

ANTICIPATED JOINT VENTURE BETWEEN KEMIRA GROWHOW OYJ AND TERRA INDUSTRIES INC

Notice of acceptance of final undertakings pursuant to section 82 and Schedule 10 of the Enterprise Act 2002

On 26 January 2007 the Office of Fair Trading (the OFT) referred the anticipated joint venture between Kemira GrowHow Oyj, Kemira GrowHow UK Limited and Terra Industries Inc to the Competition Commission (the CC) for investigation and report under section 33(1) of the Enterprise Act 2002 (the Act);

On 11 July 2007, the CC published its final report—*Kemira Growhow Oyj and Terra Industries Inc merger inquiry—a report on the anticipated joint venture between Kemira GrowHow Oyj and Terra Industries Inc* (the Report)—which concluded that:

- (a) the anticipated joint venture between Kemira GrowHow Oyj, Kemira GrowHow UK Limited and Terra Industries Inc would result in the creation of a relevant merger situation;
- (b) the anticipated joint venture might be expected to result in a substantial lessening of competition (SLC) in each of the markets for CO₂, nitric acid of 58 to 60 per cent concentration, aqueous ammonia and anhydrous ammonia in the UK; and
- (c) for the purpose of remedying, mitigating or preventing the SLC and any other adverse effects that might be expected to result from the SLC, Kemira should divest itself of the divestiture package set out in paragraph 15.105 of the Report and give undertakings in relation to its existing contract for the supply of liquid CO₂ with Air Liquide UK Limited (AL).

On 02 August 2007, the CC gave notice of its proposal to accept final undertakings from Kemira GrowHow Oyj, Kemira GrowHow Holdings Limited, Kemira GrowHow UK Limited, Terra Industries Inc and Terra Nitrogen (UK) Limited (together the parties) and provided an opportunity for representations to be made in relation to the undertakings. The CC has considered the representations and has accepted the undertakings subject to modifications, which are not considered to be material.

On 11 September 2007, the parties gave the undertakings to the CC.

The CC, under section 82 of the Act, accepts the undertakings, a copy of which is set out in the attached annex. The reference has now been finally determined and the undertakings come into force accordingly.



Robert Turgoose
Group Chair
11 September 2007