industries Holdings, Inc.'s Current Report on Form 8-K dated April 15, 2010, the related financial statement schedule incorporated in this prospectus supplement by reference from CF Industries Holdings, Inc.'s Current Report on Form 8-K/A dated April 12, 2010, and the effectiveness of Terra Industries Inc.'s internal control over financial reporting as of December 31, 2009 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports (which report with respect to the consolidated financial statements and financial statement schedule expresses an unqualified opinion and includes an explanatory paragraph relating to Terra Industries Inc.'s retrospective adoption of guidance related to noncontrolling interests in consolidated financial statements effective January 1, 2009), which are incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

CF Holdings has filed with the SEC a registration statement on Form S-3 under the Securities Act relating to the securities covered by this prospectus supplement. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement and the exhibits filed or incorporated by reference as part of the registration statement. For further information with respect to us and the securities being offered, we refer you to the registration statement and the exhibits filed or incorporated by reference as part of the registration statement. Statements contained in this prospectus supplement or the accompanying prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement or otherwise filed with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this prospectus supplement or the accompanying prospectus relating to a contract or document is qualified in all respects by reference to the contract or document to which it refers. In addition, CF Holdings files annual, quarterly and periodic

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reports, proxy statements and other information with the SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding issuers, including CF Holdings, that file electronically with the SEC.

The SEC allows us to "incorporate by reference" the information we file with them, which means that (i) we can disclose important information to you by referring you to such information in documents we have filed with the SEC and (ii) such information is considered part of this prospectus supplement. The following documents are incorporated by reference in this prospectus supplement and the accompanying prospectus:

CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the SEC on February 25, 2010;

CF Holdings' Current Reports on Form 8-K filed with the SEC on January 15, 2010, March 12, 2010, April 7, 2010 (as amended by Amendment No. 1 on Form 8-K/A filed with the SEC on April 12, 2010 and Amendment No. 2 on Form 8-K/A filed with the SEC on April 15, 2010), April 12, 2010 and April 15, 2010;

the description of CF Holdings common stock as contained in Item 1 of CF Holdings' Registration Statement on Form 8-A, filed with the SEC on August 8, 2005, including all amendments and reports filed for the purpose of updating such description; and

the description of CF Holdings' rights plan as contained in Exhibit 4.2 to CF Holdings' Registration Statement on Form S-1/A, filed with the SEC on July 26, 2005, including all amendments and reports filed for the purpose of updating such description.

In addition, all documents subsequently filed by CF Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus supplement. The most recent information that we file with the SEC automatically updates and supersedes older information. The information contained in any such filing that is incorporated by reference herein will be deemed to be a part of this prospectus supplement, commencing on the date on which the applicable document is filed. Nothing in this prospectus supplement or the accompanying prospectus shall be deemed to incorporate by reference information furnished to, but not filed with, the SEC.

We will provide to each person, including any beneficial owner, to whom this prospectus supplement is delivered a copy of any or all of the information that has been incorporated by reference in this prospectus supplement or the accompanying prospectus but not delivered with this prospectus supplement (other than exhibits not specifically incorporated by reference in that information), at no cost to the requestor, upon written or oral request. To receive any such copy, call or write:

CF Industries Holdings, Inc.  
4 Parkway North, Suite 400  
Deerfield, Illinois 60015  
Attention: Secretary  
Telephone: (847) 405-2400

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PROSPECTUS

## CF INDUSTRIES HOLDINGS, INC.

### Common Stock Preferred Stock Debt Securities

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We may offer and sell from time to time, in one or more offerings, in amounts, at prices and on terms determined at the time of any such offering:

shares of our common stock;

shares of our preferred stock, which we may issue in one or more series; and

debt securities, which may be senior or subordinated, convertible or non-convertible and secured or unsecured.

We will provide the specific terms of these securities in one or more supplements to this prospectus at the time of offering. You should read this prospectus and the accompanying prospectus supplement carefully before you make your investment decision.

Our common stock is listed on the New York Stock Exchange under the trading symbol "CF." Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

We may offer securities through underwriting syndicates managed or co-managed by one or more underwriters, or directly to purchasers. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. For general information about the distribution of securities offered, please see "Plan of Distribution" on page 14 of this prospectus.

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**Investing in our securities involves risks. You should carefully read and consider the risk factors included in our periodic reports, in the prospectus supplement relating to any specific offering of securities and in other documents that we file with the Securities and Exchange Commission. See "Risk Factors" on page 1 of this prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 2, 2010.

