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TERRA INDUSTRIES INC
Form 425
August 05, 2009

Filed by CF Industries Holdings, Inc.

(Commission File No. 333-157462)

Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934

Subject Company:

Terra Industries Inc.

On August 5, 2009, CF Industries Holdings, Inc. sent the following letter to its employees:

CF Industries Holdings, Inc.
4 Parkway North, Suite 400
Deerfield, Illinois 60015-2590

847-405-2400
www.cfindustries.com

August 5, 2009

All Employees

CF Industries Holdings, Inc.

Dear Fellow Employees:

Earlier this morning, CF Industries announced that the board of directors has approved an increase in the offer the company is prepared to make in order to effect its proposed business combination with Terra Industries, Inc. Attached is a copy of the release we issued this morning.

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During recent months, we've spoken with many of our and Terra's shareholders, and they've expressed strong support for the combination we've proposed, recognizing the substantial synergies and opportunities it would create. We believe this revised proposal, which provides significant benefits to both companies' holders, will garner substantial support among investors.

As I noted in my letter to the Terra board of directors, our strong second quarter results clearly illustrated the strength of the company and our business model, making an even stronger case for combining these two great competitors. Your efforts made that performance possible. I know I can count on you to remain focused during the coming months.

We'll be on the road today and tomorrow meeting with investors and discussing this latest proposal. We'll keep you informed on any developments.

Sincerely,

Steve Wilson

Additional Information

This letter relates to the offer (the Offer) by CF Industries Holdings, Inc. (CF Industries) through its direct wholly-owned subsidiary, Composite Acquisition Corporation (Composite Acquisition), to exchange each issued and outstanding share of common stock (the Terra common stock) of Terra Industries Inc. (Terra) for 0.4235 shares of CF Industries common stock. This letter is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, Terra common stock, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (Reg. No. 333-157462) (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents) previously filed by CF Industries and Composite Acquisition with the Securities and Exchange Commission (the SEC). The Registration Statement has not yet become effective. The Offer is made only through the Exchange Offer Documents. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THESE DOCUMENTS AND OTHER RELEVANT MATERIALS AS THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

In connection with the solicitation of proxies for the 2009 annual meeting of stockholders of Terra, CF Industries and its wholly-owned subsidiary CF Composite, Inc. (CF Composite) filed a revised preliminary proxy statement with the SEC on April 7, 2009 and intend to file a definitive proxy statement. When completed, the definitive proxy statement of CF Industries and CF Composite and accompanying proxy card will be mailed to stockholders of Terra. INVESTORS AND SECURITY HOLDERS OF TERRA ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT MATERIALS CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders will be able to obtain free copies of any documents filed by CF Industries with the SEC through the web site maintained by the SEC at www.sec.gov. Free copies of any such documents can also be obtained by calling Innisfree M&A Incorporated toll-free at (877) 456-3507.

CF Industries, CF Composite, their respective directors and executive officers and the individuals nominated by CF Composite for election to Terra s board of directors are participants in the solicitation of proxies from Terra stockholders for Terra s 2009 annual meeting of stockholders. Information regarding such participants and a description of their direct and indirect interests in such solicitation, by securities holdings or otherwise, is contained in the revised preliminary proxy statement filed by CF Industries with the SEC on April 7, 2009. CF Industries and its directors and executive officers will be participants in any solicitation of proxies from Terra stockholders or CF Industries stockholders in respect of the proposed

transaction with Terra. Information regarding CF Industries' directors and executive officers is available in the supplement to its proxy statement for its 2009 annual meeting of stockholders, which was filed with the SEC on April 7, 2009, and a description of their direct and indirect interests in such solicitation, by security holdings or otherwise, will be contained in the proxy statement/prospectus filed in connection with the proposed transaction with Terra.