CF Industries Holdings, Inc.
Form 10-K
February 25, 2016
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(Mark One)

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

For the fiscal year ended December 31, 2015
OR

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

Commission file number 001-32597
CF INDUSTRIES HOLDINGS, INC.
(Exact name of Registrant as specified in its charter)

Delaware	20-2697511
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4 Parkway North, Suite 400, Deerfield, Illinois	60015
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (847) 405-2400
Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý
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 ý No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ý
The aggregate market value of the registrant's common stock held by non-affiliates was $14,966,659,383 based on the closing sale price of common stock on June 30, 2015.
233,082,556 shares of the registrant's common stock, $0.01 par value per share, were outstanding as of January 29, 2016.
DOCUMENTS INCORPORATED BY REFERENCE
Portions of the registrant's definitive proxy statement for its 2016 annual meeting of stockholders (Proxy Statement) are incorporated herein by reference into Part III of this Annual Report on Form 10-K. The Proxy Statement will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the 2015 fiscal year, or, if we do not file the proxy statement within such 120-day period, we will amend this Annual Report on Form 10-K to include the information required under Part III hereof not later than the end of such 120-day period.

CF INDUSTRIES HOLDINGS, INC.
TABLE OF CONTENTS

CF INDUSTRIES HOLDINGS, INC.

PART I

ITEM 1. BUSINESS.

Our Company

All references to "CF Holdings," "the Company," "we," "us," and "our" refer to CF Industries Holdings, Inc. and its subsidiaries, except where the context makes clear that the reference is only to CF Industries Holdings, Inc. itself and not its subsidiaries. All references to "CF Industries" refer to CF Industries, Inc., a 100% owned subsidiary of CF Industries Holdings, Inc. Notes referenced throughout this document refer to consolidated financial statement footnote disclosures that are found in Item 8. Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements.

We are one of the largest manufacturers and distributors of nitrogen fertilizer and other nitrogen products in the world. Our principal customers are cooperatives, independent fertilizer distributors, farmers and industrial users. Our principal nitrogen fertilizer products are ammonia, granular urea, urea ammonium nitrate solution (UAN) and ammonium nitrate (AN). Our other nitrogen products include diesel exhaust fluid (DEF), urea liquor, nitric acid and aqua ammonia, which are sold primarily to our industrial customers, and compound fertilizer products (NPKs), which are solid granular fertilizer products for which the nutrient content is a combination of nitrogen, phosphorus, and potassium. Our core market and distribution facilities are concentrated in the midwestern United States and other major agricultural areas of the United States, Canada and the United Kingdom. We also export nitrogen fertilizer products from our Donaldsonville, Louisiana; Yazoo City, Mississippi; and Billingham, United Kingdom manufacturing facilities.

Prior to March 17, 2014, we also manufactured and distributed phosphate fertilizer products. Our principal phosphate products were diammonium phosphate (DAP) and monoammonium phosphate (MAP). On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to The Mosaic Company (Mosaic) for approximately $1.4 billion in cash. See Note 4—Acquisitions and Divestitures for additional information.

Our principal assets include:

- six North American nitrogen fertilizer manufacturing facilities located in: Donaldsonville, Louisiana (the largest nitrogen fertilizer complex in North America); Medicine Hat, Alberta (the largest nitrogen fertilizer complex in Canada); Port Neal, Iowa; Courtright, Ontario; Yazoo City, Mississippi; and Woodward, Oklahoma;
- two United Kingdom nitrogen manufacturing complexes located in Ince and Billingham that produce AN, ammonia and NPKs;
- a 75.3% interest in Terra Nitrogen Company, L.P. (TNCLP), a publicly-traded limited partnership of which we are the sole general partner and the majority limited partner and which, through its subsidiary Terra Nitrogen, Limited Partnership (TNLP), operates a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma;
- an extensive system of terminals and associated transportation equipment located primarily in the midwestern United States; and
- a 50% interest in Point Lisas Nitrogen Limited (PLNL), an ammonia production joint venture located in the Republic of Trinidad and Tobago that we account for under the equity method.

In 2015, we entered into a number of strategic agreements and transactions as follows:

- We acquired the remaining 50% equity interest in CF Fertilisers UK Group Limited (formerly known as GrowHow UK Group Limited) (CF Fertilisers UK) not previously owned by us on July 31, 2015 for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us. This transaction added CF Fertilisers UK’s nitrogen manufacturing complexes in Ince, United Kingdom and Billingham, United Kingdom to our consolidated manufacturing capacity.

- We sold our interests in KEYTRADE AG (Keytrade), a global fertilizer trading company headquartered near Zurich, Switzerland, to the other key principals of Keytrade.
- We sold our 50% ownership interest in an ammonia storage joint venture in Houston, Texas.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

- We entered into a definitive agreement (as amended, the Combination Agreement) under which we will combine with the European, North American and global distribution businesses (collectively, the ENA Business) of OCI N.V. (OCI). The combination transaction includes OCI's nitrogen production facility in Geleen, Netherlands; its nitrogen production facility under construction in Wever, Iowa; its approximately 79.88% equity interest in an ammonia and methanol complex in Beaumont, Texas; and its global distribution business and the assumption of approximately $2 billion in net debt. Under the terms of the Combination Agreement, CF Holdings will become a subsidiary of a new holding company (New CF) domiciled in the Netherlands. This transaction is expected to close in mid-2016, subject to the approval of shareholders of both CF Holdings and OCI, the receipt of certain regulatory approvals, and other closing conditions. See Note 4—Acquisitions and Divestitures for additional information.

- We entered into a strategic venture with CHS Inc. (CHS). The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in CF Industries Nitrogen, LLC (CFN), a subsidiary of CF Holdings, for $2.8 billion. CHS also began receiving deliveries from us pursuant to a supply agreement under which CHS has the right to purchase annually from us up to approximately 1.1 million tons of granular urea and 580,000 tons of UAN at market prices. CHS is entitled to semi-annual profit distributions from CFN as a result of its minority equity interest in CFN. See Note 27—Subsequent Event for additional information on this strategic venture.

We are currently constructing new ammonia and UAN plants at our Donaldsonville, Louisiana complex and new ammonia and urea plants at our Port Neal, Iowa complex. In November 2015, the new urea plant at the Donaldsonville, Louisiana complex came on line and was the first plant to be commissioned as part of our capacity expansion projects in North America. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)—Liquidity and Capital Resources—Capacity Expansion Projects and Restricted Cash for additional information related to our capacity expansion projects.

In the third quarter of 2015, we changed our reportable segment structure to separate AN from our Other segment as our AN products increased in significance as a result of the CF Fertilisers UK acquisition. Our reportable segment structure reflects how our chief operating decision maker (CODM), as defined under U.S. generally accepted accounting principles (GAAP), assesses the performance of our operating segments and makes decisions about resource allocation. Our reportable segments now consist of ammonia, granular urea, UAN, AN, Other, and phosphate. These segments are differentiated by products. Our management uses gross margin to evaluate segment performance and allocate resources. Historical financial results have been restated to reflect the new reportable segment structure on a comparable basis. See Note 4—Acquisitions and Divestitures for additional information.

On May 15, 2015, we announced that our Board of Directors declared a five-for-one split of our common stock to be effected in the form of a stock dividend. On June 17, 2015, stockholders of record as of the close of business on June 1, 2015 (Record Date) received four additional shares of common stock for each share of common stock held on the Record Date. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the stock split. All share and per share data has been retroactively restated to reflect the stock split, except for the number of authorized shares of common stock. Since the par value of the common stock remained at $0.01 per share, the recorded value for common stock has been retroactively restated to reflect the par value of total outstanding shares with a corresponding decrease to paid-in capital.

On March 17, 2014, we sold our phosphate mining and manufacturing business which was reported in our phosphate segment. The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter. However, the segment will continue to be included until the reporting of comparable period phosphate results ceases. See Note 4—Acquisitions and Divestitures for additional information.

The ammonia, granular urea, UAN, AN and Other segments are also referred to throughout this document as the "Nitrogen Product Segments." For the years ended December 31, 2015, 2014 and 2013, we sold 13.7 million, 13.3 million and 12.9 million product tons from the Nitrogen Product Segments generating net sales of $4.31 billion, $4.57

billion and $4.68 billion, respectively.

Our principal executive offices are located outside of Chicago, Illinois, at 4 Parkway North, Suite 400, Deerfield, Illinois 60015 and our telephone number is 847-405-2400. Our Internet website address is www.cfindustries.com. Information made available on our website does not constitute part of this Annual Report on Form 10-K.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

We make available free of charge on or through our Internet website, www.cfindustries.com, all of our reports on Forms 10-K, 10-Q and 8-K and all amendments to those reports as soon as reasonably practicable after such material is filed electronically with, or furnished to, the Securities and Exchange Commission (SEC). Copies of our Corporate Governance Guidelines, Code of Corporate Conduct and charters for the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee of our Board of Directors are also available on our Internet website. We will provide electronic or paper copies of these documents free of charge upon request. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Company History

We were founded in 1946 as a fertilizer brokerage operation by a group of regional agricultural cooperatives. During the 1960s, we expanded our distribution capabilities and diversified into fertilizer manufacturing through the acquisition of several existing plants and facilities. During the 1970s and again during the 1990s, we expanded our production and distribution capabilities significantly, spending approximately $1 billion in each of these decades.

We operated as a traditional manufacturing and supply cooperative until 2002, when we adopted a new business model that established financial performance as our principal objective, rather than assured supply to our owners. A critical aspect of the new business model was to establish a more economically driven approach to the marketplace.

In August 2005, we completed our initial public offering (IPO) of common stock, which is listed on the New York Stock Exchange. In connection with the IPO, we consummated a reorganization transaction whereby we ceased to be a cooperative and our pre-IPO owners' equity interests in CF Industries were canceled in exchange for all of the proceeds of the offering and shares of our common stock.

In April 2010, we acquired Terra Industries Inc. (Terra), a leading North American producer and marketer of nitrogen fertilizer products for a purchase price of $4.6 billion, which was paid in cash and shares of our common stock. As a result of the Terra acquisition, we acquired five nitrogen fertilizer manufacturing facilities, our 75.3% interest in TNCLP and certain joint venture interests.

In March 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to Mosaic for approximately $1.4 billion in cash.

In July 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us.

Product Tons and Nutrient Tons

Unless otherwise stated, we measure our production and sales volume in this Annual Report on Form 10-K in product tons, which represents the weight of the product measured in short tons (one short ton is equal to 2,000 pounds). References to UAN product tons assume a 32% nitrogen content basis for production volume.

We also provide certain supplementary volume information measured in nutrient tons. Nutrient tons represent the weight of the product’s nitrogen content, which varies by product. Ammonia represents 82% nitrogen content, granular urea represents 46% nitrogen content, UAN represents between 28% and 32% nitrogen content and AN represents between 29% and 35% nitrogen content.

Reportable Segments

As discussed above, our reportable segments now consist of the following segments: ammonia, granular urea, UAN, AN, Other, and phosphate. These segments are differentiated by products. Historical financial results have been restated to reflect this new reportable segment structure on a comparable basis. See Note 21—Segment Disclosures for additional information.

We use gross margin to evaluate segment performance and allocate resources. Total other operating costs and expenses (consisting of selling, general and administrative expenses and other operating—net) and non-operating expenses (interest and income taxes), are centrally managed and are not included in the measurement of segment profitability reviewed by management.

CF INDUSTRIES HOLDINGS, INC.

Nitrogen Product Segments

We are the largest nitrogen fertilizer producer in North America. Our primary nitrogen fertilizer products are ammonia, granular urea, UAN and AN. Our historical sales of nitrogen fertilizer products from our Nitrogen Product Segments are shown in the following table. Net sales do not reflect amounts used internally, such as ammonia, in the manufacture of other products.

	2015		2014		2013	
	Tons	Net Sales	Tons	Net Sales	Tons	Net Sales
	(tons in thousands; dollars in millions)					
Nitrogen Product Segments						
Ammonia	2,995	$1,523.1	2,969	$1,576.3	2,427	$1,437.9
Granular urea	2,460	788.0	2,459	914.5	2,506	924.6
UAN	5,865	1,479.7	6,092	1,669.8	6,383	1,935.1
AN	1,290	294.0	958	242.7	859	215.1
Other[1]	1,108	223.5	798	171.5	770	165.1
Total	13,718	$4,308.3	13,276	$4,574.8	12,945	$4,677.8

[1] Other segment products include DEF, urea liquor, nitric acid, aqua ammonia and NPKs.

Gross margin for the Nitrogen Product Segments was $1.55 billion, $1.77 billion and $2.45 billion for the years ended December 31, 2015, 2014 and 2013, respectively.

We operate seven nitrogen fertilizer manufacturing facilities in North America. We own four nitrogen fertilizer manufacturing facilities in the United States, one in Medicine Hat, Alberta, Canada and one in Courtright, Ontario, Canada. We also have a 75.3% interest in TNCLP and its subsidiary, TNLP, which owns a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma. In 2015, the combined production capacity of these seven facilities represented approximately 37%, 34%, 45% and 21% of North American ammonia, granular urea, UAN and AN production capacity, respectively. Each of our nitrogen fertilizer manufacturing facilities in North America has on-site storage to provide flexibility to manage the flow of outbound shipments without impacting production.

We also operate two United Kingdom nitrogen manufacturing complexes located in Ince and Billingham that produce ammonia, AN and NPKs and serve primarily the British agricultural and industrial markets.

The following table shows the production capacities at each of our nitrogen manufacturing facilities:

	Average Annual Capacity[1]					
	Gross Ammonia[2]	Net Ammonia[2]	UAN[3]	Urea[4]	AN[5]	NPKs
	(tons in thousands)					
Donaldsonville, Louisiana[6][7]	3,070	1,130	2,415	1,680	—	—
Medicine Hat, Alberta	1,250	790	—	810	—	—
Port Neal, Iowa[8]	380	30	800	50	—	—
Verdigris, Oklahoma[9][10]	1,180	390	1,975	—	—	—
Woodward, Oklahoma	480	140	820	25	—	—
Yazoo City, Mississippi[8][10][11]	560	—	160	40	1,075	—
Courtright, Ontario[8][10]	500	265	345	160	—	—
Ince, U.K.[12]	380	20	—	—	575	385
Billingham, U.K.[10]	550	270	—	—	620	—
	8,350	3,035	6,515	2,765	2,270	385
Unconsolidated Affiliate						

Point Lisas, Trinidad[13]	360	360	—	—	—	—
Total	8,710	3,395	6,515	2,765	2,270	385

4

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

(1) Average annual capacity includes allowance for normal outages and planned maintenance shutdowns.
(2) Gross ammonia capacity includes ammonia used to produce upgraded products. Net ammonia capacity is gross ammonia capacity less ammonia used to produce upgraded products based on the product mix shown in the table.
(3) Measured in tons of UAN containing 32% nitrogen by weight.
(4) Urea is sold as granular urea from the Donaldsonville and Medicine Hat facilities, as urea liquor from the Port Neal, Woodward and Yazoo City facilities and as either granular urea or urea liquor from the Courtright facility. Urea liquor produced at the Yazoo City, Courtright, Woodward and Port Neal facilities can be sold as DEF.
(5) AN includes prilled products (Amtrate and IGAN) and AN solution produced for sale.
(6) The urea expansion capacity at Donaldsonville is online and available (Note: the urea expansion capacity of approximately 1.3 million tons has not been added to the capacity table above). If the full urea expansion capacity of approximately 1.3 million tons were produced, then the net ammonia balance would decrease by approximately 768,000 tons.
(7) The Donaldsonville facility's remaining production capacity depends on product mix. Including the urea expansion capacity, the facility is capable of producing approximately 3.0 million tons of granular urea with UAN running at capacity. Granular urea production can be increased to approximately 3.3 million tons if UAN production is reduced to approximately 1.6 million tons.
(8) Production of urea products at the Port Neal and Courtright facilities can be increased by reducing UAN production. Urea liquor production at the Yazoo City facility can be increased by obtaining additional ammonia to supplement the facility's ammonia production.
(9) Represents 100% of the capacity of this facility.
(10) Reduction of UAN or AN production at the Yazoo City, Courtright, Verdigris and Billingham facilities can allow more merchant nitric acid to be made available for sale.
(11) The Yazoo City facility's production capacity depends on product mix. With the facility maximizing the production of AN products, 160,000 tons of UAN can be produced. UAN production can be increased to 450,000 tons by reducing the production of AN to 945,000 tons.
(12) The Ince facility's production capacity depends on product mix. The facility can increase production of NPKs to 550,000 tons by reducing AN production to 485,000 tons.
(13) Represents our 50% interest in the capacity of PLNL.

The following table summarizes our nitrogen fertilizer production volume for the last three years.

	December 31,		
	2015	2014	2013
	(tons in thousands)		
Ammonia[1]	7,673	7,011	7,105
Granular urea	2,520	2,347	2,474
UAN (32%)	5,888	5,939	6,332
AN	1,283	950	882

(1) Gross ammonia production, including amounts subsequently upgraded on-site into granular urea, UAN or AN.

Donaldsonville, Louisiana

The Donaldsonville nitrogen fertilizer complex is the largest nitrogen fertilizer production facility in North America. It has five ammonia plants, five urea plants, three nitric acid plants and two UAN plants. The complex, which is located on the Mississippi River, includes deep-water docking facilities, access to an ammonia pipeline, and truck and railroad loading capabilities. The complex has on-site storage for 160,000 tons of ammonia, 168,000 tons of UAN (measured on a 32% nitrogen content basis) and 163,000 tons of granular urea.

In the fourth quarter of 2012, we announced our expansion project plans for our Donaldsonville, Louisiana facility, which will increase our annual capacity of ammonia and granular urea by up to 1.3 million tons each and UAN by up to 1.8 million tons. The new Donaldsonville urea plant became operational during the fourth quarter of 2015. For additional details regarding this project, see Item 7. MD&A—Liquidity and Capital Resources—Capacity Expansion Projects and Restricted Cash.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Medicine Hat, Alberta, Canada

Medicine Hat is the largest nitrogen fertilizer complex in Canada. It has two ammonia plants and one urea plant. The complex has on-site storage for 60,000 tons of ammonia and 60,000 tons of granular urea.