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**CERTAIN TERMS USED IN THIS PROSPECTUS**

In the following sections of this prospectus, unless otherwise stated or the context requires otherwise, "we," "us" and "our" refer to CF Industries Holdings, Inc. and its consolidated subsidiaries, and "CF Holdings" refers to CF Industries Holdings, Inc. and not its consolidated subsidiaries: "CF Industries Holdings, Inc.," "Risk Factors," "Forward-Looking Statements," "Use of Proceeds," "Ratio of Earnings to Fixed Charges and to Combined Fixed Charges and Preferred Stock Dividends" and "Where You Can Find More Information." In all other sections of this prospectus, unless otherwise stated or the context requires otherwise, "we," "us" and "our" refer to CF Industries Holdings, Inc. and not its consolidated subsidiaries.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of an "automatic shelf" registration statement that we filed with the Securities and Exchange Commission, or the SEC, as a "well-known seasoned issuer," as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. Under this shelf registration process, we may sell, from time to time, an indeterminate amount of any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer, which is not meant to be a complete description of each security. Each time that securities are offered, a prospectus supplement containing specific information about the terms of that offering will be provided, including the specific amounts, prices and terms of the securities offered. The prospectus supplement and any other offering material may also add to, update or change information contained in this prospectus or in documents we have incorporated by reference into this prospectus. We urge you to read both this prospectus and any prospectus supplement and any other offering material (including any free writing prospectus) prepared by or on behalf of us for a specific offering of securities, together with additional information described under "Where You Can Find More Information" on page 15 of this prospectus. You should rely only on the information contained or incorporated by reference in this prospectus and any such prospectus supplement or other offering material. We have not authorized anyone to provide you with different information. We are not making an offer to sell or soliciting an offer to purchase these securities in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information contained in this prospectus, any prospectus supplement and any related free writing prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus or any applicable prospectus supplement or other offering material (including any free writing prospectus) nor any distribution of securities pursuant to such documents shall, under any circumstances, create any implication that there has been no change in the information set forth in this prospectus or any applicable prospectus supplement or other offering material or in our and our subsidiaries' affairs since the date of this prospectus or any applicable prospectus supplement or other offering material.

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**CF INDUSTRIES HOLDINGS, INC.**

We are 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.

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. Our Internet website address is <http://www.cfindustries.com>. The content of our website is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

**RISK FACTORS**

Investing in our securities involves risk. Before you decide whether to purchase any of our securities, in addition to the other information, documents or reports included or incorporated by reference into this prospectus and any prospectus supplement or other offering materials, you should carefully consider the risk factors in the section entitled "Risk Factors" in any prospectus supplement, in CF Holdings' most recent Annual Report on Form 10-K and any Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by CF Holdings subsequent to such Annual Report on Form 10-K, as the same may be amended, supplemented or superseded from time to time by our filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and in CF Holdings' other filings with the SEC. For more information, see the section of this prospectus entitled "Where You Can Find More Information." These risks could materially and adversely affect our business, financial condition or operating results and could result in a partial or complete loss of your investment.

**FORWARD-LOOKING STATEMENTS**

This prospectus and documents incorporated by reference in this prospectus, as well as oral statements we make from time to time, contain forward-looking statements that are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those in the forward-looking statements. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions and assumptions and other statements that are not historical facts. Forward-looking statements can generally be identified by their use of terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict" or "project" and similar terms and phrases, including references to assumptions. Forward-looking statements also may relate to our operations, financial results, financial condition, liquidity and business prospects and strategy. Our forward-looking statements are made based on our expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Accordingly, you should not unduly rely on these forward-looking statements. Except as required by law, we undertake no obligation to update or revise any forward-looking statements.

Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including, among others, the factors described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in CF Holdings' most recent Annual Report on Form 10-K filed with the SEC and any Quarterly Reports on Form 10-Q filed by CF Holdings with the SEC since the filing of such Annual Report on Form 10-K and the following:

the relatively expensive and volatile cost of North American natural gas;

the cyclical nature of our business and the agricultural sector;

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the global commodity nature of our fertilizer products, the impact of global supply and demand on our selling prices, and the intense global competition in the consolidating markets in which we operate;

conditions in the U.S. agricultural industry;

risks involving derivatives;

weather conditions;

our inability to predict seasonal demand for our products accurately;

the concentration of our sales with certain large customers;

the impact of changing market conditions on our Forward Pricing Program;

the reliance of our operations on a limited number of key facilities and the significant risks and hazards against which we may not be fully insured;

reliance on third party transportation providers;

risks associated with joint ventures;

risks associated with expansion of our business, including unanticipated adverse consequences and the significant resources that could be required;

future regulatory restrictions and requirements related to greenhouse gas emissions, climate change or other environmental requirements;

potential liabilities and expenditures related to environmental and health and safety laws and regulations;

our potential inability to obtain or maintain required permits and governmental approvals or to meet financial assurance requirements;

acts of terrorism;

difficulties in securing the supply and delivery of raw materials we use and increases in their costs;

losses on our investments in securities;



loss of key members of management and professional staff;

the international credit crisis and global recession; and

the other risks and uncertainties included from time to time in our filings with the SEC.

