

TERRA INDUSTRIES INC  
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Terra Industries Inc. (the Company ) used the following presentation during Merrill Lynch Midwest Roadshow held on August 5 and 6, 2009, and posted it on the Company s website ([www.terraindustries.com](http://www.terraindustries.com)):

Supplying3Industry Cleaning3the3Air Feeding3the3World Terra3Industries3Inc.  
Building3Shareholder3Value Merrill3Lynch3Midwest3Roadshow August353and36,32009

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Forward3Looking3Statements3 Certain3statements3in3this3presentation3may3constitute3 forward3looking statements3within3the3meaning3 of3the3Private3Securities3Litigation3Reform3Act3of31995.3Statements3made3in3connection3with3the3exchange3 offer3proposed3by3CF3Industries3Holdings,3Inc.3referred3to3in3this3presentation3are3not3subject3to3the3safe3 harbor3protections3provided3to3forward3looking3statements3under3the3Private3Securities3Litigation3Reform3 Act3of31995.33Forward3looking3statements3are3based3upon3assumptions3as3to3future3events3that3may3not3 prove3to3be3accurate.3These3statements3are3not3guarantees3of3future3performance3and3involve3risks,3 uncertainties3and3assumptions3that3are3difficult3to3predict.3Actual3outcomes3and3results3may3differ3 materially3from3what3is3expressed3or3forecasted3in3these3forward3looking3statements.3As3a3result,3these3 statements3speak3only3as3of3the3date3they3were3made3and3Terra3undertakes3no3obligation3to3publicly3 update3or3revise3any3forward3looking3statements,3whether3as3a3result3of3new3information,3future3events3or3 otherwise,3except3as3otherwise3required3by3law.33Words3such3as3 expects, intends, plans, projects, believes, estimates, and3similar3expressions3are3used3to3identify3these3forward3looking3statements.3 These3include,3among3others,3statements3relating3to:3 3 changes3in3financial3markets,3 3 general3economic3conditions3within3the3agricultural3industry,3 3 competitive3factors3and3price3changes3(principally,3sales3prices of3nitrogen3and3methanol3products3 and3natural3gas3costs),3 3 changes3in3product3mix,3 3 changes3in3the3seasonality3of3demand3patterns,3 3 changes3in3weather3conditions,3 3 changes3in3environmental3and3other3government3regulation,3and 3 changes3in3agricultural3regulations. Additional3information3as3to3these3factors3can3be3found3in3Terra s320083Annual3Report/103K,3in3the3sections3 entitled3 Business, Legal3Proceedings, and3 Management s3Discussion3and3Analysis3of3Financial3 Condition3and3Results3of3Operations and3in3the3Notes3to3the3consolidated3financial3statements. August 2009 1

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Important Additional Information Important information and where to find it  
On June 26, 2009, Terra filed with the Securities and Exchange Commission (the SEC) a revised preliminary proxy statement in connection with its 2009 Annual Meeting, which is available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) and Terra's website at [www.terrainindustries.com](http://www.terrainindustries.com). Terra plans to file with the SEC and mail to its shareholders a definitive proxy statement in connection with its 2009 Annual Meeting. Investors and security holders are urged to read the revised preliminary proxy statement, which is available now, and the definitive proxy statement relating to the 2009 Annual Meeting and any other relevant documents filed with the SEC when they become available, because they will contain important information. Investors and security holders may obtain a free copy of the definitive proxy statement and other documents (when available) that Terra files with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov) and Terra's website at [www.terrainindustries.com](http://www.terrainindustries.com). In addition, the definitive proxy statement and other documents filed by Terra with the SEC may be obtained from Terra free of charge by directing a request to Terra Industries Inc., Attn: Investor Relations, Terra Industries Inc., 3600 Fourth Street, P.O. Box 36000, Sioux City, IA 5110236000.  
This presentation is neither an offer to purchase nor the solicitation of an offer to sell any securities. In response to the exchange offer proposed by CF Industries Holdings, Inc. referred to in this presentation, Terra has filed a Solicitation/Recommendation Statement on Schedule 14D393 with the SEC. Investors and security holders are urged to read the Solicitation/Recommendation Statement on Schedule 14D393 because it contains important information. Investors and security holders may obtain a free copy of the Solicitation/Recommendation Statement on Schedule 14D393 and other documents that Terra files with the SEC in connection with the exchange offer at the SEC's Web site at [www.sec.gov](http://www.sec.gov) and Terra's Web site at [www.terrainindustries.com](http://www.terrainindustries.com). In addition, the Solicitation/Recommendation Statement on Schedule 14D393 and other documents filed by Terra with the SEC in connection with the exchange offer may be obtained from Terra free of charge by directing a request to Terra Industries Inc., Attn: Investor Relations, Terra Industries Inc., 3600 Fourth Street, P.O. Box 36000, Sioux City, IA 5110236000. August 2009 2