The complex is owned by Canadian Fertilizers Limited (CFL), which until April 30, 2013, was a variable interest entity which we consolidated in our financial statements. In April 2013, we purchased the remaining noncontrolling interest. CFL is now a wholly-owned subsidiary.

For further information about CFL, see Note 15—Noncontrolling Interest.

Port Neal, Iowa

The Port Neal facility is located approximately 12 miles south of Sioux City, Iowa on the Missouri River. The facility consists of an ammonia plant, two urea plants, two nitric acid plants and a UAN plant. The location has on-site storage for 30,000 tons of ammonia and 81,000 tons of 32% UAN.

In the fourth quarter of 2012, we also announced our expansion project plans for our Port Neal, Iowa facility, which will increase our annual capacity of ammonia by approximately 0.8 million tons and granular urea by approximately 1.3 million tons. For additional details regarding this project, see Item 7. MD&A—Liquidity and Capital Resources—Capacity Expansion Projects and Restricted Cash.

Verdigris, Oklahoma

The Verdigris facility is located northeast of Tulsa, Oklahoma, near the Verdigris River and is owned by TNLP. It is the second largest UAN production facility in North America. The facility comprises two ammonia plants, two nitric acid plants, two urea plants, two UAN plants and a port terminal. Through our 75.3% interest in TNCLP and its subsidiary, TNLP, we operate the plants and lease the port terminal from the Tulsa-Rogers County Port Authority. The complex has on-site storage for 60,000 tons of ammonia and 100,000 tons of 32% UAN.

Woodward, Oklahoma

The Woodward facility is located in rural northwest Oklahoma and consists of an ammonia plant, two nitric acid plants, two urea plants and two UAN plants. The facility has on-site storage for 36,000 tons of ammonia and 83,900 tons of 32% UAN.

Yazoo City, Mississippi

The Yazoo City facility is located in central Mississippi and includes one ammonia plant, four nitric acid plants, an AN plant, two urea plants, a UAN plant and a dinitrogen tetroxide production and storage facility. The site has on-site storage for 50,000 tons of ammonia, 48,000 tons of 32% UAN and 7,000 tons of AN and related products.

Courtright, Ontario, Canada

The Courtright facility is located south of Sarnia, Ontario near the St. Clair River. The facility consists of an ammonia plant, a UAN plant, a nitric acid plant and a urea plant. The location has on-site storage for 64,100 tons of ammonia, 10,400 tons of granular urea and 16,000 tons of 32% UAN.

Ince, United Kingdom

The Ince facility is located in northwestern England and consists of an ammonia plant, three nitric acid plants, an AN plant and three NPK plants. The location has on-site storage for 11,000 tons of ammonia, 110,000 tons of AN, and 50,000 tons of NPKs.

Billingham, United Kingdom

The Billingham facility, located in the Teesside chemical area in northeastern England, is geographically split among three primary locations: the main site, which contains an ammonia plant, three nitric acid plants and a carbon dioxide plant; the Portrack site, approximately two miles away, which contains an AN fertilizer plant; and the North Tees site, approximately seven miles away, which contains an ammonia storage area. These locations collectively have on-site storage for 40,000 tons of ammonia and 128,000 tons of AN.

Table of Contents

Point Lisas, Trinidad

The Point Lisas Nitrogen facility in the Republic of Trinidad and Tobago is owned jointly through a 50/50 venture with Koch Fertilizer LLC. This facility has the capacity to produce 720,000 tons of ammonia annually from natural gas supplied under a contract with The National Gas Company of Trinidad and Tobago.

Nitrogen Fertilizer Raw Materials

Natural gas is the principal raw material and primary fuel source used in the ammonia production process at our nitrogen fertilizer manufacturing facilities. In 2015, natural gas accounted for approximately 45% of our total production costs for nitrogen fertilizer products. Our nitrogen fertilizer manufacturing facilities have access to abundant, competitively-priced natural gas through a reliable network of pipelines that are connected to major natural gas trading hubs near the facilities. Our facilities utilize the following natural gas hubs: Henry Hub in Louisiana; ONEOK in Oklahoma; AECO in Alberta; Ventura in Iowa; Demarcation in Kansas; Dawn in Ontario; and the National Balancing Point in the United Kingdom.

Our nitrogen manufacturing facilities consume, in the aggregate, approximately 280 million MMBtus of natural gas annually. We employ a combination of spot and term purchases from a variety of quality suppliers to maintain a reliable, competitively-priced supply of natural gas. We also use certain financial instruments to hedge natural gas prices. For further information about our natural gas hedging activities, see Note 16—Derivative Financial Instruments.

Nitrogen Fertilizer Distribution

The safe, efficient and economical distribution of nitrogen fertilizer products is critical for successful operations. Our nitrogen fertilizer production facilities have access to multiple transportation modes by which we ship fertilizer products to terminals, warehouses and customers. Each of our production facilities has a unique distribution pattern based on its production capacity and location.

Our North American nitrogen production facilities can ship products via truck and rail to customers and our storage facilities in the U.S. and Canada, with access to our leased railcar fleet of approximately 5,600 tank and hopper cars, as well as railcars provided by rail carriers. Our United Kingdom nitrogen production facilities ship products via truck. The North American waterway system is also used extensively to ship products from our Donaldsonville, Verdigris and Yazoo City facilities. We employ a fleet of twelve leased tow boats and 40 river barges to ship ammonia and UAN. We also utilize contract marine services to move urea fertilizer. We also export nitrogen fertilizer products via barge from our Billingham, United Kingdom manufacturing facility.

Three of our nitrogen production facilities also have access to pipelines for the transportation of ammonia. The Donaldsonville facility is connected to the 2,000-mile long Nustar pipeline through which we transport ammonia to more than 20 terminals and shipping points in the midwestern U.S. corn belt. Our Verdigris and Port Neal facilities are connected to the 1,100-mile long Magellan ammonia pipeline that also serves the U.S. Midwest.

Phosphate Segment

The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter although the segment will continue to be included until the reporting of comparable period phosphate results ceases.

Upon selling the phosphate business, we began to supply Mosaic with ammonia produced by our PLNL joint venture. The contract to supply ammonia to Mosaic from our PLNL joint venture represents the continuation of a supply practice that previously existed between our former phosphate mining and manufacturing business and other operations of the Company. Prior to March 17, 2014, PLNL sold ammonia to us for use in the phosphate business and the cost was included in our production costs in our phosphate segment. Subsequent to the sale of the phosphate business, we now sell the PLNL-sourced ammonia to Mosaic. The revenue from these sales to Mosaic and the costs to purchase the ammonia from PLNL are now included in our ammonia segment. Our 50% share of the operating results of our PLNL joint venture continues to be included in equity in earnings of operating affiliates in our consolidated statements of operations. Because of the significance of this continuing supply practice, in accordance with

U.S. GAAP, the phosphate mining and manufacturing business is not reported as discontinued operations in our consolidated statements of operations. For additional information regarding this sale, see Note 4—Acquisitions and Divestitures.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Our historical sales of phosphate fertilizer products are shown in the table below.

	2014		2013	
	Tons	Net Sales	Tons	Net Sales
	(tons in thousands; dollars in millions)			
Phosphate Fertilizer Products				
DAP	372	$127.6	1,408	$600.6
MAP	115	40.8	449	196.3
Total	487	$168.4	1,857	$796.9

Gross margin for the phosphate segment was $10.1 million and $74.9 million for the years ended December 31, 2014 and 2013, respectively.

Storage Facilities and Other Properties

As of December 31, 2015, we owned or leased space at 88 in-market storage terminals and warehouses located in a 22-state region of the United States, Canada and the United Kingdom. Including storage at our production facilities, we have an aggregate storage capacity for approximately 3.3 million tons of fertilizer. Our storage capabilities are summarized in the following table.

	Ammonia		Granular Urea		UAN(1)		AN	
	Number of Facilities	Capacity (000 Tons)	Number of Facilities	Capacity (000 Tons)	Number of Facilities	Capacity (000 Tons)	Number of Facilities	Capacity (000 Tons)
Plants	9	511	3	233	6	497	3	245
Terminal and Warehouse Locations								
Owned	22	815	1	40	8	219	—	—
Leased(2)	3	110	2	49	52	534	—	—
Total In-Market	25	925	3	89	60	753	—	—
Total Storage Capacity		1,436		322		1,250		245

(1) Capacity is expressed as the equivalent volume of UAN measured on a 32% nitrogen content basis.
(2) Our lease agreements are typically for periods of one to five years.

Customers

The principal customers for our nitrogen fertilizer and other nitrogen products are cooperatives, independent fertilizer distributors, farmers and industrial users. None of our customers in 2015 accounted for more than ten percent of our consolidated net sales. Sales are generated by our internal marketing and sales force.

Competition

Our markets are global and intensely competitive, based primarily on delivered price and, to a lesser extent, on customer service and product quality. During the peak demand periods, product availability and delivery time also play a role in the buying decisions of customers.

Our primary North American-based competitors include Agrium Inc., Koch Fertilizer LLC and Potash Corporation of Saskatchewan Inc. There is also significant competition from products sourced from other regions of the world, including some with lower natural gas or other feedstock costs. Because ammonia, urea and UAN are widely-traded fertilizer products and there are limited barriers to entry, we experience competition from foreign-sourced products continuously.

Our primary United Kingdom competition comes from imported products supplied by companies including Yara International, Origin Fertilisers, Bunn Fertiliser Limited (Koch), Ameropa, CHS and Helm. Urea and UAN are not produced in the United Kingdom, but along with AN, are widely-traded fertilizer products with limited barriers to entry.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Seasonality

The fertilizer business is seasonal. The degree of seasonality of our business can change significantly from year to year due to conditions in the agricultural industry and other factors. The strongest demand for our products occurs during the spring planting season, with a second period of strong demand following the fall harvest. We and our customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. Seasonality is greatest for ammonia due to the short application season and the limited ability of our customers and their customers to store significant quantities of this product. The seasonality of fertilizer demand generally results in our sales volumes and net sales being the highest during the spring and our working capital requirements being the highest just prior to the start of the spring planting season. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns.

Financial Information About Foreign and Domestic Sales and Operations

The amount of net sales attributable to our sales to foreign and domestic markets over the last three fiscal years and the carrying value of our foreign and domestic long-lived assets are set forth in Note 21—Segment Disclosures.

Environmental, Health and Safety

We are subject to numerous environmental, health and safety laws and regulations in the United States, Canada, the United Kingdom and the Republic of Trinidad and Tobago, including laws and regulations relating to the generation and handling of hazardous substances and wastes; the cleanup of hazardous substance releases; the discharge of regulated substances to air or water; and the demolition of existing plant sites upon permanent closure. In the United States, these laws include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Toxic Substances Control Act (TSCA) and various other federal, state, provincial, local and international statutes. Violations of environmental, health and safety laws can result in substantial penalties, court orders to install pollution-control equipment, civil and criminal sanctions, permit revocations and facility shutdowns. In addition, environmental, health and safety laws and regulations may impose joint and several liability, without regard to fault, for cleanup costs on potentially responsible parties who have released or disposed of hazardous substances into the environment. We may be subject to more stringent enforcement of existing or new environmental, health and safety laws in the future.

Environmental, Health and Safety Expenditures

Our environmental, health and safety capital expenditures in 2015 totaled approximately $32.0 million. In 2016, we estimate that we will spend approximately $43.0 million for environmental, health and safety capital expenditures. Environmental, health and safety laws and regulations are complex, change frequently and have tended to become more stringent over time. We expect that continued government and public emphasis on environmental issues will result in increased future expenditures for environmental controls at our operations. Such expenditures could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, future environmental, health and safety laws and regulations or reinterpretation of current laws and regulations may require us to make substantial expenditures. Our costs to comply with, or any liabilities under, these laws and regulations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Clean Air Act—Section 185 Fee

Our Donaldsonville nitrogen complex is located in a five-parish region near Baton Rouge, Louisiana that, as of 2005, was designated as being in "severe" nonattainment with respect to the national ambient air quality standard (NAAQS) for ozone (the 1-hour ozone standard) pursuant to the Federal Clean Air Act (the Act). Section 185 of the Act requires states, in their state implementation plans, to levy a fee (Section 185 fee) on major stationary sources (such as the Donaldsonville complex) located in a severe nonattainment area that did not meet the 1-hour ozone standard by November 30, 2005. For additional information on the Section 185 fee, see Note 20—Contingencies.

Clean Air Act Information Request

On February 26, 2009, we received a letter from the Environmental Protection Agency (EPA) under Section 114 of the Act requesting information and copies of records relating to compliance with New Source Review and New

Source Performance Standards at our Donaldsonville facility. For additional information on the Clean Air Act Information Request, see Note 20—Contingencies.

CF INDUSTRIES HOLDINGS, INC.

CERCLA/Remediation Matters

From time to time, we receive notices from governmental agencies or third parties alleging that we are a potentially responsible party at certain cleanup sites under CERCLA or other environmental cleanup laws. In 2011, we received a notice from the Idaho Department of Environmental Quality (IDEQ) that alleged that we were a potentially responsible party for the cleanup of a former phosphate mine we owned in the late 1950s and early 1960s located in Georgetown Canyon, Idaho. The current owner of the property and a former mining contractor received similar notices for the site. We and the current owner are currently conducting a remedial investigation/feasibility study of the site. In 2015, we and several other parties received a notice that the U.S. Department of Interior and other trustees intend to undertake a natural resource damage assessment for a group of former phosphate mines in southeast Idaho, including the former Georgetown Canyon mine. For additional information on the CERCLA/Remediation matters, see Note 20—Contingencies.

Regulation of Greenhouse Gases

We are subject to regulations in the United Kingdom, Canada and the United States concerning greenhouse gas (GHG) emissions.

The United Kingdom is a party to the Kyoto Protocol. As a result of agreements reached during a conference in Durban, South Africa in 2011, the Kyoto Protocol will continue in force for a second commitment period, which will expire by 2020. On December 12, 2015, 195 countries adopted by consensus a new international agreement known as the Paris Agreement. The Paris Agreement is intended to provide a framework pursuant to which the parties to the agreement will attempt to hold the increase in global average temperatures to below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The Paris Agreement could result in more aggressive efforts to reduce GHG emissions in the jurisdictions in which we operate.

The United Kingdom has adopted GHG emissions regulations, including regulations to implement the European Union Greenhouse Gas Trading System. Our U.K. manufacturing plants are required to report GHG emissions annually to the United Kingdom Environment Agency pursuant to their site Environmental Permits and Climate Change Agreement, which specify energy efficiency targets. Failure to meet efficiency targets may require these plants to purchase CO_2 emissions allowances. The steam boilers at each of our U.K. sites are also subject to the European Union Emissions Trading Scheme.

Canada withdrew from further participation in the Kyoto Protocol in December 2011, but is a signatory to the Paris Agreement. In Canada, we are required to conduct an annual review of our operations with respect to compliance with Environment Canada's National Pollutant Release Inventory and Ontario's Mandatory Monitoring and Reporting Regulation and the GHG Reporting Regulation. Ontario is party to the Western Climate Initiative (WCI), comprising California and several Canadian provinces. In April 2015, Ontario announced that it intended to implement its own GHG cap and trade program. On November 16, 2015, Ontario published a notice seeking comments on the design of its cap and trade system. The notice stated that Ontario was proposing to commence operation of the cap and trade program by January 1, 2017 and that this program would link with the cap and trade programs already in operation in California and Quebec. The design document further proposed that the initial cap be set at forecasted GHG emissions for 2017, with annual reductions in the cap designed to achieve the objective of reducing Ontario's GHG emissions to 15% below 1990 levels by 2020.

In Alberta, the Specified Gas Emitters Regulation (GHG Regulation) was implemented in 2007. This program requires facilities emitting more than 100,000 tons of GHGs per year to reduce emissions by 12% over such facilities' 2007 levels. To meet this requirement, companies can reduce emissions, purchase/use offset credits, or contribute to a technology fund at an annual rate of $15 per ton of CO_2. Currently, our Medicine Hat facility’s method of compliance is to make contributions to the technology fund. Alberta has recently announced that it is replacing its current approach with respect to carbon by introducing a carbon tax that applies across all sectors. The carbon tax is set at $20 per ton (Canadian dollars) effective January 1, 2016 with an emissions reduction target of 15%, rise to $30 per ton (Canadian dollars) effective January 1, 2017 with an emissions reduction target of 20% and increase with the rate of inflation thereafter.

The United States is not a party to the Kyoto Protocol, but is a signatory to the Paris Agreement. In the United States, GHG regulation is evolving at state, regional and federal levels, although some of the more significant developments to date, including EPA's Clean Power Plan, do not directly impose obligations on our facilities. The EPA has issued a mandatory GHG reporting rule that required all of our U.S. manufacturing facilities to commence monitoring GHG emissions beginning on January 1, 2010 and begin reporting the previous year's emissions annually starting in 2011. In addition, if we seek to modify or expand any of our major facilities and as a result, are required to obtain a Prevention of Significant Deterioration (PSD) construction permit applicable to such facilities, we could be subject to pollution control requirements applicable to GHGs in addition to requirements applicable to conventional air pollutants. Such requirements may result in increased costs or delays in completing such projects. Other than the states' implementation of this permitting requirement, none of the states where our

Table of Contents

U.S. production facilities are located—Louisiana, Mississippi, Iowa and Oklahoma—has proposed control regulations limiting GHG emissions.

New Source Performance Standards for Nitric Acid Plants

We operate 13 nitric acid plants in the United States. On August 14, 2012, the EPA issued a final regulation revising air emission standards applicable to newly constructed, reconstructed or modified nitric acid plants. The regulations will apply to these plants if and when we undertake activities or operations that are considered modifications, including physical changes that would allow us to increase our production capacity at these plants. The regulations include certain provisions that could make it difficult for us to meet the limits on emissions of nitrogen oxides (NOx) notwithstanding pollution controls we may add to our plants, and accordingly, the regulations, could impact our ability to expand production at our existing plants. The EPA regulation did not include a limitation on emissions of nitrous oxide (a greenhouse gas).