#### **USE OF PROCEEDS**

Unless otherwise set forth in a prospectus supplement, we intend to use the net proceeds of any offering of our securities for working capital and other general corporate purposes, including acquisitions, repayment or refinancing of debt, stock repurchases and other business opportunities. We will have significant discretion in the use of any net proceeds. We may provide additional information on the use of the net proceeds from the sale of our securities in an applicable prospectus supplement or other offering materials relating to the offered securities.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES AND TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated. No shares of our preferred stock were outstanding during such periods. Accordingly, the ratio of earnings to combined fixed charges and preferred dividends is not separately stated from the ratio of earnings to fixed charges.

	Year ended December 31,				
	2009	2008	2007	2006	2005
Ratio of earnings to fixed charges	105.3x	171.9x	104.1x	13.9x	7.5x

The ratio of earnings to fixed charges is calculated by dividing earnings, as defined in the applicable SEC rules, by fixed charges, as defined in the applicable SEC rules. For purposes of our computation of the ratio of earnings to fixed charges for the periods presented in the table above, our fixed charges are calculated as interest expense, including amortized premiums, discounts, and capitalized expenses related to indebtedness, plus estimated interest in rent expense, in each case on a consolidated basis, and our earnings consist of the sum of (1) consolidated pretax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or equity in earnings or loss of unconsolidated affiliates, (2) consolidated amortization of capitalized interest and (3) fixed charges.

**DESCRIPTION OF SECURITIES**

This prospectus contains summary descriptions of the capital stock and debt securities that we may offer and sell from time to time. These summary descriptions are not meant to be complete descriptions of each security. At the time of an offering and sale, this prospectus together with the accompanying prospectus supplement will contain the material terms of the securities being offered.

**DESCRIPTION OF CAPITAL STOCK**

Our authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.01 per share, and 50,000,000 shares of preferred stock, par value \$0.01 per share, of which 500,000 have been designated Series A Junior Participating Preferred Stock. As of February 26, 2010, there were 48,579,951 shares of our common stock outstanding and held of record by approximately 8,500 stockholders, and no shares of preferred stock were outstanding. On such date, there were 1,732,312 stock options outstanding to acquire shares of our common stock.

The following description briefly summarizes certain information regarding our capital stock. This information does not purport to be complete and is subject in all respects to and qualified in its entirety by reference to the applicable provisions of the General Corporation Law of the State of Delaware, or the DGCL, our certificate of incorporation and our bylaws. Copies of our certificate of incorporation and bylaws, which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part, can be obtained as described under "Where You Can Find More Information."

**Common Stock**

The outstanding shares of our common stock are fully paid and nonassessable. The holders of our common stock are entitled to one vote for each share held of record on each matter submitted to a vote of stockholders, including the election of directors, and do not have any right to cumulate votes in the election of directors. The holders of our common stock have no preemptive rights and no rights to convert their common stock into any other securities. There are also no redemption or sinking fund provisions applicable to our common stock.

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Subject to the rights and preferences applicable to any shares of our preferred stock outstanding at the time, holders of our common stock are entitled to receive dividends when and as declared by our board of directors from funds legally available therefor. In the event of any liquidation, dissolution or winding-up of our affairs, after payment of all of our debts and liabilities and subject to the rights and preferences applicable to any shares of our preferred stock outstanding at the time, the holders of our common stock will be entitled to receive the distribution of our remaining assets.

Our common stock is listed on the New York Stock Exchange under the symbol "CF." The transfer agent and registrar for the common stock is BNY Mellon Shareowner Services.

**Preferred Stock**

Our board of directors has the authority, without further action by the stockholders, to issue up to 50,000,000 shares of our preferred stock in one or more series and to fix the following terms of the preferred stock:

the designation of each series;

the number of shares of each series, as well as the powers, preferences and rights, as well as the

qualifications, limitations or restrictions thereof;

dividends rights and the dividend rate, if any;

the rights and terms of conversion or exchange, if any;

the voting rights, if any;

the rights and terms of redemption (including sinking fund provisions), if any, and the redemption price; and

the rights of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs.

