

CF Industries Holdings, Inc.  
Form 10-Q  
May 03, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32597

**CF INDUSTRIES HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**One Salem Lake Drive**  
**Long Grove, Illinois**  
(Address of principal executive offices)

**20-2697511**  
(I.R.S. Employer  
Identification No.)  
**60047**  
(Zip Code)

**(847) 438-9500**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

55,027,723 shares of the registrant's common stock, \$0.01 par value per share, were outstanding at March 31, 2006.

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## CF INDUSTRIES HOLDINGS, INC.

## PART I FINANCIAL INFORMATION

## ITEM 1. Financial Statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended March 31,	
	2006	2005
	(in millions, except per share amounts)	
Net sales	\$ 400.5	\$ 459.3
Cost of sales	423.2	404.0
Gross margin	(22.7 )	55.3
Selling, general and administrative	13.0	11.0
Other operating net	1.5	0.8
Operating earnings (loss)	(37.2 )	43.5
Interest expense	0.5	5.3
Interest income	(2.7 )	(3.5 )
Minority interest	5.9	4.9
Other non-operating net	(0.1 )	
Earnings (loss) before income taxes	(40.8 )	36.8
Income tax provision (benefit)	(16.2 )	14.5
Net earnings (loss)	\$ (24.6 )	\$ 22.3
Basic and diluted weighted average common shares outstanding	55.0	
Basic and diluted net loss per share	\$ (0.45 )	

See Accompanying Notes to Unaudited Consolidated Financial Statements.

**CF INDUSTRIES HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2006</b>	<b>2005</b>
	<b>(in millions)</b>	
Net earnings (loss)	\$ (24.6 )	\$ 22.3
Other comprehensive income (loss):		
Foreign currency translation adjustment no tax effect	(0.1 )	0.1
Unrealized gain (loss) on hedging derivatives net of taxes	(2.1 )	3.4
Unrealized gain on securities net of taxes	0.2	
	(2.0 )	3.5
Comprehensive income (loss)	\$ (26.6 )	\$ 25.8

See Accompanying Notes to Unaudited Consolidated Financial Statements.

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**CF INDUSTRIES HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	(Unaudited) March 31, 2006 (in millions, except share and per share amounts)	December 31, 2005
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 38.7	\$ 37.4
Short-term investments	157.6	179.3
Accounts receivable	66.4	52.8
Income taxes receivable	4.5	1.1
Inventories	331.3	251.1
Other	43.9	54.4
Total current assets	642.4	576.1
Property, plant and equipment - net	619.2	630.1
Deferred income taxes	6.3	
Goodwill	0.9	0.9
Asset retirement obligation escrow account	11.1	
Other assets	20.9	21.0
Total assets	\$ 1,300.8	\$ 1,228.1
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 155.9	\$ 171.6
Customer advances	245.9	131.6
Deferred income taxes	5.0	5.8
Distributions payable to minority interest	3.7	18.7
Other		