Regulatory Permits and Approvals

We hold numerous environmental and other governmental permits and approvals authorizing operations at each of our facilities. A decision by a government agency to deny or delay issuing a new or renewed regulatory material permit or approval, or to revoke or substantially modify an existing material permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility. Any future expansion of our existing operations is also predicated upon securing the necessary environmental or other permits or approvals. More stringent environmental standards may impact our ability to obtain such permits. The Baton Rouge area, where our Donaldsonville facility is located, currently is classified as marginal nonattainment for ozone with respect to the ozone standard issued in 2008. EPA has proposed reclassifying the Baton Rouge area as in attainment with the 2008 ozone standard based on 2012-2014 data. However, on October 26, 2015, EPA published a more stringent national ambient air quality standard for ozone that could cause Baton Rouge to again be classified as a nonattainment area. Such a classification (in the Baton Rouge area or in other areas where our manufacturing facilities are located) could result in more stringent air pollution emissions limits for our existing operations and would also subject our facilities to more stringent requirements to obtain approvals for plant expansions, or could make it difficult to obtain such approvals.

Employees

As of December 31, 2015, we employed approximately 2,800 full-time and 100 part-time employees.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 1A. RISK FACTORS.

In addition to the other information contained in this Annual Report on Form 10-K, you should carefully consider the factors discussed below before deciding to invest in any of our securities. These risks and uncertainties could materially and adversely affect our business, financial condition, results of operations and cash flows.

Any changes to the tax laws or relevant facts may jeopardize or delay the proposed combination with the ENA Business of OCI.

Each of our and OCI's respective obligations to consummate the transactions contemplated by the Combination Agreement is subject to a condition that there shall have been no (i) change in law, official interpretation thereof, or officially proposed action by the U.S. Internal Revenue Service (IRS) or the U.S. Department of the Treasury, other than those rules described in Notice 2015-79 issued by the Department of the Treasury and IRS on November 19, 2015, (whether or not yet approved or effective) with respect to subject matters covered by Code Section 7874 or (ii) passage of any bill that would implement a change in applicable laws by either the U.S. House of Representatives or the U.S. Senate with respect to subject matters covered by Code Section 7874, that, in either of case (i) or (ii), if finalized and made effective, in the opinion of our legal counsel or OCI's legal counsel, (A) would reasonably be expected to cause New CF to be treated as a U.S. domestic corporation for U.S. federal tax purposes or (B) would cause New CF to fail to qualify for relevant benefits of the U.S.-Netherlands Tax Treaty. In addition, our obligation to consummate the combination is subject to a condition that we shall have received from our legal counsel (i) an opinion dated as of the closing date to the effect that Section 7874 of the Code (or any other U.S. tax laws), existing regulations promulgated thereunder, and official interpretation thereof as set forth in published guidance, should not apply in such a manner so as to cause New CF to be treated as a domestic corporation for U.S. federal income tax purposes from and after the closing date and (ii) an opinion dated as of the closing date to the effect that New CF should qualify for relevant benefits of the U.S.-Netherlands Tax Treaty. OCI's obligations to consummate the combination are subject to a condition that OCI shall have received from OCI's legal counsel an opinion dated as of the closing date to the effect that, for U.S. federal income tax purposes, the separation should be treated as a reorganization within the meaning of Section 368(a)(1)(D) and a distribution qualifying under Section 355 of the Code. In the event that one or more of the above conditions are not satisfied, the relevant party (or if applicable, each party) will determine, based on the facts and circumstances existing at the applicable time, whether to invoke the applicable condition and not consummate the combination or waive the condition and consummate the combination (assuming the other closing conditions are satisfied or waived). Accordingly, any changes in applicable tax laws, regulations or the underlying facts before the closing date could jeopardize or delay the combination and/or have a material adverse effect on New CF's business, financial condition, results of operations, cash flows, and/or share price.

Governmental or regulatory actions could delay the transactions contemplated by the Combination Agreement or result in the imposition of conditions that reduce the anticipated benefits from the combination or cause the parties to abandon the combination.

Conditions to closing the proposed combination with the ENA Business of OCI include clearance by the Committee on Foreign Investment in the United States and that there is no judgment, temporary restraining order, preliminary or permanent injunction, ruling, determination, decision, opinion or comparable judicial or regulatory action of a governmental body in effect that prohibits the combination. At any time before or after the completion of the merger, and notwithstanding the termination of applicable waiting periods, the Antitrust Division and the FTC or any state Attorney General could take such action under the antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin the completion of the merger or seeking divestiture of substantial assets of the parties. In addition, in some circumstances, a third party could initiate a private action under antitrust laws challenging or seeking to enjoin the combination, before or after it is completed. We and OCI may not prevail and may incur significant costs in defending or settling any action under the antitrust and competition laws. We have agreed to pay OCI $150 million if the Combination Agreement is terminated in certain circumstances if certain regulatory approvals are not obtained.

We are subject to business uncertainties and contractual restrictions while the proposed combination with the ENA Business of OCI is pending, which could adversely affect our business and operations.
In connection with the pending combination with the ENA Business of OCI, it is possible that some customers, suppliers and other persons with whom we have business relationships may delay or defer certain business decisions, or might decide to seek to terminate, change or renegotiate their relationship with us as a result of the combination, which could negatively affect our revenues and earnings, as well as the market price of our common stock, regardless of whether the combination is completed.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Under the terms of the Combination Agreement, we are subject to certain restrictions on the conduct of our business prior to the closing, which may adversely affect our ability to execute certain of our business strategies. These restrictions, the waiver of which is subject to the consent of OCI (not to be unreasonably withheld), could prevent us from taking certain actions that may be beneficial to our business, such as making acquisitions, pursuing certain business opportunities or entering into certain financing instruments. Such limitations could negatively affect our operations and business prior to the closing.
Furthermore, the process of planning to integrate two businesses and organizations for the post-combination period can divert management attention and resources and could ultimately have an adverse effect on us.
The Combination Agreement contains provisions that limit our ability to pursue alternative transactions to the combination, could discourage potential alternative transactions and/or third parties from making alternative transaction proposals and could require, in certain circumstances, that we pay a termination fee of $150 million.
Pursuant to the terms of the Combination Agreement, we may be required to pay a termination fee of $150 million if the transactions contemplated by the Combination Agreement are not consummated because of the occurrence of certain events, including a change to the recommendation of our Board of Directors with respect to the proposals related to the combination that are to be voted on by our stockholders. Such a fee could be payable even if no other alternative transaction is consummated. In addition, if the Combination Agreement is terminated because we fail to obtain the required approval of our stockholders, we are obligated to reimburse OCI’s expenses up to a cap of $30 million.
We are generally prohibited from entering into an acquisition agreement with a third party, soliciting an alternative proposal from any third party involving 15% or more of our common stock, assets or earning power, and, subject to limited exceptions, participating in any discussions or negotiations regarding any proposal that is or could reasonably be expected to lead to an alternative acquisition proposal or furnishing any nonpublic information in connection therewith. In addition, under the terms of the Combination Agreement, we are not permitted to terminate the Combination Agreement if our Board of Directors withdraws its recommendation of the Combination Agreement or approves or recommends an alternative acquisition proposal and must continue in these circumstances to submit the Combination Agreement for consideration by our stockholders unless OCI terminates the Combination Agreement. The presence of the above provisions and the termination fee could discourage third parties from making alternative acquisition proposals, even if such third party were prepared to pay consideration with a higher per share cash or market value than the proposed market value of the shares in the transactions contemplated by the Combination Agreement. As a result, third parties may make acquisition proposals, if at all, at a lower price than they would otherwise be willing to make in the absence of such restrictions on the ability of our Board of Directors to consider and/or negotiate with respect to such proposals. We may not be able to enter into an agreement with respect to a more favorable alternative transaction without incurring significant liability.
Failure to complete the proposed combination with the ENA Business of OCI, or significant delays in completing the combination, could negatively affect the trading price of our common stock and/or our future business and financial results.

The consummation of the proposed combination with the ENA Business of OCI is subject to numerous conditions, which may not be satisfied in a timely manner or at all. If the combination is not completed, or if there are significant delays in completing the combination, the trading price of our common stock and/or our future business and financial results could be negatively affected, and we will be subject to various risks, including the following:

- we may be liable for damages to OCI under the terms and conditions of the Combination Agreement;
- negative reactions from the financial markets, including declines in the price of our common stock due to the fact that current prices may reflect a market assumption that the combination will be completed;
- having to pay certain significant costs relating to the combination;
-

lost opportunities resulting from restrictions on the conduct of our business during the pendency of the transaction; and

- the attention of management will have been diverted to the combination rather than to current operations and pursuit of other opportunities that could have been beneficial to us.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

We may have difficulty attracting, motivating and retaining executives and other employees in light of the proposed combination with the ENA Business of OCI.

We could experience difficulty in attracting, motivating and retaining executives and other employees due to the uncertainty of the closing of the proposed combination with the ENA Business of OCI. In addition, certain key employees of the ENA Business may not wish to become employees of New CF. Until completion of the transactions contemplated by the Combination Agreement, employee retention could be a challenge for us as employees may have uncertainty about the combination and their future roles with New CF. If our employees or employees of the ENA Business depart prior to the closing of the combination due to uncertainty or the difficulty of integrating the two businesses, New CF's ability to realize the anticipated benefits of the transactions contemplated by the Combination Agreement could be reduced or delayed.

We are subject to risk associated with the CHS strategic venture.

We may not realize the full benefits from the CHS strategic venture that are expected. The realization of the expected benefits of the CHS strategic venture depends on our ability to successfully operate and manage the strategic venture, and on the market prices of the nitrogen fertilizer products that are the subject of our supply agreement with CHS over the life of the agreement, among other factors. Additionally, any challenges related to the CHS strategic venture could harm our relationships with our customers, employees or suppliers.

Our business is dependent on natural gas, the prices of which are subject to volatility.

Natural gas is the principal raw material used to produce nitrogen fertilizers. We use natural gas both as a chemical feedstock and as a fuel to produce ammonia, granular urea, UAN, AN and other nitrogen products.

Because most of our nitrogen fertilizer manufacturing facilities are located in the United States and Canada, North American natural gas comprises a significant portion of the total production cost of our products. The price of natural gas in North America has been volatile in recent years. During 2015, the daily closing price at the Henry Hub, the most heavily-traded natural gas pricing point in North America, reached a low of $1.54 per MMBtu on four consecutive days in December 2015 and a high of $3.30 per MMBtu on January 16, 2015. During the three year period ended December 31, 2015, the daily closing price at the Henry Hub reached a low of $1.54 per MMBtu on four consecutive days in December 2015 and a high of $7.94 per MMBtu on March 5, 2014.

We also have manufacturing facilities located in the United Kingdom. These facilities are subject to fluctuations associated with the price of natural gas in Europe. The major natural gas trading point for the United Kingdom is the National Balancing Point (NBP). During 2015, the daily closing price at NBP reached a low of $4.60 per MMBtu on December 23, 2015 and December 24, 2015 and a high of $8.50 per MMBtu on February 12, 2015. During the three year period ended December 31, 2015, the daily closing price at NBP reached a low of $4.60 per MMBtu on December 23, 2015 and December 24, 2015 and a high of $16.00 per MMBtu on March 22, 2013.

Changes in the supply of and demand for natural gas can lead to periods of volatile natural gas prices. If high prices were to occur during a period of low fertilizer selling prices, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The price of natural gas in North America and worldwide has been volatile in recent years and has declined on average due in part to the development of significant natural gas reserves, including shale gas, and the rapid improvement in shale gas extraction techniques, such as hydraulic fracturing and horizontal drilling. Future production of natural gas from shale formations could be reduced by regulatory changes that restrict drilling or hydraulic fracturing or increase its cost or by reduction in oil exploration and development prompted by lower oil prices and resulting in production of less associated gas. Additionally, increased demand for natural gas, particularly in the Gulf Coast Region, due to increased industrial demand and increased natural gas exports could result in increased natural gas prices. If such reduced production or increased demand were to occur, or if other developments adversely impact the supply/demand balance for natural gas in the United States or elsewhere, natural gas prices could rise, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Table of Contents

Our business is cyclical, resulting in periods of industry oversupply during which our financial condition, results of operations and cash flows tend to be negatively affected.

Historically, selling prices for our products have fluctuated in response to periodic changes in supply and demand conditions. Demand is affected by planted acreage and application rates, driven by population growth, changes in dietary habits and non-food usage of crops, such as the production of ethanol and other biofuels, among other things. Supply is affected by available capacity and operating rates, raw material costs and availability, government policies and global trade. The construction of new nitrogen fertilizer manufacturing capacity in the industry, plus improvements to increase output from the existing production assets, increase nitrogen supply and affect the supply demand balance.

Periods of high demand, high capacity utilization and increasing operating margins tend to result in investment in production capacity, which may cause supply to exceed demand and selling prices and capacity utilization to decline. Future growth in demand for fertilizer may not be sufficient to absorb excess industry capacity.

During periods of industry oversupply, our financial condition, results of operations and cash flows tend to be affected negatively as the price at which we sell our products typically declines, resulting in possible reduced profit margins, write-downs in the value of our inventory and temporary or permanent curtailments of production.

Our products are global commodities, and we face intense global competition from other fertilizer producers.

We are subject to intense price competition from our competitors. Most fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and to a lesser extent on customer service and product quality. We compete with many producers, including state-owned and government-subsidized entities.

Consolidation in the industry has increased the resources of several of our competitors. Some of these competitors have greater total resources and are less dependent on earnings from fertilizer sales, which make them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. Our competitive position could suffer to the extent we are not able to expand our own resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships.

China, the world's largest producer and consumer of nitrogen fertilizers, is expected to continue expanding its fertilizer production capacity in the medium term. If Chinese government policy, devaluation of the Chinese renminbi or decreases in Chinese producers' underlying costs such as the price of Chinese coal, encourage exports, this expected increase in capacity could adversely affect the balance between global supply and demand and may put downward pressure on global fertilizer prices, which could materially adversely affect our business, financial condition, results of operations and cash flows.

Our competitors in Russia and Ukraine have significant nitrogen fertilizer export capacity and continue to benefit from non-market pricing of natural gas, which allows them to increase exports at aggressive prices, depending on market conditions. Most U.S. antidumping measures on solid urea and fertilizer grade ammonium nitrate from Russia and Ukraine will be under review by government agencies in the coming year and any revocation of such measures could lead to significant increases in imports from these countries.

We also face competition from other fertilizer producers in the Middle East, Europe and Latin America, who, depending on market conditions, fluctuating input prices, geographic location and freight economics, may take actions at times with respect to price or selling volumes that adversely affect our business, financial condition, results of operations and cash flows.

A decline in agricultural production or limitations on the use of our products for agricultural purposes could materially adversely affect the market for our products.

Conditions in the U.S. agricultural industry significantly impact our operating results. Our operating results are also affected by conditions in the European agricultural industry. The agricultural industries in the United States and Europe can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, demand for agricultural products and governmental policies regarding trade in agricultural products. These factors are outside of our control.

Governmental policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. Ethanol production in the United States contributes significantly to corn demand, due in part to federal legislation mandating use of renewable fuels. An increase in ethanol production has led to an increase in the amount of corn grown in the United States and to increased fertilizer usage on both corn and other crops that have also benefited from improved farm economics. While the current Renewable Fuel Standard (RFS) encourages continued high levels of corn-based ethanol production, a continuing "food versus fuel" debate and other factors have resulted in calls to eliminate or reduce the renewable fuel mandate, or to eliminate or reduce corn-based ethanol as part of the renewable fuel mandate. This could have an adverse effect on corn-based ethanol production, planted corn acreage and fertilizer demand.

Developments in crop technology, such as nitrogen fixation, the conversion of atmospheric nitrogen into compounds that plants can assimilate, could also reduce the use of chemical fertilizers and adversely affect the demand for our products. In addition, from time to time various state legislatures have considered limitations on the use and application of chemical fertilizers due to concerns about the impact of these products on the environment. Any reduction in the demand for chemical fertilizer products, including any limitation on the use and application of chemical fertilizer, could affect the demand for our products, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operations and those of our joint venture are dependent upon raw materials provided by third parties, and any delay or interruption in the delivery may adversely affect our business.

We and our joint venture use natural gas and other raw materials in the manufacture of fertilizers. We purchase the natural gas and other raw materials from third party suppliers. Our natural gas is transported by pipeline to our facilities and those of our joint venture by third party transportation providers or through the use of facilities owned by third parties. Delays or interruptions in the delivery of natural gas or other raw materials may be caused by, among other things, severe weather or natural disasters, unscheduled downtime, labor difficulties, insolvency of our suppliers or their inability to meet existing contractual arrangements, deliberate sabotage and terrorist incidents, or mechanical failures. In addition, the transport of natural gas by pipeline is subject to additional risks, including delays or interruptions caused by capacity constraints, leaks or ruptures. Any delay or interruption in the delivery of natural gas or other raw materials, even for a limited period, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our transportation and distribution activities rely on third party providers and are subject to environmental, safety and regulatory oversight. This exposes us to risks and uncertainties beyond our control that may adversely affect our operations and exposes us to additional liability.

We rely on railroad, truck, pipeline, river barge and ocean vessel companies to transport raw materials to our manufacturing facilities, to coordinate and deliver finished products to our distribution system and to ship finished products to our customers. We also lease rail cars in order to ship raw materials and finished products. These transportation operations, equipment and services are subject to various hazards, including adverse operating conditions on the inland waterway system, extreme weather conditions, system failures, work stoppages, delays, accidents such as spills and derailments and other accidents and operating hazards. Additionally, due to the aging infrastructure of certain bridges, roadways, rail lines, river locks, and equipment that our third party service providers utilize, we may experience delays in both the receipt of raw materials or the shipment of finished product while repairs, maintenance or replacement activities are conducted. Also, certain third party service providers, particularly railroads, have experienced periodic service slowdowns due to capacity constraints in their systems which impact the shipping times of our products.