Any or all of these rights may be greater than the rights of our common stock. Our board of directors has designated 500,000 shares of preferred stock "Series A Junior Participating Preferred Stock," which shares are issuable upon events specified in our rights plan. See " Rights Plan."

**Certain Provisions**

Provisions of our certificate of incorporation, our bylaws and Delaware law, which are summarized below, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price for our common stock.

*Classified board of directors*

Our certificate of incorporation provides for a board of directors divided into three classes, with one class to be elected each year to serve for a three-year term. The provision for a classified board makes it more difficult for stockholders to change the composition of our board of directors than if all of our directors were elected annually.

*Number of directors; removal for cause; filling vacancies*

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Our certificate of incorporation provides that our board of directors will consist of not less than three nor more than fifteen members, the exact number of which will be fixed from time to time by our board of directors.

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Under the DGCL, unless otherwise provided in the applicable corporation's certificate of incorporation, directors serving on a classified board may be removed by the corporation's stockholders only for cause. Our certificate of incorporation provides that directors may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote generally at an election of directors. Our certificate of incorporation and bylaws also provide that any newly created directorships on our board of directors may only be filled by a majority of the board of directors then in office, provided that a quorum is present, and any other vacancy occurring on the board of directors may only be filled by a majority of the board of directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected in accordance with the provisions described in the preceding sentence will hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the board of directors may have the effect of shortening the term of any incumbent director.

The director removal and vacancy provisions make it more difficult than it would be in the absence of such provisions for a stockholder to remove incumbent directors and gain control of our board of directors by filling vacancies created by such removal with such stockholder's own nominees.

*Special meetings of stockholders*

Our certificate of incorporation and bylaws deny stockholders the right to call a special meeting of stockholders. Our certificate of incorporation and bylaws provide that a special meeting of stockholders may be called only by our board of directors, our chairman of the board of directors or our president.

*Stockholder action by written consent*

Our certificate of incorporation requires all stockholder actions to be taken by a vote of the stockholders at an annual or special meeting and denies stockholders the ability to act by written consent without a meeting.

*Stockholder proposals*

At an annual meeting of stockholders, only business that is properly brought before the meeting will be conducted or considered. To be properly brought before an annual meeting of stockholders, business must be specified in the notice of the meeting (or any supplement to that notice), brought before the meeting by or at the direction of the board of directors (or any duly authorized committee of the board of directors) or properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must:

be a stockholder of record on the date of the giving of the notice for the meeting and on the record date for the determination of stockholders entitled to notice of and to vote at the meeting; and

have given timely written notice of the business in proper written form to our Secretary.

To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the last annual meeting; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after the anniversary date, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

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To be in proper written form, a stockholder's notice to our Secretary must set forth (1) as to each matter such stockholder proposes to bring before the annual meeting a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting and (2) as to the stockholder giving the notice and any Stockholder Associated Person (as defined below):

the name and address of such person;

the class or series and number of shares of our capital stock which are owned beneficially or of record by such person;

the nominee holder for, and number of, any shares owned beneficially but not of record by such person;

whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of our stock;

to the extent known by the stockholder giving the notice or any Stockholder Associated Person, the name and address of any other stockholder supporting the proposal of business on the date of such stockholder's notice;

a description of all agreements, arrangements or understandings between or among such persons or any other person (including their names) in connection with the proposal of such business by such stockholder;

a description of any material interest of such person in such business;

a representation that the stockholder giving the notice intends to appear in person or by proxy at the annual meeting to bring such business before the meeting;

notice whether such person intends to solicit proxies in connection with the proposed matter; and

any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

Any information required pursuant to the provisions described in this paragraph must be supplemented to speak as of the record date for the meeting by the stockholder giving the notice not later than 10 days after such record date. With respect to any stockholder, "Stockholder Associated Person" means (1) any person acting in concert, directly or indirectly, with such stockholder and (ii) any person controlling, controlled by or under common control with such stockholder or any Stockholder Associated Person.

Similarly, at a special meeting of stockholders, only such business as is properly brought before the meeting will be conducted or considered. To be properly brought before a special meeting, business must be specified in the notice of the meeting (or any supplement to such notice) given by or at the direction of the board of directors, the chairman of our board of directors or our President.

