

TERRA INDUSTRIES INC
Form SC TO-T/A
March 12, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 5

to

SCHEDULE TO

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

TERRA INDUSTRIES INC.

(Name of Subject Company (Issuer))

CF INDUSTRIES HOLDINGS, INC.

COMPOSITE ACQUISITION CORPORATION

(Name of Filing Persons (Offerors))

Common Shares, without par value
(Title of Class of Securities)

880915103

(CUSIP Number of Class of Securities)

Douglas C. Barnard
Vice President, General Counsel, and Secretary
4 Parkway North, Suite 400
Deerfield, Illinois 60015
(847) 405-2400

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

Brian W. Duwe
Richard C. Witzel, Jr.
Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

CALCULATION OF FILING FEE

Transaction Valuation(1)
\$2,414,772,820

Amount of Filing Fee(2)
\$94,900.57

- (1) Estimated for purposes of calculating the filing fee only. Pursuant to Rules 0-11(a)(4) and 0-11(d) under the Securities Exchange Act of 1934, as amended, the market value of the securities to be received was calculated as the product of (i) 103,593,858 shares of Terra Industries Inc. common stock (the sum of (x) 102,131,215 shares of Terra Industries Inc. common stock outstanding and (y) 1,463,643 shares of Terra Industries common stock issuable upon the exercise of outstanding options, the vesting of restricted stock and the conversion of Terra Industries Inc. preferred stock (as reported in Terra Industries Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, Terra Industries Inc. s Current Report on Form 8-K dated October 6, 2008, and Terra Industries Inc. s Annual Report on Form 10-K for the year ended December 31, 2007), less 1,000 shares of Terra Industries Inc. common stock owned by CF Composite, Inc., a wholly-owned subsidiary of CF Industries Holdings, Inc. and (ii) the average of the high and low sales prices of Terra Industries Inc. common stock as reported on the New York Stock Exchange on February 17, 2009 (\$23.31).
- (2) The amount of filing fee is calculated in accordance with Rule 0-11(a)(2) under the Securities Act of 1934, as amended, equals \$39.30 per \$1,000,000 of the value of the transaction.

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Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount previously paid: \$94,900.57
Form or Registration No.: Form S-4 (333-157462) and Schedule TO

Filing Party: CF Industries Holdings, Inc.
Date Filed: February 23, 2009

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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This Amendment No. 5 to Tender Offer Statement on Schedule TO (as amended, the Schedule TO) amends and supplements the statement originally filed on February 23, 2009, as subsequently amended from time to time, by CF Industries Holdings, Inc., a Delaware corporation (CF Holdings), and Composite Acquisition Corporation, a Maryland corporation (Composite). This Schedule TO relates to the third party tender offer by CF Holdings, through Composite, to exchange each of the issued and outstanding shares of common stock, without par value of Terra Industries Inc., a Maryland corporation, for 0.4235 shares of common stock, par value \$0.01 per share, of CF Holdings (together with the associated preferred stock purchase rights), upon the terms and conditions set forth in (1) the prospectus/offer to exchange, dated February 23, 2009 (the Offer to Exchange), which is set forth as Exhibit (a)(4) hereto and (2) the related Letter of Transmittal, which is set forth as Exhibit (a)(1)(A) hereto (the offer reflected by such terms and conditions, as they may be amended or supplemented from time to time, constitutes the Offer). CF Holdings also filed a Registration Statement on Form S-4 on February 23, 2009, of which the Offer to Exchange forms a part.

ITEM 1 THROUGH 9, AND ITEM 11.

All information contained in the Offer to Exchange and the Letter of Transmittal, and any prospectus supplement or any other supplement thereto related to the Offer, is hereby expressly incorporated herein by reference with respect to Items 1 through 9 and Item 11 of the Schedule TO, except that such information is amended and supplemented to the extent specifically provided herein.

Item 5(b) of the Schedule TO is hereby amended and supplemented by adding the following:

On March 11, 2009, Mr. Stephen Wilson received a letter from the board of directors of Terra indicating that the Terra board had rejected our revised proposal as set forth in Mr. Wilson's letter dated March 9, 2009. The letter from Terra read as follows:

March 11, 2009

Mr. Stephen R. Wilson

Chairman, President and Chief Executive Officer

CF Industries Holdings, Inc.

4 Parkway North, Suite 400

Deerfield, IL 60015

Dear Mr. Wilson:

The Board of Directors of Terra Industries Inc., with the assistance of its financial and legal advisors, has carefully considered your latest proposal to combine our companies. Our Board has unanimously concluded that this most recent version of your proposal continues to run

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counter to Terra's strategic objectives, substantially undervalues Terra both absolutely and relative to CF, and would deliver less value to our shareholders than would owning Terra on a stand-alone basis.

Accordingly, we reject your proposal.

Sincerely,

Michael L. Bennett
President and Chief Executive Officer

Henry R. Slack
Chairman of the Board

On March 12, 2009, CF Holdings filed a preliminary proxy statement with the SEC in respect of soliciting proxies to vote in favor of the election of CF Holdings nominees at Terra's 2009 annual meeting of stockholders.

ITEM 12. EXHIBITS.

Item 12 of the Schedule TO is hereby amended and supplemented by adding the following:

(a)(5)(F) CF Holdings press release, dated March 12, 2009 (incorporated by reference to CF Holdings Rule 425 filing on March 12, 2009).

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule TO is true, complete and correct.

CF INDUSTRIES HOLDINGS, INC.

By: /s/ Douglas C. Barnard
Name: Douglas C. Barnard
Title: Vice President, General Counsel, and Secretary

COMPOSITE ACQUISITION CORPORATION

By: /s/ Douglas C. Barnard
Name: Douglas C. Barnard
Title: Vice President and Secretary

Date: March 12, 2009

EXHIBIT INDEX

(a)(1)(A) Form of Letter of Transmittal*

(a)(1)(B) **Form of Notice of Guaranteed Delivery***

(a)(1)(C) **Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees***

(a)(1)(D) **Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees***

(a)(1)(E) **Form of Guidelines for Certificate of Taxpayer Identification Number on Substitute Form W-9***

(a)(2) **Not applicable**

(a)(3) **Not applicable**

(a)(4) **Offer to Exchange***

(a)(5)(A) **CF Holdings press release, dated February 23, 2009***

(a)(5)(B) **CF Holdings press release, dated March 9, 2009***

(a)(5)(C) **CF Holdings investor presentation, dated March 9, 2009***

(a)(5)(D) **CF Holdings letter to employees, dated March 9, 2009***

(a)(5)(E) **Current Report on Form 8-K filed by CF Holdings March 11, 2009***

(a)(5)(F) **CF Holdings press release, dated March 12, 2009****

(d) **Not applicable**

(g) **Not applicable**

(h) **Opinion of Skadden, Arps, Slate, Meagher & Flom LLP as to certain tax matters***

* **Previously filed**

** Incorporated by Reference to CF Holdings Rule 425 Filing dated March 12, 2009