These transportation operations, equipment and services are also subject to environmental, safety, and regulatory oversight. Due to concerns related to accidents, discharges or other releases of hazardous substances, terrorism or the potential use of fertilizers as explosives, governmental entities could implement new regulations affecting the transportation of raw materials or finished products.

If shipping of our products is delayed or we are unable to obtain raw materials as a result of these transportation companies' failure to operate properly, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, our revenues and cost of operations could be adversely affected. In addition, increases in our transportation costs, or changes in such costs relative to transportation costs incurred by our competitors, could have a

material adverse effect on our business, financial condition, results of operations and cash flows.
In the United States and Canada, the railroad industry continues various efforts to limit the railroads' potential liability stemming from the transportation of Toxic Inhalation Hazard materials, such as the anhydrous ammonia we transport to and from our manufacturing and distribution facilities. For example, various railroads have implemented tariffs that include provisions that purport to shift liability to shippers to the extent that liabilities arise from third parties with insufficient resources. These initiatives could materially and adversely affect our operating expenses and potentially our ability to transport anhydrous ammonia and increase our liability for releases of our anhydrous ammonia while in the care, custody and control of the railroads, for which our insurance may be insufficient or unavailable. New regulations also could be implemented affecting the equipment used to ship our raw materials or finished products. Increases in transportation costs, or changes in such costs

relative to transportation costs incurred by our competitors, and any railroad industry initiatives that may impact our ability to transport our products, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operations and the production and handling of our products involve significant risks and hazards. We are not fully insured against all potential hazards and risks incident to our business. Therefore, our insurance coverage may not adequately cover our losses.

Our operations are subject to hazards inherent in the manufacture, transportation, storage and distribution of chemical products, including ammonia, which is highly toxic and corrosive. These hazards include: explosions; fires; severe weather and natural disasters; train derailments, collisions, vessel groundings and other transportation and maritime incidents; leaks and ruptures involving storage tanks, pipelines and rail cars; spills, discharges and releases of toxic or hazardous substances or gases; deliberate sabotage and terrorist incidents; mechanical failures; unscheduled plant downtime; labor difficulties and other risks. Some of these hazards can cause bodily injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties and liabilities.

We maintain property, business interruption, casualty and liability insurance policies, but we are not fully insured against all potential hazards and risks incident to our business. If we were to incur significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are subject to various self-retentions, deductibles and limits under these insurance policies. The policies also contain exclusions and conditions that could have a material adverse impact on our ability to receive indemnification thereunder. Our policies are generally renewed annually. As a result of market conditions, our premiums, self-retentions and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. In addition, significantly increased costs could lead us to decide to reduce, or possibly eliminate, coverage. There can be no assurance that we will be able to buy and maintain insurance with adequate limits and reasonable pricing terms and conditions.

In April 2013, there was a fire and explosion at the West Fertilizer Co. fertilizer storage and distribution facility in West, Texas. According to published reports, 15 people were killed and approximately 200 people were injured in the incident, and the fire and explosion damaged or destroyed a number of homes and buildings around the facility. Various subsidiaries of CF Industries Holdings, Inc. (the CF Entities) have been named as defendants along with other companies in lawsuits filed in 2013, 2014 and 2015 in the District Court of McLennan County, Texas by the City of West, individual residents of the County and other parties seeking recovery for damages allegedly sustained as a result of the explosion. The cases have been consolidated for discovery and pretrial proceedings in the District Court of McLennan County under the caption “In re: West Explosion Cases.” The two-year statute of limitations expired on April 17, 2015. As of that date, over 400 plaintiffs had filed claims, including at least 9 entities, 325 individuals, and 80 insurance companies. Plaintiffs allege various theories of negligence, strict liability, and breach of warranty under Texas law. Although we do not own or operate the facility or directly sell our products to West Fertilizer Co., products that the CF Entities have manufactured and sold to others have been delivered to the facility and may have been stored at the West facility at the time of the incident. The Court granted in part and denied in part the CF Entities' Motions for Summary Judgment in August 2015. Thirty-four cases, including the three cases scheduled to begin trial on October 12, 2015 and some of the ten cases scheduled to begin trial on February 1, 2016, were resolved pursuant to confidential settlements fully funded by insurance. The remaining cases are in various stages of discovery and pre-trial proceedings. These cases will be set for trial in the upcoming months at the discretion of the Court. We believe we have strong legal and factual defenses and intend to continue defending the CF Entities vigorously in the pending lawsuits. The increased focus on the risks associated with fertilizers as a result of the incident could impact the regulatory environment and requirements applicable to fertilizer manufacturing and storage facilities.

Cyber security risks could result in disruptions in business operations and adverse operating results.

We rely on information technology and computer control systems in many aspects of our business, including internal and external communications, the management of our accounting, financial and supply chain functions and plant operations. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber attacks could seriously harm our operations and materially adversely affect our operating results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the misuse or loss of control over computer control systems, and breaches due to employee error. Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business. We have implemented security procedures and measures in order to protect our systems and information from being vulnerable to cyber attacks. We believe these measures and procedures are appropriate. However, we may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber attacks. Compromises to our information and control systems could have severe financial and other business implications.

Adverse weather conditions may decrease demand for our fertilizer products, increase the cost of natural gas or materially disrupt our operations.

Weather conditions that delay or disrupt field work during the planting and growing seasons may cause agricultural customers to use different forms of nitrogen fertilizer, which may adversely affect demand for the forms that we sell or may impede farmers from applying our fertilizers until the following growing season, resulting in lower demand for our products.

Adverse weather conditions following harvest may delay or eliminate opportunities to apply fertilizer in the fall. Weather can also have an adverse effect on crop yields, which could lower the income of growers and impair their ability to purchase fertilizer from our customers. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns.

Weather conditions or, in certain cases, weather forecasts, also can affect the price of natural gas, the principal raw material used to make our nitrogen fertilizer products. Colder than normal winters and warmer than normal summers increase the demand for natural gas for power generation and for residential and industrial use, which can increase the cost and/or decrease the availability of natural gas. In addition, adverse weather events such as very low temperatures leading to well freeze-offs or hurricanes affecting the Gulf of Mexico coastal states can impact the supply of natural gas and cause prices to rise.

We may not be able to complete our capacity expansion projects on schedule as planned, on budget or at all due to a number of factors, many of which are beyond our control.

We are constructing new ammonia and urea/UAN plants at our complex in Donaldsonville, Louisiana, and new ammonia and urea plants at our complex in Port Neal, Iowa. A portion of these multi-billion dollar projects was completed in late 2015 and the remaining projects are scheduled for completion at various times in 2016.

The design, development, construction and start-up of the new plants are subject to a number of risks, any of which could prevent us from completing the projects on schedule as planned and on budget or at all, including cost overruns, performance of third parties, the inability to obtain necessary permits or to obtain such permits without undue delay, inability to comply with permit terms and conditions, adverse weather, defects in materials and workmanship, labor and raw material shortages, transportation constraints, engineering and construction change orders, errors in the design, construction or start-up, and other unforeseen difficulties.

The Donaldsonville and Port Neal capacity expansion projects are dependent on the availability and performance of the engineering firms, construction firms, equipment suppliers, transportation providers and other vendors necessary to design and build the new units on a timely basis and on acceptable economic terms. If any of the third parties fails to perform as we expect, our ability to meet our expansion goals would be affected.

Our expansion plans may also result in other unanticipated adverse consequences, such as the diversion of management's attention from our existing plants and businesses and other opportunities.

We may not be successful in the expansion of our business.

We routinely consider possible expansions of our business, both within the United States and elsewhere. Major investments in our business, including as a result of acquisitions, partnerships, joint ventures, business combination transactions or other major investments require significant managerial resources, the diversion of which from our other activities may impair the operation of our business. We may be unable to identify or successfully compete for certain acquisition targets, which may hinder or prevent us from acquiring a target or completing other transactions. The risks of any expansion of our business through investments, acquisitions, partnerships, joint ventures or business combination transactions are increased due to the significant capital and other resources that we may have to commit to any such expansion, which may not be recoverable if the expansion initiative to which they were devoted is ultimately not implemented. As a result of these and other factors, including general economic risk, we may not be able to realize our projected returns from any future acquisitions, partnerships, joint ventures, business combination transactions or other major investments. Among the risks associated with the pursuit and consummation of acquisitions, partnerships, joint ventures or other major investments or business combination transactions are those involving:

- difficulties in integrating the parties' operations, systems, technologies, products and personnel;
- incurrence of significant transaction-related expenses;
- potential integration or restructuring costs;

Table of Contents

- potential impairment charges related to the goodwill, intangible assets or other assets to which any such transaction relates, in the event that the economic benefits of such transaction prove to be less than anticipated;
- other unanticipated costs associated with such transactions;
- our ability to achieve operating and financial efficiencies, synergies and cost savings;
- our ability to obtain the desired financial or strategic benefits from any such transaction;
- the parties’ ability to retain key business relationships, including relationships with employees, customers, partners and suppliers;
- potential loss of key personnel;
- entry into markets or involvement with products with which we have limited current or prior experience or in which competitors may have stronger positions;
- assumption of contingent liabilities, including litigation;
- exposure to unanticipated liabilities;
- differences in the parties' internal control environments, which may require significant time and resources to resolve in conformity with applicable legal and accounting standards;
- increased scope, geographic diversity and complexity of our operations;
- the tax effects of any such transaction; and
- the potential for costly and time-consuming litigation, including stockholder lawsuits.

International acquisitions, partnerships, joint ventures, business combination or investments and other international expansions of our business involve additional risks and uncertainties, including:

- the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries;
- challenges caused by distance and by language and cultural differences;
- difficulties and costs of complying with a wide variety of complex laws, treaties and regulations;
- unexpected changes in regulatory environments;
- political and economic instability, including the possibility for civil unrest;
- nationalization of properties by foreign governments;
- tax rates that may exceed those in the United States, and earnings that may be subject to withholding requirements;
- the imposition of tariffs, exchange controls or other restrictions; and
- the impact of currency exchange rate fluctuations.

If we finance acquisitions, partnerships, joint ventures, business combination transactions or other major investments by issuing equity or convertible or other debt securities or loans, our existing stockholders may be diluted or we could face constraints under the terms of, and as a result of the repayment and debt-service obligations under, the additional indebtedness. A business combination transaction between us and another company could result in our stockholders receiving cash or shares of another entity on terms that such stockholders may not consider desirable. Moreover, the regulatory approvals associated with a business combination may result in divestitures or other changes to our business, the effects of which are difficult to predict.

We are subject to numerous environmental, health and safety laws, regulations and permitting requirements, as well as potential environmental liabilities, which may require us to make substantial expenditures.

We are subject to numerous environmental, health and safety laws and regulations in the United States, Canada, the United Kingdom and the Republic of Trinidad and Tobago, including laws and regulations relating to the generation and handling of hazardous substances and wastes; the cleanup of hazardous substance releases; the discharge of regulated substances to air or water; and the demolition of existing plant sites upon permanent closure. In the United States, these laws include the Clean Air Act, the Clean Water Act, the RCRA, the CERCLA, the TSCA and various other federal, state and local laws.

As a fertilizer company working with chemicals and other hazardous substances, our business is inherently subject to spills, discharges or other releases of hazardous substances into the environment. Certain environmental laws, including CERCLA, impose joint and several liability, without regard to fault, for cleanup costs on persons who have disposed of or released hazardous substances into the environment. Given the nature of our business, we have incurred, are incurring currently, and are likely to incur periodically in the future, liabilities under CERCLA and other environmental cleanup laws at our current facilities or facilities previously owned by us or other acquired businesses, adjacent or nearby third-party facilities or offsite disposal locations. The costs associated with future cleanup activities that we may be required to conduct or finance may be material. Additionally, we may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment.

Violations of environmental, health and safety laws can result in substantial penalties, court orders to install pollution-control equipment, civil and criminal sanctions, permit revocations and facility shutdowns. Environmental, health and safety laws change rapidly and have tended to become more stringent over time. As a result, we have not always been and may not always be in compliance with all environmental, health and safety laws and regulations. We may be subject to more stringent enforcement of existing or new environmental, health and safety laws in the future. Additionally, future environmental, health and safety laws and regulations or reinterpretation of current laws and regulations may require us to make substantial expenditures. We sell, among other products, DEF, which is subject to EPA emissions standards that may become more stringent in the future. Our costs to comply with, or any liabilities under, these laws and regulations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

From time to time, our production of anhydrous ammonia has resulted in accidental releases that have temporarily disrupted our manufacturing operations and resulted in liability for administrative penalties and claims for personal injury. To date, our costs to resolve these liabilities have not been material. However, we could incur significant costs if our liability coverage is not sufficient to pay for all or a large part of any judgments against us, or if our insurance carrier refuses coverage for these losses.

We hold numerous environmental and other governmental permits and approvals authorizing operations at each of our facilities. Expansion or modification of our operations is predicated upon securing necessary environmental or other permits or approvals. A decision by a government agency to deny or delay issuing a new or renewed regulatory material permit or approval, or to revoke or substantially modify an existing permit or approval, or a determination that we have violated a law or permit as a result of a governmental inspection of our facilities could have a material adverse effect on our ability to continue operations at our facilities and on our business, financial condition, results of operations and cash flows. On October 1, 2015, the EPA released a final regulation lowering the national ambient air quality standard for ozone. This action is expected to result in additional areas of the country being classified as being in nonattainment with the ozone standard and subject to more stringent permitting requirements, which in turn could make it much more difficult and expensive to obtain permits to construct new facilities or expand our existing operations.

Future regulatory restrictions on greenhouse gas emissions in the jurisdictions in which we operate could materially adversely affect our business, financial condition, results of operations and cash flows.

We are subject to GHG regulations in the United Kingdom, Canada and the United States. In the United States, our existing facilities currently are only subject to GHG emissions reporting obligations, although our new and modified facilities are likely to be subject to GHG emissions standards included in their air permits. Our facilities in the United Kingdom are subject to regulatory emissions trading systems, which generally require us to hold or obtain emissions allowances to offset GHG emissions from those aspects of our operations that are subject to regulation under this program. Our facility in Alberta, Canada is subject to a provincial regulation requiring reductions in the facility's net emissions intensity, which can be met by facility improvements, the purchase of emissions offsets or performance credits, or contributions to a non-profit climate change fund established by Alberta. Alberta has recently announced that it is replacing its current approach with respect to carbon by introducing a carbon tax that applies across all sectors. The carbon tax will be set at $20 per ton (Canadian dollars) effective January 1, 2017, rise to $30 per ton (Canadian dollars) effective January 1, 2018 and increase with the rate of inflation thereafter. In April 2015, the province of Ontario, Canada, announced that it intends to implement a GHG cap and trade program. In November 2015, Ontario published a notice seeking comments on the design of its cap and trade system, which notice indicated that Ontario intended to commence operation of the cap and trade program effective January 1, 2017. There are substantial uncertainties as to the nature, stringency and timing of any future GHG regulations. More stringent GHG limitations, if they are enacted, are likely to have a significant impact on us, because our production facilities emit GHGs such as carbon dioxide and nitrous oxide and because natural gas, a fossil fuel, is a primary raw material used in our nitrogen production process. Regulation of GHGs may require us to make changes in our operating activities that would increase our operating costs, reduce our efficiency, limit our output, require us to make capital improvements to our facilities, increase our costs for or limit the availability of energy, raw materials or transportation, or otherwise materially adversely affect our business, financial condition, results of operations and cash flows. In addition, to the extent that GHG restrictions are not imposed in countries where our competitors operate or are less stringent than regulations that may be imposed in the United States, Canada or the United Kingdom, our competitors may have cost or other competitive advantages over us.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Our operating results fluctuate due to seasonality. Our inability to predict future seasonal fertilizer demand accurately could result in our having excess inventory, potentially at costs in excess of market value, or product shortages.

The fertilizer business is seasonal. The degree of seasonality of our business can change significantly from year to year due to conditions in the agricultural industry and other factors. The strongest demand for our products occurs during the spring planting season, with a second period of strong demand following the fall harvest. We and our customers generally build inventories during the low demand periods of the year to ensure timely product availability during the peak sales seasons. Seasonality is greatest for ammonia due to the short application season and the limited ability of our customers and their customers to store significant quantities of this product. The seasonality of fertilizer demand results in our sales volumes and net sales being the highest during the spring and our working capital requirements being the highest just prior to the start of the spring planting season.

If seasonal demand is less than we expect, we may be left with excess inventory that will have to be stored (in which case our results of operations will be negatively affected by any related increased storage costs) or liquidated (in which case the selling price may be below our production, procurement and storage costs). The risks associated with excess inventory and product shortages are exacerbated by the volatility of natural gas and nitrogen fertilizer prices and the relatively brief periods during which farmers can apply nitrogen fertilizers. If prices for our products rapidly decrease, we may be subject to inventory write-downs, adversely affecting our operating results. If seasonal demand is greater than we expect, we may experience product shortages, and customers of ours may turn to our competitors for products that they would otherwise have purchased from us.

A change in the volume of products that our customers purchase on a forward basis, or the percentage of our sales volume that is sold to our customers on a forward basis, could increase our exposure to fluctuations in our profit margins and materially adversely affect our business, financial condition, results of operations and cash flows.

We offer our customers the opportunity to purchase products from us on a forward basis at prices and delivery dates we propose. Under our forward sales programs, customers generally make an initial cash down payment at the time of order and pay the remaining portion of the contract sales value in advance of the shipment date. Forward sales improve our liquidity due to the cash payments received from customers in advance of shipment of the product and allow us to improve our production scheduling and planning and the utilization of our manufacturing and distribution assets.

Any cash payments received in advance from customers in connection with forward sales are reflected on our consolidated balance sheets as a current liability until the related orders are shipped, which can take up to several months.