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*Nomination of candidates for election to our board of directors*

Under our bylaws, only persons who are properly nominated will be eligible for election to be members of our board of directors. To be properly nominated, a director candidate must be nominated at an annual meeting of stockholders or any special meeting called for the purpose of electing directors by or at the direction of our board of directors (or any duly authorized committee of the board of directors) or properly nominated by a stockholder. To properly nominate a director, a stockholder must:

be a stockholder of record on the date of the giving of the notice for the meeting and on the record date for the determination of stockholders entitled to vote at the meeting; and

have given timely written notice in proper written form to our Secretary.

To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices:

in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of our last annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after the anniversary date of the last annual meeting, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs; and

in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which notice of the date of such meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to our Secretary must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected and must set forth:

as to each person whom the stockholder proposes to nominate for election as a director:

the name, age, business address and residence address of the person;

the principal occupation or employment of the person;

the class or series and number of shares of our capital stock that are owned beneficially or of record by such person;

the nominee holder for, and number of, any shares owned beneficially but not of record by such person;

whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of our stock; and

any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and

as to the stockholder giving the notice and any Stockholder Associated Person:

the name and address of such person;

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the class or series and number of shares of our capital stock which are owned beneficially or of record by such person;

the nominee holder for, and number of, any shares owned beneficially but not of record by such person;

whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of our stock;

to the extent known by the stockholder giving the notice or any Stockholder Associated Person, the name and address of any other stockholder supporting the nominees named in the stockholder's notice for election on the date of such stockholder's notice;

a description of all agreements, arrangements or understandings between or among such persons or any other person (including their names) pursuant to which the nominations are to be made by the stockholder;

a description of any relationship between or among the stockholder giving notice and any Stockholder Associated Person, on the one hand, and each proposed nominee, on the other hand;

a description of any material interest of such person in such nominations, including any anticipated benefit to such person therefrom;

a representation that the stockholder giving the notice intends to appear in person or by proxy at the meeting to nominate the persons named in its notice;

notice whether such person intends to solicit proxies in connection with the nominations; and

any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

We may also require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as an independent director CF Holdings or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. Any information required pursuant to the provisions described in this paragraph must be supplemented to speak as of the record date for the meeting by the stockholder giving the notice not later than 10 days after such record date.

*Amendment of certificate of incorporation and bylaws*

Our certificate of incorporation generally requires the approval of the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote generally at an election of directors to amend certain provisions of our certificate of incorporation described in this section. Our certificate of incorporation and bylaws provide that the holders of at least two-thirds of the voting power of the issued and outstanding shares of our capital stock entitled to vote generally at an election of directors have the power to amend or repeal our bylaws. In addition, our certificate of incorporation grants our board of directors the authority to amend and repeal our bylaws without

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stockholder vote in any manner not inconsistent with the laws of the State of Delaware or our certificate of incorporation.

**Rights Plan**

Pursuant to the Rights Agreement, dated as of July 21, 2005, between us and The Bank of New York Mellon Corporation (formerly known as The Bank of New York), as the Rights Agent, each share of our common stock has attached to it one preferred stock purchase right. As long as rights attach to our common stock, we will issue one right (subject to adjustment) with each new share of our common stock so that all shares of our common stock will have attached rights. When exercisable, each right entitles the holder to purchase one one-thousandth of a share of a series of our preferred stock designated as Series A Junior Participating Preferred Stock at an exercise price of \$90, subject to adjustment.

Rights will only be exercisable under limited circumstances specified in the rights agreement when there has been a distribution of the rights and such rights are no longer redeemable by us. A distribution of the rights would occur upon the earlier of:

the close of business on the 10th business day following a public announcement that any person or group has acquired beneficial ownership of 15% or more of the outstanding shares our common stock, other than as a result of repurchases of stock by us or inadvertence by certain stockholders as set forth in the rights agreement; or

the close of business on the 10th business day, or such later date as our board of directors may determine, after the date of the commencement or the date of first public announcement with respect thereto, whichever is earlier, of a tender offer or exchange offer that would result in any person, group or related persons acquiring beneficial ownership of 15% or more of the outstanding shares of our common stock.

The rights will expire at 5:00 P.M. (New York City time) on July 21, 2015, unless this expiration date is extended or the rights are otherwise redeemed or exchanged at an earlier date.

If any person or group acquires shares representing 15% or more of the outstanding shares of our common stock, the rights will entitle a holder, other than such person, any member of such group or related person, all of whose rights will be null and void, to acquire a number of additional shares of our common stock having a market value of twice the exercise price of each right. If we are involved in a merger or other business combination transaction, each right will entitle its holder to purchase, at the right's then-current exercise price, a number of shares of the acquiring or surviving company's common stock having a market value at that time of twice the rights' exercise price.