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Important Additional Information (cont'd) Certain information concerning participants in Terra, its directors, executive officers and certain employees specified in Annex A to Terra's revised preliminary proxy statement for the 2009 Annual Meeting, which was filed with the SEC on June 26, 2009, are participants in the solicitation of Terra's security holders in connection with its 2009 Annual Meeting. Security holders may obtain information regarding the names, affiliations and interests of such individuals in Terra's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the SEC on February 27, 2009 and amended on April 28, 2009, and its revised preliminary proxy statement for the 2009 Annual Meeting, which was filed with the SEC on June 26, 2009. To the extent holdings of Terra securities have changed since the amounts printed in the revised preliminary proxy statement for the 2009 Annual Meeting, such changes have been or will be reflected on Statements of Change in Ownership on Form 343 filed with the SEC. Additional information regarding the interests of such individuals can also be obtained from the revised preliminary proxy statement relating to the 2009 Annual Meeting, which is available now, and the definitive proxy statement relating to the 2009 Annual Meeting when it is filed by Terra with the SEC. These documents (when available) may be obtained free of charge from the SEC's Web site at [www.sec.gov](http://www.sec.gov) and Terra's Web site at [www.terraindustries.com](http://www.terraindustries.com). August 2009

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Terra is a strong investment proposition      The leading pure play nitrogen  
producer with focus on more stable, higher margin products      Track record of using cash  
Well positioned to add value capture growth      Strong nitrogen industry  
Solid liquidity position      fundamentals      Experienced management team  
with track record of delivering      Strong financial position      shareholder value      August 2009 4

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The leading pure play nitrogen company with focus on more stable, higher margin products  
2008 product mix by revenue 3 Leading pure play producer of 3 Urea Other Ammonium 4% 3%  
nitrogen fertilizer Nitrate 11% 3 Serves both agriculture and more 3 Ammonia 333 Agricultural UAN  
stable industrial customers 15% 48% 3 Upgrades significant portion of 3 Ammonia 333  
ammonia capacity to higher value 3 Industrial 19% added products 3 2008 revenue: \$2,891 million 3  
Focus on higher margin products 3 2008 customer mix by revenue vs. ammonia and urea 3  
Facilities ideally located to take 3 Industrial 29% advantage of low cost natural gas 3  
and favorable transportation costs 3 Agricultural 71% 2008 revenue: \$2,891 million Source:  
Terra management. 3 August 2009 5

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Well positioned to capture growth

Upgrading enables greater growth and is designed to add value (thousands of short tons) 4,333  
3,340 775 280 350 968 Ammonia Saleable production product Ammonia Acids Urea

Ammonium nitrate UAN (32% basis)

Terra upgrades a significant portion of its ammonia capacity to leverage exposure to

faster growing, higher margin products Source: Terra management. Notes: At 100% capacity.

Includes additional Woodward UAN capacity (planned by end of 2010).