We believe the ability to purchase products on a forward basis is most appealing to our customers during periods of generally increasing prices for nitrogen fertilizers. Our customers may be less willing or even unwilling to purchase products on a forward basis during periods of generally decreasing or stable prices or during periods of relatively high fertilizer prices due to the expectation of lower prices in the future or limited capital resources. In periods of rising fertilizer prices, selling our nitrogen fertilizers on a forward basis may result in lower profit margins than if we had not sold fertilizer on a forward basis. Conversely, in periods of declining fertilizer prices, selling our nitrogen fertilizers on a forward basis may result in higher profit margins than if we had not sold fertilizer on a forward basis. In addition, fixing the selling prices of our products, often months in advance of their ultimate delivery to customers, typically causes our reported selling prices and margins to differ from spot market prices and margins available at the time of shipment.

Our business is subject to risks involving derivatives, including the risk that our hedging activities might not prevent losses.

We often utilize natural gas derivatives to hedge our financial exposure to the price volatility of natural gas, the principal raw material used in the production of nitrogen-based fertilizers. We have used fixed-price, physical purchase and sales contracts, futures, financial swaps and option contracts traded in the over-the-counter markets or on exchanges. In order to manage our exposure to changes in foreign currency exchange rates, from time to time, we may use foreign currency derivatives, primarily forward exchange contracts.

Our use of derivatives can result in volatility in reported earnings due to the unrealized mark-to-market adjustments that occur from changes in the value of the derivatives that do not qualify for, or to which we do not apply, hedge accounting. To the extent that our derivative positions lose value, we may be required to post collateral with our counterparties, adversely affecting our liquidity.

Hedging arrangements are imperfect and unhedged risks will always exist. In addition, our hedging activities may themselves give rise to various risks that could adversely affect us. For example, we are exposed to counterparty credit risk when our derivatives are in a net asset position. The counterparties to our derivatives are multi-national commercial banks,

Table of Contents

major financial institutions or large energy companies. We monitor the derivative portfolio and credit quality of our counterparties and adjust the level of activity we conduct with individual counterparties as necessary. We also manage the credit risk through the use of multiple counterparties, credit limits, credit monitoring procedures, cash collateral requirements and master netting arrangements. However, our liquidity could be negatively impacted by a counterparty default on settlement of one or more of our derivative financial instruments.

We are reliant on a limited number of key facilities.

Our nitrogen fertilizer operations are concentrated in nine separate nitrogen complexes, the largest of which is the Donaldsonville complex, which currently represents approximately 35% of our ammonia production capacity and will represent approximately 40% of our ammonia production capacity after the Donaldsonville and Port Neal capacity expansion projects are fully operational. The suspension of operations at any of these complexes could adversely affect our ability to produce our products and fulfill our commitments, and could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, our Donaldsonville complex is located in an area of the United States that experiences a relatively high level of hurricane activity and our other complexes are located in areas that experience severe weather. Such storms, depending on their severity and location, have the potential not only to damage our facilities and disrupt our operations, but also to adversely affect the shipping and distribution of our products and the supply and price of natural gas in the respective regions. Moreover, our facilities may be subject to failure of equipment that may be difficult to replace and could result in operational disruptions.

We are exposed to risks associated with our joint venture.

As of December 31, 2015, our remaining joint venture is a 50% ownership interest in PLNL (which owns a facility in the Republic of Trinidad and Tobago). Our joint venture partner shares a measure of control over the operations of our PLNL joint venture. As a result, our investment in our PLNL joint venture involves risks that are different from the risks involved in owning facilities and operations independently. These risks include the possibility that our PLNL joint venture or our partner: have economic or business interests or goals that are or become inconsistent with our economic or business interests or goals; are in a position to take action contrary to (or have veto rights over) our instructions, requests, policies or objectives; subject our PLNL joint venture to liabilities exceeding those contemplated; take actions that reduce our return on investment; or take actions that harm our reputation or restrict our ability to run our business.

In addition, we may become involved in disputes with our PLNL joint venture partner, which could lead to impasses or situations that could harm the joint venture, which could reduce our revenues or increase our costs.

Our PLNL joint venture operates an ammonia plant that relies on natural gas supplied by The National Gas Company of Trinidad and Tobago Limited (NGC). The joint venture has experienced natural gas curtailments due to major maintenance activities being conducted at upstream natural gas facilities and decreased gas exploration and development activity in Trinidad. These curtailments have continued into 2015 and we are unable to predict when the curtailments will cease to occur. In the fourth quarter of 2015, we recorded a $61.9 million impairment of our equity method investment in PLNL as we determined the carrying value of our equity method investment in PLNL exceeded its fair value, primarily due to the ongoing natural gas curtailments and the expectation that these curtailments will continue into the future. In addition, failure to secure a long-term gas supply from NGC on a cost effective basis could adversely affect our ability to produce ammonia at the joint venture which could result in further impairment to the value of the joint venture, and could have a material adverse effect on our results of operations.

Acts of terrorism and regulations to combat terrorism could negatively affect our business.

Like other companies with major industrial facilities, we may be targets of terrorist activities. Many of our plants and facilities store significant quantities of ammonia and other materials that can be dangerous if mishandled. Any damage to infrastructure facilities, such as electric generation, transmission and distribution facilities, or injury to employees, who could be direct targets or indirect casualties of an act of terrorism, may affect our operations. Any disruption of our ability to produce or distribute our products could result in a significant decrease in revenues and significant additional costs to replace, repair or insure our assets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Due to concerns related to terrorism or the potential use of certain fertilizers as explosives, we are subject to various security laws and regulations. In the United States, these security laws include the Maritime Transportation Security Act of 2002 and the Chemical Facilities Anti-Terrorism Standards regulation. In addition, President Obama issued Executive Order 13650 Improving Chemical Facility Safety and Security to improve chemical facility safety in coordination with owners and operators. Governmental entities could implement new or impose more stringent regulations affecting the security of our plants, terminals and warehouses or the transportation and use of fertilizers. These regulations could result in higher operating costs or

Table of Contents

limitations on the sale of our products and could result in significant unanticipated costs, lower revenues and reduced profit margins. We manufacture and sell certain nitrogen fertilizers that can be used as explosives. It is possible that governmental entities in the United States or elsewhere could impose additional limitations on the use, sale or distribution of nitrogen fertilizers, thereby limiting our ability to manufacture or sell those products, or that illicit use of our products could result in liability for us.

We are subject to risks associated with international operations.

Our international business operations are subject to numerous risks and uncertainties, including difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations; unexpected changes in regulatory environments; currency fluctuations; tax rates that may exceed those in the United States; earnings that may be subject to withholding requirements; and the imposition of tariffs, exchange controls or other restrictions.

Our principal reporting currency is the U.S. dollar and our business operations and investments outside the United States increase our risk related to fluctuations in foreign currency exchange rates. The main currencies to which we are exposed, besides the U.S. dollar, are the Canadian dollar, British pound and the Euro. We may selectively reduce some foreign currency exchange rate risk by, among other things, requiring contracted purchases of our products to be settled in, or indexed to, the U.S. dollar or a currency freely convertible into U.S. dollars, or hedging through foreign currency derivatives. These efforts, however, may not be effective and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to anti-corruption laws and regulations and economic sanctions programs in various jurisdictions, including the U.S. Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act of 2010, and economic sanctions programs administered by the United Nations, the European Union and the Office of Foreign Assets Control of the U.S. Department of the Treasury, and regulations set forth under the Comprehensive Iran Accountability Divestment Act. As a result of doing business internationally, we are exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we, our partners or agents operate. Violations of anti-corruption and sanctions laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. The violation of applicable laws by our employees, consultants, agents or partners could subject us to penalties and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to antitrust and competition laws in various countries throughout the world. We cannot predict how these laws or their interpretation, administration and enforcement will change over time. Changes in antitrust laws globally, or in their interpretation, administration or enforcement, may limit our existing or future operations and growth.

Our investments in securities are subject to risks that may result in losses.

We generally invest cash and cash equivalents from our operations in what we believe to be relatively short-term, highly liquid and high credit quality instruments, including notes and bonds issued by governmental entities or corporations and money market funds. Securities issued by governmental entities include those issued directly by the United States government, those issued by state, local or other governmental entities, and those guaranteed by entities affiliated with governmental entities. Our investments are subject to fluctuations in both market value and yield based upon changes in market conditions, including interest rates, liquidity, general economic and credit market conditions and conditions specific to the issuers.

Due to the risks of investments, we may not achieve expected returns or may realize losses on our investments, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Deterioration of global market and economic conditions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

A slowdown of, or persistent weakness in, economic activity caused by a deterioration of global market and economic conditions could adversely affect our business in the following ways, among others: conditions in the credit markets could affect the ability of our customers and their customers to obtain sufficient credit to support their operations; the failure of our customers to fulfill their purchase obligations could result in increases in bad debts and impact our working capital; and the failure of certain key suppliers could increase our exposure to disruptions in supply or to financial losses. We also may experience declining demand and falling prices for some of our products due to our customers' reluctance to replenish inventories. The overall impact of a global economic downturn on us is difficult to predict, and our business could be materially adversely impacted.

In addition, conditions in the international market for nitrogen fertilizers significantly influence our operating results. The international market for fertilizers is influenced by such factors as currency exchange rates, including the relative value of the U.S. dollar and its impact upon the cost of importing of nitrogen fertilizers into the United States, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in certain foreign markets and the laws and policies of the markets in which we operate that affect foreign trade and investment.

We have a material amount of indebtedness, expect to have a substantial amount of indebtedness on a consolidated basis following consummation of the proposed combination with the ENA Business of OCI, and may need to incur additional indebtedness or need to refinance existing indebtedness, in the future, which may adversely affect our business.

As of December 31, 2015, we had approximately $5.6 billion of total funded indebtedness, consisting primarily of senior notes with varying maturity dates between 2018 and 2044. We had excess borrowing capacity under our existing revolving credit agreement of $1,995.1 million. In addition, upon the consummation of the proposed combination with the ENA Business of OCI, we expect to have a substantial amount of indebtedness on a consolidated basis. We expect that this indebtedness will include our existing indebtedness, approximately $1.2 billion of existing secured project finance indebtedness relating to the ENA Business, and indebtedness under any of the existing OCI convertible bonds assumed by us in connection with the combination. In addition, to fund the cash requirements in connection with the consummation of the combination, we expect that we or our subsidiaries will use either cash on hand or a combination of cash on hand and cash proceeds from external sources (whether using alternative financing arranged prior to the closing under the Combination Agreement or, if such financing is not arranged, a portion of the financing under our bridge credit agreement) of approximately $1.0 billion. In addition, upon the consummation of the combination, our bridge credit agreement provides for borrowings of up to $1.3 billion for general corporate purposes and our existing revolving credit agreement provides for up to $2.0 billion of borrowings for general corporate purposes.

Our substantial debt service obligations could have an adverse impact on our earnings and cash flows. Our substantial indebtedness could, as a result of our debt service obligation or through the operation of the financial and other restrictive covenants to which we are subject under the agreements and instruments governing that indebtedness and otherwise, have important consequences. For example, it could:

- make it more difficult for us to pay or refinance our debts as they become due during adverse economic and industry conditions because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled debt payments;
- cause us to be less able to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions;
- cause us to use a portion of our cash flow from operations for debt service, reducing the availability of cash to fund working capital and capital expenditures, research and development and other business activities;
- cause us to be more vulnerable to general adverse economic and industry conditions;
- expose us to the risk of increased interest rates because certain of our borrowings, including borrowings under our credit agreements, could be at variable rates of interest;
- make us more leveraged than some of our competitors, which could place us at a competitive disadvantage;
- limit our ability to borrow additional monies in the future to fund working capital, capital expenditures and other general corporate purposes; and
- result in a downgrade in the credit rating of our indebtedness which could increase the cost of further borrowings.

We expect to consider options to refinance our outstanding indebtedness from time to time. Our ability to obtain any financing, whether through the issuance of new debt securities or otherwise, and the terms of any such financing are dependent on, among other things, our financial condition, financial market conditions within our industry and generally, credit ratings and numerous other factors, including factors beyond our control. Consequently, in the event that we need to access the credit markets, including to refinance our debt, there can be no assurance that we will be able to obtain financing on acceptable terms or within an acceptable timeframe, if at all. An inability to obtain financing with acceptable terms when needed could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We expect that the terms of our indebtedness will allow us to incur significant additional debt in the future. If we incur additional indebtedness, the risks that we face as a result of our leverage could intensify. If our financial condition or operating results deteriorate, our relations with our creditors, including the holders of our outstanding debt securities, the lenders under our revolving credit agreement and our bridge credit agreement and our suppliers, may be materially and adversely affected.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

FORWARD LOOKING STATEMENTS

From time to time, in this Annual Report on Form 10-K as well as in other written reports and verbal statements, we make forward-looking statements that are not statements of historical fact and may involve a number of risks and uncertainties. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. We have used the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," and similar terms and phrases, including references to assumptions, to identify forward-looking statements in this document. These forward-looking statements are made based on currently available competitive, financial and economic data, our current expectations, estimates, forecasts and projections about the industries and markets in which we operate and management's beliefs and assumptions concerning future events affecting us. These statements are not guarantees of future performance and are subject to risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Therefore, our actual results may differ materially from what is expressed in or implied by any forward-looking statements. We want to caution you not to place undue reliance on any forward-looking statements. We do not undertake any responsibility to release publicly any revisions to these forward-looking statements to take into account events or circumstances that occur after the date of this document. Additionally, we do not undertake any responsibility to provide updates regarding the occurrence of any unanticipated events which may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this document.

Important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this Form 10-K. Such factors include, among others:

- the risk that changes to the tax laws or relevant facts may jeopardize or delay the combination or cause the parties to abandon the combination;
- the risk that the governmental or regulatory actions could delay the combination or result in the imposition of conditions that could reduce the anticipated benefits from the combination or cause the parties to abandon the combination;
- risks from the business uncertainties and contractual restrictions we are subject to while the combination is pending;
- risks associated with the failure to complete the combination, or significant delays in completing the combination;
- our ability to attract, motivate and retain executives and other employees in light of the combination;
- risks associated with the operation or management of the CHS strategic venture, risks and uncertainties relating to the market prices of the fertilizer products that are the subject of our supply agreement with CHS over the life of the supply agreement, and the risk that any challenges related to the CHS strategic venture will harm our other business relationships;
- the volatility of natural gas prices in North America and Europe;
- the cyclical nature of our business and the agricultural sector;
- the global commodity nature of our fertilizer products, the impact of global supply and demand on our selling prices, and the intense global competition from other fertilizer producers;
- conditions in the U.S. and European agricultural industry;
- difficulties in securing the supply and delivery of raw materials, increases in their costs or delays or interruptions in their delivery;
- reliance on third party providers of transportation services and equipment;
- the significant risks and hazards involved in producing and handling our products against which we may not be fully insured;
- risks associated with cyber security;
- weather conditions;
- our ability to complete our production capacity expansion projects on schedule as planned, on budget or at all;

25

Table of Contents

- risks associated with expansions of our business, including unanticipated adverse consequences and the significant resources that could be required;
- potential liabilities and expenditures related to environmental, health and safety laws and regulations and permitting requirements;
- future regulatory restrictions and requirements related to GHG emissions;
- the seasonality of the fertilizer business;
- the impact of changing market conditions on our forward sales programs;
- risks involving derivatives and the effectiveness of our risk measurement and hedging activities;
- our reliance on a limited number of key facilities;
- risks associated with our PLNL joint venture;
- acts of terrorism and regulations to combat terrorism;
- risks associated with international operations;
- losses on our investments in securities;
- deterioration of global market and economic conditions; and
- our ability to manage our indebtedness.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Information regarding our facilities and properties is included in Part I, Item 1. Business—Reportable Segments and Part I, Item 1. Business—Storage Facilities and Other Properties.

ITEM 3. LEGAL PROCEEDINGS.

Litigation

West Fertilizer Co.

On April 17, 2013, there was a fire and explosion at the West Fertilizer Co. fertilizer storage and distribution facility in West, Texas. According to published reports, 15 people were killed and approximately 200 people were injured in the incident, and the fire and explosion damaged or destroyed a number of homes and buildings around the facility. Various subsidiaries of CF Industries Holdings, Inc. (the CF Entities) have been named as defendants along with other companies in lawsuits filed in 2013, 2014 and 2015 in the District Court of McLennan County, Texas by the City of West, individual residents of the County and other parties seeking recovery for damages allegedly sustained as a result of the explosion. The cases have been consolidated for discovery and pretrial proceedings in the District Court of McLennan County under the caption "In re: West Explosion Cases." The two-year statute of limitations expired on April 17, 2015. As of that date, over 400 plaintiffs had filed claims, including at least 9 entities, 325 individuals, and 80 insurance companies. Plaintiffs allege various theories of negligence, strict liability, and breach of warranty under Texas law. Although we do not own or operate the facility or directly sell our products to West Fertilizer Co., products that the CF Entities have manufactured and sold to others have been delivered to the facility and may have been stored at the West facility at the time of the incident.

The Court granted in part and denied in part the CF Entities' Motions for Summary Judgment in August 2015. Thirty-four cases, including the three cases scheduled to begin trial on October 12, 2015 and some of the ten cases scheduled to begin trial on February 1, 2016, were resolved pursuant to confidential settlements fully funded by insurance. The remaining cases are in various stages of discovery and pre-trial proceedings. These cases will be set for trial in the upcoming months at the discretion of the Court. We believe we have strong legal and factual defenses and intend to continue defending the CF Entities vigorously in the pending lawsuits.

Other Litigation

From time to time, we are subject to ordinary, routine legal proceedings related to the usual conduct of our business, including proceedings regarding public utility and transportation rates, environmental matters, taxes and permits relating to the operations of our various plants and facilities. Based on the information available as of the date of this filing, we believe that the ultimate outcome of these routine matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental

Florida Environmental Matters

On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to Mosaic. Pursuant to the terms of the definitive agreement executed in October 2013 among CF Industries Holdings, Inc., CF Industries, Inc. and Mosaic, Mosaic has assumed the following environmental matters and we have agreed to indemnify Mosaic with respect to losses arising out of the matters below, subject to a maximum indemnification cap and the other terms of the definitive agreement.