Up to and including the 10th business day following a public announcement that a person or group of affiliated or associated persons has acquired beneficial ownership of 15% or more of the outstanding shares of our common stock, other than as a result of repurchases of stock by us, we may redeem the rights in whole, but not in part, at a price of \$.001 per right (adjusted as appropriate for any stock split, stock dividend or similar transaction), payable in cash, common stock or other consideration that we deemed appropriate. Promptly upon our election to redeem the rights, the rights will terminate and the only right of the holders of rights will be to receive the redemption price.

At any time after any person or group acquires 15% or more of the outstanding shares of our common stock, and prior to the acquisition by such person or group of 50% or more of the outstanding shares of our common stock, our board of directors may exchange the rights (other than rights owned by such person, group or related parties which have become void) in whole or in part, for one share of our common stock per right or for one one-thousandth of a share of our Series A Junior Participating Preferred Stock (or a share of a class or series of our preferred stock or other security having equivalent rights, preferences and privileges) per right, subject, in each case, to adjustment.

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Until a right is exercised, the holder of the right, as such, will have no rights as a stockholder of CF Industries Holdings, Inc., including, without limitation, no right to vote or to receive dividends. While the distribution of the rights will not be taxable to stockholders or to us, stockholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for our common stock or other consideration or for common stock of the acquiring or surviving company or in the event of the redemption of the rights as set forth above.

Any of the provisions of the rights agreement may be amended by our board of directors prior to the distribution of the rights. After such distribution, the provisions of the rights agreement may be amended by our board of directors in order to cure any ambiguity, to correct or supplement any defective or inconsistent provision, to shorten or lengthen any time period or to make changes which do not adversely affect the interests of holders of rights (other than any persons or groups who have acquired 15% or more of the outstanding shares of our common stock). The foregoing notwithstanding, no amendment may be made at such time as the rights are not redeemable (other than to cure an ambiguity or to correct or supplement a defective or inconsistent provision of the rights agreement).

The rights are designed to protect the interests of us and our stockholders against coercive takeover tactics and to encourage potential acquirors to negotiate with our board of directors before attempting a takeover. The preferred stock purchase rights theoretically could, but are not intended to, deter takeover proposals that might be in the best interests of our stockholders.

The foregoing description of the preferred stock purchase rights is not complete and is qualified in its entirety by reference to the rights agreement. Copies of the rights agreement, which is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part, can be obtained as described under "Where You Can Find More Information."

**Delaware Law**

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

prior to that date, the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or after the date the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

As defined in Section 203 of the DGCL, "business combination" generally includes the following:

mergers or consolidations involving the corporation and the interested stockholder;

sales, leases, exchanges, mortgages, pledges, transfers and other dispositions of 10% or more of the assets of the corporation involving the interested stockholder;

subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

transactions involving the corporation that have the effect of increasing the proportionate share of the stock of any class or series of the corporation which is owned by the interested stockholder; and

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receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through such corporation.

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In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling, controlled by, or under common control with any of these entities or persons.

**Limitations on Liability and Indemnification of Directors and Officers**

Our certificate of incorporation limits or eliminates the personal liability of our directors to the maximum extent permitted by the DGCL. The DGCL expressly permits a corporation to provide that its directors will not be liable for monetary damages for a breach of their fiduciary duties as directors, except for liability:

for any breach of the director's duty of loyalty to us or our stockholders;

for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

under Section 174 of the DGCL (relating to unlawful stock repurchases, redemptions or other distributions or payment of dividends); or

for any transaction from which the director derived an improper personal benefit.

These limitations of liability do not generally affect the availability of equitable remedies such as injunctive relief or rescission. Our certificate of incorporation and bylaws also authorize us to indemnify our officers, directors, employees and other agents to the fullest extent permitted under the DGCL, and we may advance expenses to our directors, officers, employees and other agents in connection with a legal proceeding, subject to limited exceptions.

As permitted by the DGCL, our certificate of incorporation and bylaws provide that:

we must indemnify our directors and officers to the fullest extent permitted by the DGCL and advance expenses to our directors and officers in connection with a legal proceeding, subject to limited exceptions; and

we may purchase and maintain insurance on behalf of our current or former directors, officers, employees or agents against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

We have entered into separate indemnification agreements with each of our directors and officers that require us to indemnify them to the fullest extent permitted by the DGCL. These indemnification agreements also require us to advance any expenses incurred by our directors and officers as a result of any proceeding against them as to which they could be indemnified.

