

**ANTICIPATED JOINT VENTURE BETWEEN KEMIRA GROWHOW OYJ  
AND TERRA INDUSTRIES INC.**

**Terms of reference**

1. Whereas in exercise of its duty under section 33(1) of the Enterprise Act 2002 ("the Act") to make a reference to the Competition Commission ("the CC") in relation to an anticipated merger the Office of Fair Trading ("the OFT") believes that it is or may be the case that:
  - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of one or more relevant merger situations in that:
    - (i) enterprises carried on by or under the control of Kemira GrowHow Oyj will cease to be distinct from enterprises carried on by or under the control of Terra Industries Inc.; and
    - (ii) the value of turnover in the United Kingdom of the enterprise being taken over exceeds £70 million; and
  - (b) the creation of that/those situation(s) may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services, namely the supply of nitric acid, anhydrous ammonia, aqueous ammonia, liquid carbon dioxide and ammonium nitrate for non-agricultural applications.
2. Now, therefore the OFT in exercise of its duty under section 33 of the Act, hereby refers to the CC, for investigation and report within a period ending on **12 July 2007**, the following questions in accordance with section 36 of the Act -
  - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of one or more relevant merger situations; and
  - (b) if so, whether the creation of that/those situation(s) may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom.
3. In relation to the question whether relevant merger situation(s) will be created, the CC shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.



Vincent Smith  
Senior Director for Competition  
26 January 2007