Clean Air Act Notice of Violation

We received a Notice of Violation (NOV) from the Environmental Protection Agency (EPA) by letter dated June 16, 2010, alleging that we violated the Prevention of Significant Deterioration (PSD) Clean Air Act regulations relating to certain projects undertaken at the former Plant City, Florida facility's sulfuric acid plants. This NOV further alleges that the actions that are the basis for the alleged PSD violations also resulted in violations of Title V air operating permit regulations. Finally, the NOV alleges that we failed to comply with certain compliance dates established by hazardous air pollutant regulations for phosphoric acid manufacturing plants and phosphate fertilizer production plants. We had several meetings with the EPA with

27

respect to this matter prior to our sale of the phosphate mining and manufacturing business in March 2014. We do not know at this time if this matter will be settled prior to initiation of formal legal action.

We cannot estimate the potential penalties, fines or other expenditures, if any, that may result from the Clean Air Act NOV and, therefore, we cannot determine if the ultimate outcome of this matter will have a material impact on our consolidated financial position, results of operations or cash flows.

EPCRA/CERCLA Notice of Violation

By letter dated July 6, 2010, the EPA issued a NOV to us alleging violations of Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA) in connection with the former Plant City facility. EPCRA requires annual reports to be submitted with respect to the use of certain toxic chemicals. The NOV also included an allegation that we violated Section 304 of EPCRA and Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) by failing to file a timely notification relating to the release of hydrogen fluoride above applicable reportable quantities. We do not know at this time if this matter will be settled prior to initiation of formal legal action.

We do not expect that penalties or fines, if any, that may arise out of the EPCRA/CERCLA matter will have a material impact on our consolidated financial position, results of operations or cash flows.

Other

CERCLA/Remediation Matters

For information on pending proceedings relating to environmental remediation matters, see Item 1. Business—Environmental, Health and Safety and Note 20—Contingencies.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is traded on the New York Stock Exchange, Inc. (NYSE) under the symbol "CF". Quarterly high and low sales prices, as reported by the NYSE, are provided below:

	Sales Prices		Dividends
2015	High	Low	per Share
First Quarter	$62.89	$54.60	$0.30
Second Quarter	65.69	55.60	0.30
Third Quarter	70.32	43.88	0.30
Fourth Quarter	54.27	39.64	0.30

	Sales Prices		Dividends
2014	High	Low	per Share
First Quarter	$53.55	$44.02	$0.20
Second Quarter	53.39	46.48	0.20
Third Quarter	56.07	47.71	0.30
Fourth Quarter	58.06	47.89	0.30

The per share amounts above have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company’s common stock as discussed in Note 1—Background and Basis of Presentation in the notes to the consolidated financial statements included in Item 8 of this report.

As of February 18, 2016, there were 794 stockholders of record.

The following table sets forth stock repurchases for each of the three months of the quarter ended December 31, 2015.

Issuer Purchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Cumulative Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in thousands)[(1)]
October 1, 2015 - October 31, 2015	—	$—	—	$100,000
November 1, 2015 - November 30, 2015	—	—	—	100,000
December 1, 2015 - December 31, 2015	—	—	—	100,000
Total	—	—		

(1) Represents the authorized share repurchase program announced on August 6, 2014 that allows management to repurchase common stock for a total expenditure of up to $1.0 billion through December 31, 2016 (the 2014 Program). This program is discussed in Note 18—Stockholders' Equity, in the notes to the consolidated financial statements included in Item 8 of this report.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 6. SELECTED FINANCIAL DATA.

The following selected historical financial data as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 have been derived from our audited consolidated financial statements and related notes included elsewhere in this document. The following selected historical financial data as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2012 and 2011 have been derived from our consolidated financial statements, which are not included in this document.

The selected historical financial data should be read in conjunction with the information contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data.

	Year ended December 31,				
	2015(1)	2014(2)	2013	2012	2011
	(in millions, except per share amounts)				
Statement of Operations Data:					
Net sales	$4,308.3	$4,743.2	$5,474.7	$6,104.0	$6,097.9
Cost of sales	2,761.2	2,964.7	2,954.5	2,990.7	3,202.3
Gross margin	1,547.1	1,778.5	2,520.2	3,113.3	2,895.6
Selling, general and administrative expenses	169.8	151.9	166.0	151.8	130.0
Transaction costs	56.9	—	—	—	—
Restructuring and integration costs	—	—	—	—	4.4
Other operating—net	92.3	53.3	(15.8)	49.1	20.9
Total other operating costs and expenses	319.0	205.2	150.2	200.9	155.3
Gain on sale of phosphate business	—	750.1	—	—	—
Equity in earnings of operating affiliates	(35.0)	43.1	41.7	47.0	50.2
Operating earnings	1,193.1	2,366.5	2,411.7	2,959.4	2,790.5
Interest expense (income)—net	131.6	177.3	147.5	131.0	145.5
Other non-operating—net	3.9	1.9	54.5	(1.1)	(0.6)
Earnings before income taxes and equity in earnings of non-operating affiliates	1,057.6	2,187.3	2,209.7	2,829.5	2,645.6
Income tax provision	395.8	773.0	686.5	964.2	926.5
Equity in earnings of non-operating affiliates—net of taxes	72.3	22.5	9.6	58.1	41.9
Net earnings	734.1	1,436.8	1,532.8	1,923.4	1,761.0
Less: Net earnings attributable to noncontrolling interest	34.2	46.5	68.2	74.7	221.8
Net earnings attributable to common stockholders	$699.9	$1,390.3	$1,464.6	$1,848.7	$1,539.2
Cash dividends declared per common share(3)	$1.20	$1.00	$0.44	$0.32	$0.20
Share and per share data:					
Net earnings per share attributable to common stockholders(3):					
Basic	$2.97	$5.43	$4.97	$5.79	$4.44
Diluted	2.96	5.42	4.95	5.72	4.40
Weighted-average common shares outstanding(3):					
Basic	235.3	255.9	294.4	319.3	347.0
Diluted	236.1	256.7	296.0	323.3	350.2
Other Financial Data:					

Depreciation, depletion and amortization	$479.6	$392.5	$410.6	$419.8	$416.2
Capital expenditures	2,469.3	1,808.5	823.8	523.5	247.2

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

	December 31,				
	2015[1]	2014[2]	2013	2012	2011
	(in millions)				
Balance Sheet Data:					
Cash and cash equivalents	$286.0	$1,996.6	$1,710.8	$2,274.9	$1,207.0
Total assets[4]	12,738.9	11,254.2	10,618.1	10,157.4	8,974.5
Customer advances	161.5	325.4	120.6	380.7	257.2
Total debt	5,592.7	4,592.5	3,098.1	1,605.0	1,617.8
Total equity	4,387.2	4,572.5	5,438.4	6,282.2	4,932.9

(1) On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us. CF Fertilisers UK is now wholly owned by us. The financial results of CF Fertilisers UK have been consolidated within our financial results since July 31, 2015. Prior to July 31, 2015, our initial 50% equity interest in CF Fertilisers UK was accounted for as an equity method investment and the financial results of this investment were included in equity in earnings of non-operating affiliates—net of taxes. See Note 4—Acquisitions and Divestitures, to the Consolidated Financial Statements for additional information.

(2) On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business. The selected historical financial data above includes the results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014. The results of the phosphate mining and manufacturing business are not reported as discontinued operations in our consolidated statements of operations, as further described in Note 4—Acquisitions and Divestitures, to the Consolidated Financial Statements.

(3) Share and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

(4) Deferred income taxes included in total assets have been retroactively restated for all prior periods presented to reflect our adoption during fiscal year 2015 of Accounting Standards Update 2015-17, Balance Sheet Classification of Deferred Taxes (an update to Topic 740, Income Taxes), which requires the classification of all deferred tax assets and liabilities as noncurrent. See Note 3—New Accounting Standards and Note 10—Income Taxes, to the Consolidated Financial Statements for additional information.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion and analysis in conjunction with the consolidated financial statements and related notes included in Item 8. Financial Statements and Supplementary Data. All references to "CF Holdings," "we," "us," "our" and "the Company" refer to CF Industries Holdings, Inc. and its subsidiaries, except where the context makes clear that the reference is only to CF Industries Holdings, Inc. itself and not its subsidiaries. All references to "CF Industries" refer to CF Industries, Inc., a 100% owned subsidiary of CF Industries Holdings, Inc. References to tons refer to short-tons. Notes referenced in this discussion and analysis refer to the notes to consolidated financial statements that are found in the following section: Item 8. Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements. The following is an outline of the discussion and analysis included herein:

- Overview of CF Holdings
- Our Company
- Items Affecting Comparability of Results
- Strategic Initiatives
- Financial Executive Summary
- Key Industry Factors
- Factors Affecting Our Results
- Results of Consolidated Operations
- Year Ended December 31, 2015 Compared to Year Ended December 31, 2014
- Year Ended December 31, 2014 Compared to Year Ended December 31, 2013
- Operating Results by Business Segment
- Liquidity and Capital Resources
- Off-Balance Sheet Arrangements
- Critical Accounting Policies and Estimates
- Recent Accounting Pronouncements
- Discussion of Seasonality Impacts on Operations

Overview of CF Holdings

Our Company

We are one of the largest manufacturers and distributors of nitrogen fertilizer and other nitrogen products in the world. Our principal customers are cooperatives, independent fertilizer distributors, farmers and industrial users. Our principal nitrogen fertilizer products are ammonia, granular urea, urea ammonium nitrate solution (UAN) and ammonium nitrate (AN). Our other nitrogen products include diesel exhaust fluid (DEF), urea liquor, nitric acid and aqua ammonia, which are sold primarily to our industrial customers, and compound fertilizer products (NPKs), which are solid granular fertilizer products for which the nutrient content is a combination of nitrogen, phosphorus, and potassium. Our core market and distribution facilities are concentrated in the midwestern United States and other major agricultural areas of the United States, Canada and the United Kingdom. We also export nitrogen fertilizer products from our Donaldsonville, Louisiana; Yazoo City, Mississippi; and Billingham, United Kingdom manufacturing facilities.

Prior to March 17, 2014, we also manufactured and distributed phosphate fertilizer products. Our principal phosphate products were diammonium phosphate (DAP) and monoammonium phosphate (MAP). On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to The Mosaic Company (Mosaic) for approximately $1.4 billion in cash. See the section titled Items Affecting Comparability of Results for further information on this transaction and its impact.

Our principal assets include:

- six North American nitrogen fertilizer manufacturing facilities located in: Donaldsonville, Louisiana (the largest nitrogen fertilizer complex in North America); Medicine Hat, Alberta (the largest nitrogen fertilizer complex in

Canada); Port Neal, Iowa; Courtright, Ontario; Yazoo City, Mississippi; and Woodward, Oklahoma;

- two United Kingdom nitrogen manufacturing complexes located in Ince and Billingham that produce AN, ammonia and NPKs;

32

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

- a 75.3% interest in Terra Nitrogen Company, L.P. (TNCLP), a publicly-traded limited partnership of which we are the sole general partner and the majority limited partner and which, through its subsidiary Terra Nitrogen, Limited Partnership (TNLP), operates a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma;
- an extensive system of terminals and associated transportation equipment located primarily in the midwestern United States; and
- a 50% interest in Point Lisas Nitrogen Limited (PLNL), an ammonia production joint venture located in the Republic of Trinidad and Tobago that we account for under the equity method.

In 2015, we entered into a number of strategic agreements and transactions as follows:

- We acquired the remaining 50% equity interest in CF Fertilisers UK Group Limited (formerly known as GrowHow UK Group Limited) (CF Fertilisers UK) not previously owned by us on July 31, 2015 for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us. This transaction added CF Fertilisers UK's nitrogen manufacturing complexes in Ince, United Kingdom and Billingham, United Kingdom to our consolidated manufacturing capacity. The impact of this acquisition is summarized below in the section titled Items Affecting Comparability of Results.
- We sold our interests in KEYTRADE AG (Keytrade), a global fertilizer trading company headquartered near Zurich, Switzerland, to the other key principals of Keytrade.
- We sold our 50% ownership interest in an ammonia storage joint venture in Houston, Texas.
- We entered into a definitive agreement (as amended, the Combination Agreement) under which we will combine with the European, North American and global distribution businesses (collectively, the ENA Business) of OCI N.V. (OCI). The combination transaction includes OCI's nitrogen production facility in Geleen, Netherlands; its nitrogen production facility under construction in Wever, Iowa; its approximately 79.88% equity interest in an ammonia and methanol complex in Beaumont, Texas; and its global distribution business and the assumption of approximately $2 billion in net debt. Under the terms of the Combination Agreement, CF Holdings will become a subsidiary of a new holding company (New CF) domiciled in the Netherlands. This transaction is expected to close in mid-2016, subject to the approval of shareholders of both CF Holdings and OCI, the receipt of certain regulatory approvals, and other closing conditions. See Strategic Initiatives—Agreement to Combine with Certain of OCI N.V.'s Businesses below, for further details on this transaction.
- We entered into a strategic venture with CHS Inc. (CHS). The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in CF Industries Nitrogen, LLC (CFN), a subsidiary of CF Holdings, for $2.8 billion. CHS also began receiving deliveries from us pursuant to a supply agreement under which CHS has the right to purchase annually from us up to approximately 1.1 million tons of granular urea and 580,000 tons of UAN at market prices. CHS is entitled to semi-annual profit distributions from CFN as a result of its minority equity interest in CFN. See Strategic Initiatives—Strategic Venture with CHS below, for further details on this strategic venture.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Items Affecting Comparability of Results

CF Fertilisers UK Acquisition

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million, and CF Fertilisers UK became a wholly-owned subsidiary. CF Fertilisers UK Limited (formerly known as GrowHow UK Limited), a wholly-owned subsidiary of CF Fertilisers UK, operates two nitrogen manufacturing complexes in the United Kingdom, in the cities of Ince and Billingham. We recorded a $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK that is included in equity in earnings of non-operating affiliates—net of taxes for the year ended December 31, 2015. This transaction increased our manufacturing capacity with the acquisition of CF Fertilisers UK nitrogen manufacturing complexes in Ince and Billingham, United Kingdom. The Ince complex is located in northwestern England and consists of an ammonia plant, three nitric acid plants, an AN plant and three NPK plants. The Billingham complex is located in the Teesside chemical area in northeastern England, and consists of an ammonia plant, three nitric acid plants, a carbon dioxide plant and an AN fertilizer plant. See Note 4—Acquisitions and Divestitures to our consolidated financial statements included in Item 8 of this report for additional information on the preliminary allocation of the total purchase price to the assets acquired and liabilities assumed in the CF Fertilisers UK acquisition on July 31, 2015.

The financial results of CF Fertilisers UK have been consolidated within our financial results since July 31, 2015. Prior to July 31, 2015, our initial 50% equity interest in CF Fertilisers UK was accounted for as an equity method investment, and the financial results of this investment were included in our consolidated statements of operations in equity in earnings of non-operating affiliates—net of taxes. The following table presents CF Fertilisers UK results since July 31, 2015, the date it became a consolidated subsidiary, which are included within our 2015 financial results.

	CF Holdings Reportable Segments			
CF Fertilisers UK	Ammonia	AN	Other	Consolidated
	(in millions, except percentages)			
Five months ended December 31, 2015				
Net sales	$38.4	$117.0	$53.0	$208.4
Cost of sales	30.7	108.6	45.6	184.9
Gross margin	$7.7	$8.4	$7.4	$23.5
Gross margin percentage	20.1 %	7.2 %	14.0 %	11.3 %

New Segments

In the third quarter of 2015, we changed our reportable segment structure to separate AN from our Other segment as our AN products increased in significance as a result of the CF Fertilisers UK acquisition. Our new reportable segment structure reflects how our chief operating decision maker (CODM), as defined under U.S. generally accepted accounting principles (GAAP), assesses the performance of our reportable segments and makes decisions about resource allocation. Our reportable segments now consist of ammonia, granular urea, UAN, AN, Other, and phosphate. These segments are differentiated by products. Our management uses gross margin to evaluate segment performance and allocate resources. Historical financial results have been restated to reflect the new reportable segment structure on a comparable basis.

A description of our reportable segments is included in the discussion of the operating results by business segment later in this discussion and analysis.

Five-for-One Common Stock Split

On May 15, 2015, we announced that our Board of Directors declared a five-for-one split of our common stock to be effected in the form of a stock dividend. On June 17, 2015, stockholders of record as of the close of business on June 1, 2015 (Record Date) received four additional shares of common stock for each share of common stock held on the Record Date. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the stock split. All share and per share data has been retroactively restated to reflect the stock split, except for the number of authorized shares of common stock. Since the par value of the common stock remained at $0.01 per share, the recorded value for common stock has been retroactively restated to reflect the par value of total outstanding shares with a corresponding decrease to paid-in capital.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Transaction Costs

As more fully described below in the section titled Strategic Initiatives, in 2015 we incurred $56.9 million of transaction costs attributable to various consulting and legal services associated primarily with executing the strategic agreements and preparing for the proposed combination with the ENA Business of OCI, our strategic venture with CHS and our acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us.

Phosphate Business Disposition

On March 17, 2014, we sold our phosphate mining and manufacturing business and recognized pre-tax and after-tax gains on the sale of the phosphate business of $750.1 million and $462.8 million, respectively. Under the terms of the definitive transaction agreement, the accounts receivable and accounts payable pertaining to the phosphate mining and manufacturing business and certain phosphate inventory held in distribution facilities were not sold to Mosaic in the transaction and were settled in the ordinary course.

Upon selling the phosphate business, we began to supply Mosaic with ammonia produced by our PLNL joint venture. The contract to supply ammonia to Mosaic from our PLNL joint venture represents the continuation of a supply practice that previously existed between our former phosphate mining and manufacturing business and other operations of the Company. Prior to March 17, 2014, PLNL sold ammonia to us for use in the phosphate business and the cost was included in our production costs in our phosphate segment. Subsequent to the sale of the phosphate business, we now sell the PLNL-sourced ammonia to Mosaic. The revenue from these sales to Mosaic and the costs to purchase the ammonia from PLNL are now included in our ammonia segment. Our 50% share of the operating results of our PLNL joint venture continues to be included in our equity in earnings of operating affiliates in our consolidated statements of operations. Because of the significance of this continuing supply practice, in accordance with U.S. GAAP, the phosphate mining and manufacturing business is not reported as discontinued operations in our consolidated statements of operations.