The limited liability and indemnification provisions in our certificate of incorporation and bylaws and in the indemnification agreements we have entered into with our directors and officers may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties and may reduce the likelihood of derivative litigation against our directors and officers, even though a derivative action, if successful, might otherwise benefit us and our stockholders. A stockholder's investment in us may be adversely affected to the extent we pay the costs of settlement or damage awards against our directors and officers under these indemnification provisions.

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**DESCRIPTION OF DEBT SECURITIES**

As used in this prospectus, debt securities means the debentures, notes, bonds and other evidences of indebtedness that we may issue from time to time. We may offer secured or unsecured debt securities which may be senior or subordinated and which may be convertible or non-convertible. Unless otherwise specified in the applicable prospectus supplement, our debt securities will be issued in one or more series under an indenture to be entered into between us and a trustee. A form of the indenture is filed as an exhibit to the registration statement of which this prospectus is a part.

The following description briefly sets forth certain general terms and provisions of the debt securities. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which the general terms and provisions described below may apply to such debt securities, will be described in the related prospectus supplement. Accordingly, for a description of the terms of a particular issue of debt securities, reference must be made to both the related prospectus supplement and to the following description.

The debt securities may be issued in one or more series as may be authorized from time to time. Reference is made to the applicable prospectus supplement for the following terms of the debt securities of each series (if applicable):

title and aggregate principal amount;

any applicable subordination provisions for any subordinated debt securities;

whether the securities will be secured or unsecured;

the guarantors, if any, and the extent of the guarantees (including provisions relating to seniority, subordination, security and release of the guarantees), if any;

whether the securities are convertible into or exchangeable for other securities;

percentage or percentages of principal amount at which the securities will be issued;

maturity date(s);

interest rate(s) or the method for determining the interest rate(s);

dates on which interest will accrue or the method for determining dates on which interest will accrue;

dates on which interest will be payable and record dates for the determination of the holders to which interest will be payable on such payment dates;

the places where payments on the debt securities will be payable;

redemption or early repayment provisions;

authorized denominations;

form;

amount of discount or premium, if any, with which the securities will be issued;

whether the securities will be issued in whole or in part in the form of one or more global securities;

identity of the depository for global securities;

whether a temporary security is to be issued with respect to a series and whether any interest payable prior to the issuance of definitive securities of the series will be credited to the account of the persons entitled thereto;



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the terms upon which beneficial interests in a temporary global security may be exchanged in whole or in part for beneficial interests in a definitive global security or for individual definitive securities;

any covenants applicable to the particular debt securities being issued;

any defaults and events of default applicable to the particular debt securities being issued;

currency, currencies or currency units in which the purchase price for, the principal of and any premium and any interest on, such debt securities will be payable;

time period within which, the manner in which and the terms and conditions upon which the purchaser of the securities can select the payment currency;

securities exchange(s) on which the securities will be listed, if any;

whether any underwriter(s) will act as market maker(s) for the securities;

extent to which a secondary market for the securities is expected to develop;

our obligation or right to redeem, purchase or repay securities under a sinking fund, amortization or analogous provision;

provisions relating to covenant defeasance and legal defeasance;

provisions relating to satisfaction and discharge of the indenture;

provisions relating to the modification of the indenture both with and without the consent of holders of debt securities issued under the indenture; and

additional terms not inconsistent with the provisions of the indenture.

One or more series of debt securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. One or more series of debt securities may be variable rate debt securities that may be exchanged for fixed rate debt securities.

United States federal income tax consequences and special considerations, if any, applicable to any such series will be described in the applicable prospectus supplement.

Debt securities may be issued where the amount of principal and/or interest payable is determined by reference to one or more currency exchange rates, commodity prices, equity indices or other factors. Holders of such securities may receive a principal amount or a payment of interest that is greater than or less than the amount of principal or interest otherwise payable on such dates, depending upon the value of the applicable currencies, commodities, equity indices or other factors. Information as to the methods for determining the amount of principal or interest, if any, payable on any date, the currencies, commodities, equity indices or other factors to which the amount payable on such date is linked and certain additional United States federal income tax considerations will be set forth in the applicable prospectus supplement.

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The term "debt securities" includes debt securities denominated in U.S. dollars or, if specified in the applicable prospectus supplement, in any other freely transferable currency or units based on or relating to foreign currencies.

