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CF Industries Withdraws Offer to Buy Terra Industries (Update1)

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(Adds CF chief executive officer's comment in third paragraph.)

By Rob Delaney

Jan. 14 (Bloomberg) -- CF Industries Holdings Inc. ended its attempt to take over rival fertilizer maker Terra Industries Inc. and said it is no longer pursuing the acquisition after repeated offers were rejected.

CF sold all of its Terra shares with a gain "that more than offsets the expenses it has incurred in connection with its proposed acquisition of Terra," Deerfield, Illinois-based CF said today in a statement. CF said on Dec. 15 that it wouldn't seek to extend \$2.5 billion of financing commitments related to its acquisition efforts.

"It is clear that an acquisition of Terra now would require a significant increase in our offer, given the substantial uplift in equity values in the fertilizer sector," Chief Executive Officer Stephen Wilson said in the statement.

CF had sought to acquire Terra since January 2009 while fending off a hostile bid from Agrium Inc. At stake in the three-way battle was whether Agrium or CF would be the world's second-largest publicly traded maker of nitrogen-based fertilizers after Yara International ASA of Norway. Terra had rejected all of CF's offers as inadequate.

Terra fell \$1.41, or 4.3 percent, to \$31.25 at 4:16 p.m. after the close of regular trading on the New York Stock Exchange. CF climbed \$3.82, or 4.1 percent, to \$97.01. Agrium's U.S. shares fell 32 cents to \$65.

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