The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter. However, the segment will continue to be included until the reporting of comparable period phosphate results ceases.

Impairment of our Investment in PLNL

In 2015, our equity in earnings of operating affiliates includes a $61.9 million impairment of our equity method investment in PLNL. In the fourth quarter of 2015, we determined the carrying value of our equity method investment in PLNL exceeded its fair value. This was primarily due to the ongoing natural gas curtailments impacting the results of operations of PLNL and the expectation that these curtailments will continue into the future. Our PLNL joint venture investment in the Republic of Trinidad and Tobago operates an ammonia plant that relies on natural gas supplied by The National Gas Company of Trinidad and Tobago Limited (NGC). The joint venture has experienced natural gas curtailments in 2015 and 2014 due to major maintenance activities being conducted at upstream natural gas facilities and decreased gas exploration and development activity in the Republic of Trinidad and Tobago. Commitments from NGC regarding the level of future availability and the related cost are not available. The future availability and cost of natural gas represents a significant assumption in the discounted cash flow models utilized for recoverability and impairment testing. No impairment was recognized in 2014 or 2013 related to this investment.

CFL Selling Price Modifications

Prior to April 30, 2013, CF Industries owned 49% of the voting common shares and 66% of the non-voting preferred shares of Canadian Fertilizers Limited (CFL), an Alberta, Canada based nitrogen fertilizer manufacturer and had the right to purchase 66% of the production of CFL. Also prior to April 30, 2013, Viterra, Inc. (Viterra) held 34% of the equity ownership of CFL and had the right to purchase up to the remaining 34% of CFL's production. Both CF Industries and Viterra were entitled to receive distributions of net earnings of CFL based upon their respective purchases from CFL. CFL was a variable interest entity that was consolidated in our financial statements. On April 30, 2013, CF Industries completed the acquisitions of all of the outstanding interests in CFL that it did not already own and CFL became our wholly-owned subsidiary. Once CFL became a wholly-owned subsidiary, CF Industries began purchasing all of the output of CFL for resale and reported those sales in its consolidated financial statements at market prices.

CF Industries' and Viterra's purchases of nitrogen fertilizer products from CFL were made under product purchase agreements, and the selling prices were determined under the provisions of these agreements. Until April 30, 2013, when CFL became a wholly-owned subsidiary in our consolidated financial statements, net sales and accounts receivable attributable to

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CFL were solely generated by transactions with Viterra, as all transactions with CF Industries were eliminated in consolidation in our financial statements.

The following summarizes the selling prices in the product purchase agreements that impacted the Company's results due to sales transactions to Viterra both before and after the effective date of the amendment.

- Between the period of January 1, 2013 and April 30, 2013, CFL selling prices were based on production cost plus an agreed-upon margin.
- Starting on April 30, 2013, CFL became a wholly-owned subsidiary of CF Industries. Once CFL became a wholly-owned subsidiary, CF industries began purchasing all of the output of CFL for resale and reported those sales in its consolidated financial statements at market prices.

As a result, the consolidated financial results for both 2015 and 2014 included a full year of market-based selling prices, while 2013 included four months of selling prices based on production cost plus an agreed-upon margin and eight months of market-based selling prices. These changes affect the year-over-year comparability of net sales, gross margin, operating earnings, earnings before income taxes and net earnings attributable to noncontrolling interest of 2013 as compared to 2014 and 2015, however, these changes do not impact the comparability of our net earnings attributable to common stockholders or net cash flows for the same period.

In order to provide comparable information for the periods presented, certain financial information is being provided for the 2013 comparable period adjusted as if twelve months of market-based selling prices had been used in the 2013 comparable period.

We report our consolidated financial results in accordance with U.S. GAAP. Management believes that the presentation in this report of non-GAAP financial measures of certain adjusted data and the period-to-period percentage changes in such measures, provides investors with additional meaningful information to assess period-to-period changes in our underlying operating performance. This information includes consolidated net sales, gross margin, net earnings attributable to noncontrolling interest, in addition to segment net sales, gross margin, gross margin as a percentage of net sales, and average selling prices per ton of ammonia and granular urea presented on an as adjusted basis as if all CFL sales to the noncontrolling interest had been priced based on market-based selling prices for the twelve months of 2013. These non-GAAP financial measures are provided only for the purpose of facilitating comparisons between the periods' operating performance, and do not purport to represent what our actual consolidated results of operations would have been, nor are they necessarily indicative of our future consolidated results of operations. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with U.S. GAAP.

Net Operating Loss (NOL) Settlement

At the time of our initial public offering (IPO) in 2005, we had accumulated a substantial amount of NOLs. Due to the uncertainty of realizing the tax benefit from the NOLs when we ceased to be a non-exempt cooperative for income tax purposes and became a public company, a full valuation allowance was recorded against the benefit of those NOLs. At that time, we entered into an agreement (NOL Agreement) with the pre-IPO owners under which they would benefit should any of the pre-IPO NOLs be realized in future years by using the NOLs to offset post-IPO taxable income. If this were to occur, we would pay the pre-IPO owners amounts equal to the resulting federal and state income taxes actually saved. As of December 31, 2012, the NOLs had a potential tax benefit of $94.3 million, which had been fully reserved by the valuation allowance.

In January 2013, we and the pre-IPO owners amended the NOL Agreement to provide, among other things, that we would be entitled to retain 26.9% of any settlement realized and 73.1% would be payable to them.

In March 2013, we entered into a closing agreement with the Internal Revenue Service (IRS) to resolve the tax treatment of the pre-IPO NOLs. Pursuant to the closing agreement, we agreed with the IRS that we will be entitled to a tax deduction equal to a portion of the NOLs over five years commencing with the 2012 tax year. The $20.6 million net benefit from this NOL settlement was recognized in the first quarter of 2013 as follows:

- NOL tax benefits of $75.8 million were recognized, which reduced income tax expense.
-

A charge of $55.2 million was recognized for the 73.1% portion of the NOL benefit that will be paid to the pre-IPO owners as the tax benefits are realized. The $55.2 million charge was recognized in the consolidated statement of operations in other non-operating—net.

CF INDUSTRIES HOLDINGS, INC.

Strategic Initiatives

Agreement to Combine with Certain of OCI N.V.'s Businesses

On August 6, 2015, we announced that we entered into a definitive agreement (as amended, the Combination Agreement), under which we will combine with the European, North American and global distribution businesses (collectively, the ENA Business) of OCI. OCI is a global producer and distributor of natural gas-based fertilizers and industrial chemicals based in the Netherlands. The combination transaction includes OCI's nitrogen production facility in Geleen, Netherlands; its nitrogen production facility under construction in Wever, Iowa; its approximately 79.88% equity interest in an ammonia and methanol complex in Beaumont, Texas; and its global distribution business and the assumption of approximately $2 billion in net debt. The combination transaction also includes the purchase by CF Holdings or its designee of a 45% interest plus an option to acquire the remaining interest in OCI's Natgasoline project in Texas, which upon completion in 2017 will be one of the world's largest methanol facilities.

Under the terms of the Combination Agreement, CF Holdings will become a subsidiary of a new holding company (New CF) domiciled in the Netherlands. OCI will contribute the entities holding the ENA Business (other than the Natgasoline project) to New CF in exchange for ordinary shares of New CF (base share consideration), plus additional consideration of $700 million (subject to adjustment) to be paid in cash, ordinary shares of New CF or a mixture of cash and ordinary shares of New CF, as determined by CF Holdings in accordance with the terms of the Combination Agreement. The base share consideration will represent 25.6% of the ordinary shares of New CF that, upon consummation of the combination, subject to downward adjustment to account for the assumption by New CF, as contemplated by the Combination Agreement, of any of OCI's 3.875% convertible bonds due 2018 that remain outstanding as of the closing date of the combination. The consideration for the 45% interest in Natgasoline is $517.5 million in cash. The actual ownership split of New CF upon completion of the combination as between former CF Holdings shareholders, on the one hand, and OCI and its shareholders, on the other hand, will be dependent on our share price at the time of closing, the amount of convertible bonds to be assumed by New CF at closing, the amount of adjustments to the amount of the additional consideration, and the mix of cash and New CF ordinary shares used to pay the additional consideration.

The transaction is expected to close in mid-2016, subject to the approval of shareholders of both CF Holdings and OCI, the receipt of certain regulatory approvals and other closing conditions. The consummation of the Natgasoline portion of the transaction is subject to conditions that are in addition to the conditions to which the consummation of the portion of the transaction involving the ENA Business other than the Natgasoline project is subject, and the consummation of the Natgasoline portion of the transaction is not a condition to consummation of the portion of the transaction involving the ENA Business other than the Natgasoline project. New CF will operate under a name to be determined by CF Holdings and be led by our existing management.

In conjunction with entering into the Combination Agreement, on August 6, 2015, CF Industries Holdings, Inc. obtained financing commitments from Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA to finance the transactions contemplated by the Combination Agreement and for general corporate purposes. The proceeds of such committed financing are available under a senior unsecured bridge term loan facility in an aggregate principal amount of up to $3.0 billion, subject to the terms and conditions set forth therein. See Note 12—Financing Agreements—Bridge Credit Agreement to our consolidated financial statements included in Item 8 of this report for additional information.

Strategic Venture with CHS

On August 12, 2015, we announced that we agreed to enter into a strategic venture with CHS. The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in CFN for $2.8 billion. CHS also began receiving deliveries from us pursuant to a supply agreement under which CHS has the right to purchase annually from us up to approximately 1.1 million tons of granular urea and 580,000 tons of UAN at market prices. CHS is entitled to semi-annual profit distributions from CFN as a result of its minority equity interest in CFN based generally on the volume of granular urea and UAN purchased by CHS pursuant to the supply agreement.

Capacity Expansion Projects

In 2012, we announced that we would construct new ammonia and urea/UAN plants at our Donaldsonville, Louisiana complex and new ammonia and urea plants at our Port Neal, Iowa complex. These new plants will increase our product mix flexibility at Donaldsonville, improve our ability to serve upper-Midwest urea customers from our Port Neal location, and allow us to benefit from the cost advantages of North American natural gas. In combination, these new facilities will be able to produce 2.1 million tons of gross ammonia per year, upgraded products ranging from 2.0 million to 2.7 million tons of granular urea per year and up to 1.8 million tons of UAN 32% solution per year, depending on our choice of product mix.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

In November 2015, the new urea plant at the Donaldsonville, Louisiana complex came on line and was the first plant to be commissioned as part of our capacity expansion projects. The new UAN plant at Donaldsonville is expected to be commissioned in the first quarter of 2016. The remaining plants are expected to be commissioned in mid-2016.

Financial Executive Summary

- We reported net earnings attributable to common stockholders of $699.9 million in 2015, compared to net earnings of $1.39 billion in 2014, or a decline of $690.4 million or 50%. The 2014 reported results were significantly impacted by the sale of our phosphate business. In the first quarter of 2014, we sold the phosphate business and recognized a pre-tax gain of $750.1 million ($462.8 million after tax) on the sale of this business.
- Diluted earnings per share attributable to common stockholders decreased 45% to $2.96 per share in 2015 from $5.42 per share in 2014. This decrease is due to lower net earnings partly offset by the lower diluted weighted-average shares outstanding in 2015 as compared to the prior year. During 2015, we repurchased 8.9 million shares of our common stock representing 4% of the prior year end outstanding shares, at a cost of $527.2 million.
- In 2015, our total gross margin declined by $231.4 million, or 13%, to $1.55 billion in 2015 from $1.78 billion in 2014. The impact of the CF Fertilisers UK acquisition increased gross margin by $23.5 million. The remaining decline in our gross margin of $254.9 million, or 14%, was due to the $244.8 million decrease in gross margin in the Nitrogen Product Segments and the $10.1 million decline in gross margin in the phosphate segment as the phosphate business was sold in the first quarter of 2014. The remaining decrease in Nitrogen Product Segments gross margin, as more fully described below, was due primarily to lower average selling prices, lower sales volume, and the impact of mark-to-market losses on natural gas derivatives, partially offset by lower physical natural gas costs.
Average selling prices, primarily UAN and granular urea, decreased by 8%, which reduced gross margin by $348.8 million as international nitrogen fertilizer prices continued to decline due to excess global supply. The combination of falling global production costs, foreign currency devaluation and reduced ocean freight costs allowed many international producers to continue operations and the resulting supply weighed on global prices.
Sales volume, primarily ammonia, decreased by 3%, which decreased gross margin by $72.3 million due primarily to a poor fall application season and weaker demand as customers were unable to apply ammonia due to poor weather conditions and customers were hesitant to buy in a declining pricing environment.
Unrealized net mark-to-market losses on natural gas derivatives decreased gross margin by $96.8 million as 2015 included a $176.3 million loss compared to $79.5 million loss in 2014.
Lower physical natural gas costs in 2015, partially offset by the impact of natural gas derivatives that settled in the period, increased gross margin by $229.8 million compared to 2014. Lower gas costs were primarily driven by increased North American natural gas production, as increased well efficiencies increased supply. Warm weather conditions, especially in the fourth quarter, also contributed to high storage levels and the resulting decline in gas prices.
- Selling, general and administrative expenses increased $17.9 million to $169.8 million in 2015 from $151.9 million in 2014. The increase was due primarily to the impact of the CF Fertilisers UK acquisition, an increase in corporate project activities, and higher intangible amortization costs.
- Transaction costs incurred in 2015 of $56.9 million are attributable to various consulting and legal services associated primarily with executing the strategic agreements and preparing for the proposed combination with the ENA Business of OCI, our strategic venture with CHS and our acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us.
- Other operating—net increased by $39.0 million from $53.3 million of expense in 2014 to expense of $92.3 million in 2015. The increased expense was due primarily to increased expansion project costs pertaining to our Donaldsonville, Louisiana and Port Neal, Iowa capacity expansion projects that did not qualify for capitalization compared to 2014.
- Net interest expense decreased by $45.7 million to $131.6 million in 2015 from $177.3 million in 2014 due primarily to the higher amounts of capitalized interest related to our capacity expansion projects, partially offset by higher interest expense pertaining to the $1.0 billion and $1.5 billion of senior notes that were issued in September 2015 and

38

in March 2014, respectively. We recorded capitalized interest of $154.5 million in 2015 primarily related to our capacity expansion projects compared to $74.2 million in 2014.

- Net cash provided by operating activities in 2015 was $1.20 billion as compared to $1.41 billion in 2014, a decline of $204.9 million. This decline was primarily due to unfavorable working capital changes as customer advances were lower and inventory levels were higher in 2015 as compared to 2014 levels. Due to the declining pricing environment for nitrogen fertilizers in 2015, customers delayed making forward purchase commitments to purchase fertilizer in 2015, which reduced the amount of customer advances that were received, as compared to 2014 when fertilizer pricing was stronger. Inventory levels were also higher in 2015 due to a poor fall ammonia application season, as compared to 2014 when inventory levels declined.
- Net cash used in investing activities was $2.98 billion in 2015 compared to $343.5 million in 2014 when we received proceeds of $1.37 billion from the sale of the phosphate business. During 2015, capital expenditures totaled $2.47 billion compared to $1.81 billion in 2014. The increase in capital expenditures is primarily related to the capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa. We also acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for a net cash payment of $551.6 million, which is net of cash acquired of $18.8 million.
- Net cash provided by financing activities was $79.9 million in 2015 compared to net cash used in financing activities of $775.1 million in 2014. In September 2015, we issued senior notes and received proceeds of $1.0 billion. In March 2014, we issued senior notes and received proceeds of approximately $1.5 billion. In 2015, we repurchased shares of our common stock for $556.3 million in cash; in 2014, we repurchased shares of our common stock for $1.93 billion in cash. Dividends paid on common stock were $282.3 million and $255.7 million in 2015 and 2014, respectively.
- The following is a summary of certain significant items that impacted the consolidated financial results in 2015, 2014 and 2013:

Net earnings attributable to common stockholders of $699.9 million for 2015 included a $94.4 million gain as a result of the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK ($94.4 million after tax), a $61.9 million impairment of our equity method investment in PLNL ($61.9 million after tax), a $176.3 million unrealized net mark-to-market loss ($110.9 million after tax) on natural gas derivatives, $42.8 million of losses ($30.9 million after tax) as a result of the sale of equity method investments, $56.9 million of transaction costs ($56.9 million after tax), $51.3 million of expenses ($32.3 million after tax) related to our capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa that did not qualify for capitalization, and $21.6 million ($13.6 million after tax) of realized and unrealized net losses on foreign currency derivatives related to our capacity expansion projects. During 2015, we repurchased 8.9 million shares of our common stock at an average price of $59 per share representing 4% of the prior year end's outstanding shares at a cost of $527.2 million.

In 2014, we reported net earnings attributable to common stockholders of $1.39 billion. Our 2014 results included a $750.1 million gain ($462.8 million after tax) on the sale of the phosphate business, a $79.5 million unrealized net mark-to-market loss ($50.1 million after tax) on natural gas derivatives, $30.7 million of expenses ($19.4 million after tax) related to our capacity expansion projects that did not qualify for capitalization, $38.4 million ($24.2 million after tax) of realized and unrealized net losses on foreign currency derivatives and a $13.1 million ($8.2 million after tax) of retirement benefit settlement charges. During 2014, we repurchased 38.4 million shares of our common stock at an average price of $50 per share representing 14% of the prior year end's outstanding shares at a cost of $1.92 billion.