Excludes Trinidad and UK joint ventures. August 2009 6

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Terra is exposed to advantaged geographies and feedstocks 65% of Terra's total ammonia production volume is located inland or in gas advantaged regions  
Terra's mid-continent plants have lower transportation costs  
Terra has deliberately located its core manufacturing assets away from the U.S. Gulf Coast, where import competition is most severe United Kingdom Trinidad and Tobago  
Terra Production Note: Shaded states indicate Cornbelt.  
Terra's production is ideally situated to serve the Cornbelt August 2009 7

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Well positioned to capture growth Increased exposure to UAN  
Indexed North America Urea & UAN Volume (2003=100) (consumption + exports)  
Expanding Woodward facility 170 UAN capacity from 300,000 tons to 382,500 tons  
Positions Terra to take advantage of continued 140 growth in UAN  
UAN is the fastest growing nitrogen subsector in North America  
Terra Environmental Technologies is focused on liquid urea sales into the  
fast growing environmental sector 2003 2005 2007 2009E 2011E 2013E 2015E UAN Urea Source:  
Fertecon August 2009 8

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Well positioned to capture growth UAN commands a premium

Price differentials: UAN vs. Ammonia \$0.18 \$0.16 \$0.14 \$0.12 \$0.10 \$0.08 \$0.06

Price differential per pound N \$0.04 \$0.02 2003 2004 2005 2006 2007 2008 2009E 2010E 2011E  
2012E 2013E 2014E 2015E UAN/Ammonia price differential

UAN margin contribution is higher than that of ammonia Source: Blue, Johnson & Associates.  
August 2009 9

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UAN provides significant advantages to growers  
UAN delivers economic benefits over ammonia. Why? Efficiency: Protects yields through flexible application  
UAN can be mixed with other crop inputs (e.g. pesticides, herbicides) so the farmer can make one pass through the field  
Up to 1,500 acres/day of UAN can be applied, whereas ammonia is limited to ~200-300 acres/day  
Ammonia equipment is capital intensive  
Ammonia freight/handling costs will continue to increase  
Field Application: Ammonia must be injected into the ground; farmers must use specialized equipment and can apply only when soil conditions are optimal (dry)  
UAN is non-hazardous and can be sprayed directly on the ground  
Safety: Ammonia is a hazardous product that must be shipped in specialized barges/railcars/trucks  
UAN is much safer and easier to handle August 2009 10

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Strong nitrogen industry fundamentals

Agricultural business is projected to grow over the next 10 years

Nitrogen is required each year to fertilize crops, unlike phosphate and potash, whose

application can be discretionary

Planted acres of corn (acres in millions)

94.0 92.0 90.5 90.0 90.0  
89.0 88.0 85.9 86.0 85.0

Planted acres (millions) 84.0 82.0 80.0 2008/09 2009/10 2010/11 2014/15  
2018/19 Nitrogen consumption is expected to be robust, driven by planted acres of corn

Source: USDA. August 2009 11

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Foreign per capita grain consumption shows accelerated growth Actual Trend 630 625 620  
Pounds 615 610 There was a big increase in wheat for feed in 2008 605 600 1995 1997 1999  
2001 2003 2005 2007 2009 2011 2013 2015 Source: Doane, Outlook 2009 August 2009 12

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Outlook for farm income 3 Crop prices generally rising in recent 3  
Farm incomes remain strong by 3 weeks, due to 2009 production potential historical standards. 3  
Soybean prices have also been boosted by strong exports and tightening stocks  
Net Cash Farm Income \$105 3 Livestock cash receipts will be down this 3  
year due to lower prices for milk, hogs \$95 and cattle 3  
Crop cash receipts will be down by about \$85 \$103 billion as a result of lower prices (Billions)  
\$75 compared to the very strong prices recorded in 2008 \$65 3  
Cash production expenses likely to be down by about \$83 billion due to lower \$55  
costs for feed, fuel and fertilizer; costs \$45 for almost all other production inputs 1993 1995  
1997 1999 2001 2003 2005 2007 2009\* will be up 3 Net cash farm income falls from the 3  
The average size of a U.S. farm is record high of around \$933 billion in 2008 3 4183 acres.  
to about \$813 billion in 2009 Source: Doane, USDA August 2009 13

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Strong nitrogen industry fundamentals

Stable margin industrial and growing environmental businesses Industrial Chemicals

Environmental Technologies 3 Leading North American 3 Leader in NOx abatement 3

producer of ammonia and reagents derivatives, such as: 3 The leading North American 3

Ammonium nitrate as a diesel exhaust fluid (DEF) blasting product for mining producer

applications 3 Dedicated DEF production 3 Nitric acid as a raw capacity

material for nylon fibers, polyurethane foams, 3 Dedicated technical team

specialty fibers, and other 3 Full supply chain oversight nitrogen products

Growth driven by increased Stable margin business emission reduction requirements August 2009

