



2/15/2010

## DEF Giant Buy-Out: Yara Buys Out Terra

International ag products giant Yara International, makers of Air 1 Diesel Exhaust Fluid (DEF), will buy rival Terra Industries for around \$4.1 billion for \$41.10.

The announcement comes just about one month after Illinois-based fertilizer manufacturer CF Industries withdrew its offer for Terra, after offering about \$46.39/share.

Terra produces TerraCair DEF and has been the target of a hostile takeover for the past 11 months, the company says. Terra's board of directors rejected a half-dozen CF bids.

Terra sees initially slow growth of DEF sales that will quickly ramp up to a peak in 2014-2015 as most trucks on the road will feature Selective Catalytic Reduction systems needing DEF.

Meanwhile, CF Industries is itself the subject of a takeover bid by Agrium, a Calgary-based fertilizer company.

After ink dries on the deal likely in the second quarter, Terra will become a wholly-owned subsidiary of Yara and will be called Yara North America. The deal still needs to be approved by Terra and Yara's shareholders as well as antitrust and regulatory bodies, according to Dow Jones Newswires.