We expect most debt securities to be issued in fully registered form without coupons and in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Subject to the limitations provided in the indenture and in the prospectus supplement, debt securities that are issued in registered form may be transferred or exchanged at the corporate office of the trustee or the principal corporate trust office of the trustee, without the payment of any service charge, other than any tax or other governmental charge payable in connection therewith.

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The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary identified in the prospectus supplement. Global securities will be issued in registered form and in either temporary or definitive form. Unless and until it is exchanged in whole or in part for individual debt securities, a global security may not be transferred except as a whole by the depositary for such global security to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary or by such depositary or any such nominee to a successor of such depositary or a nominee of such successor. The specific terms of the depositary arrangement with respect to any debt securities of a series and the rights of and limitations upon owners of beneficial interests in a global security will be described in the applicable prospectus supplement.

The indenture and the debt securities will be construed in accordance with and governed by the laws of the State of New York.

**PLAN OF DISTRIBUTION**

We may sell the securities being offered hereby in one or more of the following ways from time to time:

to underwriters for resale to purchasers;

directly to purchasers; or

through agents or dealers to purchasers.

In addition, we may enter into derivative or hedging transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with such a transaction, the third parties may sell securities covered by and pursuant to this prospectus and an applicable prospectus supplement. If so, the third parties may use securities borrowed from us or others to settle such sales and may use securities received from us to close out any related short positions. We may also loan or pledge securities covered by this prospectus and an applicable prospectus supplement to third parties, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus and the applicable prospectus supplement.

We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation, in a prospectus supplement.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc. ("FINRA"), the maximum discount or commission to be received by any FINRA member or independent broker-dealer may not exceed 8% of the aggregate offering price of the securities offered hereunder.

**LEGAL MATTERS**

The validity of the securities being offered hereby is being passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois.

**EXPERTS**

The consolidated financial statements and schedule of CF Industries Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2009 and 2008, and for each of the years in the three-year period ended December 31, 2009, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2009, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and in the registration statement of which this prospectus is a part, and upon the authority of said firm as experts in accounting and auditing.

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KPMG LLP's report on the consolidated financial statements refers to the Company's retrospective adoption of the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810 *Consolidation*, that pertain to the standard formerly known as Statement of Financial Accounting Standards (SFAS) No. 160 *Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51* and the provisions of ASC Topic 260 *Earnings Per Share*, that pertain to the standard formerly known as FSP No. EITF 03-6-1 *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, on January 1, 2009.

**WHERE YOU CAN FIND MORE INFORMATION**

CF Holdings has filed with the SEC a registration statement on Form S-3 under the Securities Act relating to the securities covered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits filed or incorporated by reference as part of the registration statement. For further information with respect to us and the securities being offered, we refer you to the registration statement and the exhibits filed or incorporated by reference as part of the registration statement. Statements contained in the prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement or otherwise filed with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document is qualified in all respects by reference to the contract or document to which it refers. In addition, CF Holdings files annual, quarterly and periodic reports, proxy statements and other information with the SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding issuers, including CF Holdings, that file electronically with the SEC.

The SEC allows us to "incorporate by reference" the information we file with them, which means that (i) we can disclose important information to you by referring you to such information in documents we have filed with the SEC and (ii) such information is considered part of this prospectus. The following documents are incorporated by reference in this prospectus:

CF Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the SEC on February 25, 2010;

CF Holdings' Current Report on Form 8-K filed with the SEC on January 15, 2010;

the description of CF Holdings' common stock as contained in Item 1 of CF Holdings' Registration Statement on Form 8-A, filed with the SEC on August 8, 2005, including all amendments and reports filed for the purpose of updating such description; and

the description of CF Holdings' rights plan as contained in Exhibit 4.2 to CF Holdings' Registration Statement on Form S-1/A, filed with the SEC on July 26, 2005, including all amendments and reports filed for the purpose of updating such description.

In addition, all documents subsequently filed by CF Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus. The most recent information that we file with the SEC automatically updates and supersedes older information. The information contained in any such filing that is incorporated by reference herein will be deemed to be a part of this prospectus, commencing on the date on which the applicable document is filed. Nothing in this prospectus shall be deemed to incorporate by reference information furnished to, but not filed with, the SEC.

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We will provide to each person, including any beneficial owner, to whom this prospectus is delivered a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus (other than exhibits not specifically incorporated by reference in that information), at no cost to the requestor, upon written or oral request. To receive any such copy, call or write:

CF Industries Holdings, Inc.  
4 Parkway North, Suite 400  
Deerfield, Illinois 60015  
Attention: Secretary  
Telephone: (847) 405-2400