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Projected DEF volumes are encouraging DEF Volumes 2010 2018 3.5 436% 3.0 Dosing Rate  
335% 2.5 Dosing Rate (in millions) 1.5 1.0 Short ton equivalent of urea granules 0.5 0.0 2010  
2011 2012 2013 2014 2015 2018 Source: Terra management. Based on diesel gallons consumed.  
August 2009 15

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Ammonia imports important for U.S. nitrogen supply World Ammonia Imports 2008  
Total: 318.43 million tonnes S. Korea Belgium France India Turkey Taiwan Germany Netherlands  
Finland United States Others Source: Fertecon, Ammonia Outlook 2009 35 August 2009 16

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Urea pricing at low levels for Eastern Europe producers  
Average Urea Prices and FSU Supply Costs in 2008/2009 \$/tonne fob Yuzhnyy 800 Price 700  
Ukraine Cost 600 Russia Cost 500 400 300 200 100 0 J F M A M J J A S O N D J F M A M J 2008  
2009 Source: Fertecon, Urea Outlook 2009 32 August 2009 17

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Fertilizer import volumes Nitrogen import volumes for the 2008/2009 fertilizer year are down significantly. 7,000 6,000 5,000 4,000 000 Tonnes 3,000 2,000 1,000 0 Ammonia UAN Urea  
2004/05 2005/06 2006/07 2007/08 2008/09 Source: Blue Johnson August 2009 18

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Improved outlook for remainder of 2009 Terra is well-positioned to benefit from positive fundamental drivers in the 2009 second half. We start with: \$1.3 billion of cash and deposits that support our strategy and enhance shareholder return. Reasonable product Terra has the flexibility to curtail/idle production to meet market inventories demand, and has actively done so over the past six months. Strong TET sales into industrial and environmental Stable platform for continued counter-cyclical growth. sectors Lower tax rate (30.32%) Reflects effective execution of tax strategy. In H2/09 we expect: USDA estimates 87 million acres of corn planted in spring 09, and 3 Healthy N fertilizer demand much of the N to fertilize this crop came out of the supply chain. Strengthening nitrogen Customers expected to refill depleted supplies. selling prices If the 2009/2010 fertilizer season progresses typically, nitrogen selling prices should gradually strengthen. Continued moderate natural Prices affected by ample supplies and continued weak industrial gas costs demand for gas. Still a question: When will Anticipate demand recovery as the global economy begins to industrial demand rebound? recover. August 2009 19

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Strong financial position Track record of financial performance Total revenue EBITDA  
(\$ in millions) (\$ in millions) 7 % : 3 4 % G R 3 2 2 A \$964 R : 8 3 C A G 0 C 4 3 0 83 \$2,891 0 0  
43 \$1,295 \$204 2004 2008 2004 2008 Source: Terra management. Figures as reported. Note:  
See EBITDA reconciliation to net income on Slide 29 and  
GAAP Reconciliation Disclosure on Slide 28. August 2009 20

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Experienced management team with track record of actively delivering shareholder value Track record of creating Total shareholder return shareholder value through: 1,900 3  
Increasing/upgrading capacity at 1,700 existing facilities 3 Expanding business lines that 1,500 generate predictable margins/decrease volatility in 1,300 business model: 3  
Terra Environmental Technologies 1,100 3 Yazoo City modifications/Orica agreement 900 3  
Deepwater terminals Indexed Price 790% 3 Divesting non-core assets 700 3 Blytheville terminal 439% 500 3 Beaumont methanol 3 Proven ability to execute external 300 growth opportunities: 3  
Mississippi Chemical acquisition 100 3 UK joint venture with Kemira 3 ICI UK acquisition 13Jan304 233May305 133Oct306 63Mar308 283Jul309 Terra Industries Inc.  
North American Fertilizers 3 Agriculture, Minerals & Chemical (AMC) acquisition Source: Factset. 3 Note: Dividends included on ex date. 33  
North American Fertilizer index is market cap weighted and includes Agrium, CF Industries, Mosaic, Intrepid Potash and PotashCorp. 3 August 2009 21

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Solid liquidity position Financial objectives Liquidity position (06/30/09) (\$ in millions) 3  
Pursue a disciplined capital 3 No illiquid or auction rate securities program, focused on: 3  
Improving efficiency \$192 \$1,166 3 Reducing costs \$974 3 Continuously focus on low cost 3  
production 3 Generate significant cash flow over the cycle 3 Ensure adequate liquidity through 3  
the cycle 3 Strong balance sheet in a credit (1) Cash, net of Revolver 3 Total liquidity 3  
constrained market customer availability 3 prepayments Source: Terra management. 3  
(1) Net of \$8.03 million L/Cs. August 2009 22

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Track record of using cash to add value Recent and future initiatives Capital allocations  
2004-2008 Woodward UAN capacity expansion Improves long term earnings Capital  
Working capital expenditures, 17% Expanded/extended share buyback net of asset  
At June 30, 2009, 37.43 million shares sale proceeds 30% remained available under the 12.83  
Acquisitions million share buyback program 6% Restart idled Donaldsonville facility Debt 3  
Instituted quarterly 10¢ common repayments share dividend 10% Potential opportunities:  
Dividends 3 Continue to evaluate projects to (preferred & increase upgrading capacity at  
Stock common) repurchases additional Terra facilities 6% 31% Continue to invest in efficiency 3  
Always open to acquisition opportunities consistent with our strategy Source: Terra management.  
August 2009 23

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Terra's strategy is right for the current environment and for potential future cycles  
Terra's strategy for managing the current environment  
Manage production to meet demand, control inventories  
Leverage advantageous gas pricing in energy markets  
Use cash reserves to reinvest in the Company through capital projects and/or strategic opportunities Why we're optimistic  
Farm incomes are projected to remain strong  
Agriculture fundamentals remain positive  
Global population and demand for more protein continues to grow  
Global grain inventories are low  
Terra's industrial business focuses on mining, power generation and government mandated emissions reduction, so is somewhat insulated from effects of an economic slowdown  
Competitors are now even less likely to build new capacity due to uncertain economic outlook and significant differential between cost to buy vs. build  
Terra is well positioned throughout industry cycles:  
North American assets have competitive advantages in natural gas and freight costs  
Terra is financially solid  
Management has successfully navigated the Company through previous cycles August 2009 24

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Terra will deliver value for its shareholders. Pure play focus on nitrogen products. Product mix oriented to the growth trends in upgraded products for agricultural and industrial businesses. Environmental Technologies business, which is uniquely positioned for revenue and margin growth. Sufficient scale to efficiently manage supply in the context of demand fluctuations. Diverse customer and business mix without significant customer or business concentrations. Geographic asset diversification and lower transportation costs to end users. Strong balance sheet with cash reserves. August 2009 25

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Conclusion: Terra is a strong investment proposition The leading pure play nitrogen producer with focus on more stable, higher margin products Track record of using cash Well positioned to add value capture growth Strong nitrogen industry Solid liquidity position fundamentals Experienced management team with track record of delivering Strong financial position shareholder value August 2009 26

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Supplying Industry Cleaning the Air Feeding the World Terra Industries Inc. Questions & Answers

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GAAP Reconciliation Disclosure

Terra prepares its financial statements in conformity with accounting principles generally accepted in the United States of America

( GAAP ). However, management believes that certain non-GAAP financial measures used to manage Terra's business that fall within the meaning of Regulation G (Disclosure of Non-GAAP Financial Measures) of the SEC may provide users of the financial information with additional meaningful information.

Terra has provided EBITDA and adjusted nitrogen earnings, which are non-GAAP financial measures. Terra's management evaluates its business and makes certain operating decisions using these adjusted numbers.

A reconciliation between GAAP and the non-GAAP measure is provided. These non-GAAP measures should not be considered a substitute for GAAP measures. August 2009 28

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EBITDA Reconciliation Terra Industries (\$in millions) 2004 2008

Net income (loss) from continuing operations	\$66	\$633	(+)	Income tax provision (benefit)	(0)	240
Interest income	(3)	(23)	(+)	Interest expense	53	27
			(+)	Depreciation and amortization	89	88
EBITDA	\$204	\$964				

Source: Terra management. August 2009 29