In 2013, we reported net earnings attributable to common stockholders of $1.46 billion. Our 2013 results included a $52.9 million unrealized net mark-to-market gain ($33.5 million after tax) on natural gas derivatives, $10.8 million of expenses ($6.8 million after tax) related to our capacity expansion projects that did not qualify for capitalization, $20.8 million ($13.2 million after tax) of realized and unrealized net gains on foreign currency derivatives and a net $20.6 million benefit from a settlement with the IRS concerning certain pre-IPO NOLs. During 2013, we repurchased 36.7 million shares of our common stock at an average price of $39 representing 12% of the prior year end's outstanding shares at a cost of $1.45 billion.

Key Industry Factors

We operate in a highly competitive, global industry. Our products are globally-traded commodities and, as a result, we compete principally on the basis of delivered price and to a lesser extent on customer service and product quality. Moreover, our operating results are influenced by a broad range of factors, including those outlined below.

Global Supply & Demand

Historically, global fertilizer demand has been driven primarily by population growth, changes in dietary habits and planted acreage, and application rates, among other things. We expect these key variables to continue to have major impacts on long-term fertilizer demand for the foreseeable future. Short-term fertilizer demand depends on global economic conditions, weather patterns, the level of global grain stocks relative to consumption, governmental regulations, including requirements mandating increased use of bio-fuels and farm sector income. Other geopolitical factors like temporary disruptions in fertilizer trade related to government intervention or changes in the buying/selling patterns of key exporting/consuming countries such as China, India and Brazil, among others, often play a major role in shaping near-term market fundamentals. The economics of fertilizer manufacturing play a key role in decisions to increase or reduce production capacity. Supply of fertilizers is generally driven by available capacity and operating rates, raw material costs and availability, government policies and global trade. Raw materials are dependent on energy sources such as natural gas or coal; supply costs are affected by the supply availability and demand for these commodities.

Natural Gas Prices

Natural gas is the principal raw material used to produce nitrogen fertilizers. We use natural gas both as a chemical feedstock and as a fuel to produce ammonia, granular urea, UAN, AN and other nitrogen products. Because most of our nitrogen fertilizer manufacturing facilities are located in the United States and Canada, the price of natural gas in North America directly impacts a substantial portion of our operating expenses. Due to increases in natural gas production resulting from the rise in production from shale gas formations, natural gas prices in North America declined over the past several years, but are subject to volatility. During the three year period ended December 31, 2015, the daily closing price at the Henry Hub reached a low of $1.54 per MMBtu on four consecutive days in December 2015 and a high of $7.94 per MMBtu on March 5, 2014.

We also have manufacturing facilities located in the United Kingdom. These facilities are subject to fluctuations associated with the price of natural gas in Europe. The major natural gas trading point for the United Kingdom is the National Balancing Point (NBP). During 2015, the daily closing price at NBP reached a low of $4.60 per MMBtu on December 23, 2015 and December 24, 2015 and a high of $8.50 per MMBtu on February 12, 2015. During the three year period ended December 31, 2015, the daily closing price at NBP reached a low of $4.60 per MMBtu on both December 23, 2015 and December 24, 2015 and a high of $16.00 per MMBtu on March 22, 2013.

Natural gas costs, including the impact of realized natural gas derivatives, declined 28% in 2015 from 2014. Expenditures on natural gas represent a significant portion of our production costs. For example, natural gas costs, including realized gains and losses, comprised approximately 45% of our Nitrogen Product Segments total production costs in 2015.

Farmers' Economics

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like their current liquidity, soil conditions, weather patterns, crop prices and the types of crops planted.

Table of Contents

Global Trade in Fertilizer

In addition to the relationship between global supply and demand, profitability within a particular geographic region is determined by the supply/demand balance within that region. Regional supply and demand can be influenced significantly by factors affecting trade within regions. Some of these factors include the relative cost to produce and deliver product, relative currency values, the availability of credit and governmental trade policies. The development of additional natural gas reserves in North America over the last few years has decreased natural gas costs relative to the rest of the world, making North American nitrogen fertilizer producers more competitive. These lower natural gas costs contributed to announcements of several nitrogen fertilizer capacity expansion projects in North America, including our capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa. Changes in currency values may also alter our cost competitiveness relative to producers in other regions of the world.

Imports account for a significant portion of the nitrogen fertilizer consumed in North America. Producers of nitrogen-based fertilizers located in the Middle East, Ukraine, the Republic of Trinidad and Tobago, Venezuela, North Africa, Russia and China are major exporters to North America.

Government Policies

The policies of governments around the world can result in restrictions on imports and exports, the subsidization of natural gas prices, and subsidies or quotas applied to domestic producers, farmers, and imported or exported product. Due to the critical role that fertilizers play in food production, the construction and operation of fertilizer plants often are influenced by political and social objectives.

Ethanol Industry and the Renewable Fuel Standard

Corn used to produce ethanol accounts for approximately 38% of total U.S. corn demand. U.S. government policy, as expressed in the Renewable Fuel Standard (RFS), is a major determinant for the ethanol market. The RFS establishes minimum volumes of various types of renewable fuels, including ethanol, that must be included in the United States' supply of fuel for transportation. In addition, Congress, at various times, has proposed legislation to either reduce or eliminate the RFS. While past legislation proposing changes to the RFS has not passed, there can be no assurance that future legislation will not be passed into law. Other factors that drive the ethanol market include the prices of ethanol, gasoline and corn. Lower gasoline prices may put pressure on ethanol prices that could result in reduced profitability and lower production for the ethanol industry.

Factors Affecting Our Results

Net Sales. Our net sales are derived primarily from the sale of nitrogen fertilizers and are determined by the quantities of fertilizers we sell and the selling prices we realize. The volumes, mix and selling prices we realize are determined to a great extent by a combination of global and regional supply and demand factors. Net sales also include shipping and handling costs that are billed to our customers. Sales incentives are reported as a reduction in net sales.

Cost of Sales. Our cost of sales includes manufacturing costs, purchased product costs, and distribution costs. Manufacturing costs, the most significant element of cost of sales, consist primarily of raw materials, realized and unrealized gains and losses on natural gas derivative instruments, maintenance, direct labor, depreciation and other plant overhead expenses. Purchased product costs primarily include the cost to purchase nitrogen fertilizers to augment or replace production at our facilities. Distribution costs include the cost of freight required to transport finished products from our plants to our distribution facilities and storage costs incurred prior to final shipment to customers.

We offer our customers the opportunity to purchase products from us on a forward basis at prices and on delivery dates we propose. As our customers enter into forward nitrogen fertilizer purchase contracts with us, we often use derivative instruments to reduce our exposure to changes in the cost of natural gas, the largest and most volatile component of our manufacturing costs for nitrogen-based fertilizer. We report our natural gas derivatives on the consolidated balance sheets at their fair value. Changes in the fair value of these derivatives are recorded in cost of sales as the changes occur. See "Forward Sales and Customer Advances" later in this discussion and analysis. As a result of fixing the selling prices of our products, often months in advance of their ultimate delivery to customers, our reported selling prices and margins may differ from market spot prices and margins available at the time of shipment. Volatility in quarterly reported earnings also may arise from the unrealized mark-to-market adjustments in the value of derivatives.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses consist primarily of corporate office expenses such as salaries and other payroll-related costs for our executive, administrative, legal, financial and marketing functions, as well as certain taxes and insurance and other professional service fees, including those for corporate initiatives.

Transaction Costs. Transaction costs consist of various consulting and legal services associated primarily with executing the strategic agreements and preparing for the proposed combination with the ENA Business of OCI, our strategic venture with CHS and our acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us.

Other Operating—Net. Other operating—net includes administrative costs associated with our capacity expansion projects and other costs that do not relate directly to our central operations. Costs included in "other costs" can include foreign exchange gains and losses, unrealized gains and losses on foreign currency derivatives, costs associated with our closed facilities, amounts recorded for environmental remediation for other areas of our business, litigation expenses and gains and losses on the disposal of fixed assets.

Equity in Earnings of Operating Affiliates. Equity in earnings of operating affiliates consists of our 50% ownership interest in PLNL. We include our share of the net earnings from our investment in PLNL as an element of earnings from operations because this investment provides additional production and is integrated with our other supply chain and sales activities in the Nitrogen Product Segments. Our share of the net earnings includes the amortization of certain tangible and intangible assets identified as part of the application of purchase accounting at acquisition. In the fourth quarter of 2015, we recognized a $61.9 million impairment of our equity method investment in PLNL.

Interest Expense. Our interest expense includes the interest on our long-term debt, amortization of the related fees required to execute financing agreements and annual fees pursuant to our revolving credit agreement. Capitalized interest relating to the construction of major capital projects reduces interest expense as the interest is capitalized and amortized over the estimated useful lives of the facility along with all other construction costs.

Interest Income. Our interest income represents amounts earned on our cash, cash equivalents, investments and advances to unconsolidated affiliates.

Income Tax Provision. Our income tax provision includes all currently payable and deferred United States and foreign income tax expense applicable to our ongoing operations.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are projected to be recovered or settled. Realization of deferred tax assets is dependent on our ability to generate sufficient taxable income, of an appropriate character, in future periods. A valuation allowance is established if it is determined to be more likely than not that a deferred tax asset will not be realized. Interest and penalties related to unrecognized tax benefits are reported as interest expense and income tax expense, respectively.

Equity in Earnings of Non-Operating Affiliates—Net of Taxes. Equity in earnings of non-operating affiliates—net of taxes represents our share of the net earnings of the entities that we account for using the equity method and exclude from operating earnings. Income taxes related to these investments, if any, are reflected in this line. The amounts recorded as equity in earnings of non-operating affiliates—net of taxes relate to our investments in CF Fertilisers UK and Keytrade. During the second quarter of 2015, we sold our interests in Keytrade. On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million and recognized a $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK. CF Fertilisers UK became wholly owned by us and beginning July 31, 2015, the operating results of CF Fertilisers UK became part of our consolidated financial results.

Net Earnings Attributable to Noncontrolling Interest. Net earnings attributable to noncontrolling interest include the net earnings attributable to the 24.7% interest of the publicly-held common units of TNCLP. Net earnings attributable to noncontrolling interest for the first four months of 2013 also included the interest of the 34% holder of CFL's equity ownership. On April 30, 2013, we purchased the noncontrolling interests of CFL.

We own an aggregate 75.3% of TNCLP and outside investors own the remaining 24.7%. The TNCLP Agreement of Limited Partnership allows the General Partner to receive Incentive Distribution Rights once a minimum distribution threshold has been met. Partnership interests in TNCLP are traded on the NYSE and TNCLP is separately registered with the SEC.

42

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Results of Consolidated Operations

The following table presents our consolidated results of operations:

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$4,308.3	$4,743.2	$5,474.7	$(434.9)	(9)%	$(731.5)	(13)%
Cost of sales	2,761.2	2,964.7	2,954.5	(203.5)	(7)%	10.2	— %
Gross margin	1,547.1	1,778.5	2,520.2	(231.4)	(13)%	(741.7)	(29)%
Gross margin percentage	35.9 %	37.5 %	46.0 %	(1.6)%		(8.5)%	
Selling, general and administrative expenses	169.8	151.9	166.0	17.9	12 %	(14.1)	(8)%
Transaction costs	56.9	—	—	56.9	N/M	—	N/M
Other operating—net	92.3	53.3	(15.8)	39.0	73 %	69.1	N/M
Total other operating costs and expenses	319.0	205.2	150.2	113.8	55 %	55.0	37 %
Gain on sale of phosphate business	—	750.1	—	(750.1)	(100)%	750.1	N/M
Equity in earnings of operating affiliates	(35.0)	43.1	41.7	(78.1)	(181)%	1.4	3 %
Operating earnings	1,193.1	2,366.5	2,411.7	(1,173.4)	(50)%	(45.2)	(2)%
Interest expense—net	131.6	177.3	147.5	(45.7)	(26)%	29.8	20 %
Other non-operating—net	3.9	1.9	54.5	2.0	105 %	(52.6)	(97)%
Earnings before income taxes and equity in earnings of non-operating affiliates	1,057.6	2,187.3	2,209.7	(1,129.7)	(52)%	(22.4)	(1)%
Income tax provision	395.8	773.0	686.5	(377.2)	(49)%	86.5	13 %
Equity in earnings of non-operating affiliates—net of taxes	72.3	22.5	9.6	49.8	221 %	12.9	134 %
Net earnings	734.1	1,436.8	1,532.8	(702.7)	(49)%	(96.0)	(6)%
Less: Net earnings attributable to noncontrolling interest	34.2	46.5	68.2	(12.3)	(26)%	(21.7)	(32)%
Net earnings attributable to common stockholders	$699.9	$1,390.3	$1,464.6	$(690.4)	(50)%	$(74.3)	(5)%
Diluted net earnings per share attributable to common stockholders[1]	$2.96	$5.42	$4.95	$(2.46)	(45)%	$0.47	9 %
Diluted weighted-average common shares outstanding[1]	236.1	256.7	296.0	(20.6)	(8)%	(39.3)	(13)%
Dividends declared per common share[1]	$1.20	$1.00	$0.44	$0.20		$0.56	
Supplemental Data:							
Purchased natural gas costs (per MMBtu)[2]	$2.81	$4.49	$3.64	$(1.68)		$0.85	
Realized derivatives loss (gain) (per MMBtu)[3]	0.26	(0.24)	0.02	0.50		(0.26)	
Cost of natural gas (per MMBtu)	$3.07	$4.25	$3.66	$(1.18)	(28)%	$0.59	16 %
Average daily market price of natural gas (per MMBtu) Henry Hub	$2.61	$4.32	$3.72	$(1.71)	(40)%	$0.60	16 %

(Louisiana)								
Average daily market price of natural gas (per MMBtu) National Balancing Point (UK)[4]	$6.53	—	—	$6.53	N/M		—	N/M
Capital expenditures	$2,469.3	$1,808.5	$823.8	$660.8	37 %		$984.7	120 %
Production volume by product tons (000s):								
Ammonia[5]	7,673	7,011	7,105	662	9 %		(94)	(1)%
Granular urea	2,520	2,347	2,474	173	7 %		(127)	(5)%
UAN (32%)	5,888	5,939	6,332	(51)	(1)%		(393)	(6)%
AN	1,283	950	882	333	35 %		68	8 %

N/M—Not Meaningful

(1) Share and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

(2) Includes the cost of natural gas purchased during the period for use in production.

(3) Includes the impact of gains and losses on natural gas derivatives that were settled and realized during the period. Excludes the unrealized mark-to-market gains and losses on natural gas derivatives.

(4) Amount represents average daily market price for the full year 2015.

(5) Gross ammonia production, including amounts subsequently upgraded on-site into granular urea, UAN, or AN.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Impact of CFL Selling Price Modifications

As discussed in the Items Affecting Comparability of Results section of this discussion and analysis, on April 30, 2013, CF Industries acquired the noncontrolling interests in CFL and CFL became a wholly-owned subsidiary of CF Industries. As a result, the consolidated financial results for 2015 and 2014 included twelve months of market-based selling prices, while 2013 included four months of selling prices based on production cost plus an agreed-upon margin and eight months of market-based selling prices. These changes affect the year-over-year comparability of net sales, gross margin, operating earnings, earnings before income taxes and net earnings attributable to noncontrolling interest, but do not impact the comparability of our net earnings attributable to common stockholders or net cash flows for the same period.

The following table adjusts the results for 2013 to market-based selling prices for the full year to be on a comparable basis with 2015 and 2014.

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except percentages)						
Net sales							
As reported	$4,308.3	$4,743.2	$5,474.7	$(434.9)	(9)%	$(731.5)	(13)%
Impact of selling price adjustment	—	—	71.1	—		(71.1)	
As adjusted	$4,308.3	$4,743.2	$5,545.8	$(434.9)	(9)%	$(802.6)	(14)%
Gross margin							
As reported	$1,547.1	$1,778.5	$2,520.2	$(231.4)	(13)%	$(741.7)	(29)%
Impact of selling price adjustment	—	—	71.1	—		(71.1)	
As adjusted	$1,547.1	$1,778.5	$2,591.3	$(231.4)	(13)%	$(812.8)	(31)%
Net earnings attributable to noncontrolling interest							
As reported	$34.2	$46.5	$68.2	$(12.3)	(26)%	$(21.7)	(32)%
Impact of selling price adjustment	—	—	71.1	—		(71.1)	
As adjusted	$34.2	$46.5	$139.3	$(12.3)	(26)%	$(92.8)	(67)%

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Consolidated Operating Results

Our reportable segments consist of ammonia, granular urea, UAN, AN, other, and phosphate and include the results of CF Fertilisers UK as a result of our acquisition that closed on July 31, 2015. The ammonia, granular urea, UAN, AN and Other segments are referred to in this discussion and analysis as the “Nitrogen Product Segments.”

Our total gross margin declined by $231.4 million, or 13%, to $1.55 billion in 2015 from $1.78 billion in 2014. The impact of the CF Fertilisers UK acquisition increased gross margin by $23.5 million. The remaining decline in our gross margin of $254.9 million, or 14%, was due to the $244.8 million decrease in gross margin in the Nitrogen Product Segments and the $10.1 million decline in gross margin in the phosphate segment as the phosphate business was sold in the first quarter of 2014. The remaining decrease in Nitrogen Product Segments gross margin, as more fully described below, was due primarily to lower average selling prices, lower sales volume, and the impact of mark-to-market losses on natural gas derivatives, partially offset by lower physical natural gas costs.

- Average selling prices, primarily UAN and granular urea, decreased by 8%, which reduced gross margin by $348.8 million as international nitrogen fertilizer prices continued to decline due to excess global supply. The combination of falling global production costs, foreign currency devaluation and reduced ocean freight costs allowed many international producers to continue operations and the resulting supply weighed on global prices.
- Sales volume, primarily ammonia, decreased by 3%, which decreased gross margin by $72.3 million due primarily to a poor fall application season and weaker demand as customers were unable to apply ammonia due to poor weather conditions and customers were hesitant to buy in a declining pricing environment.
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Unrealized net mark-to-market losses on natural gas derivatives decreased gross margin by $96.8 million as 2015 included a $176.3 million loss compared to a $79.5 million loss in 2014.

- Lower physical natural gas costs in 2015, partially offset by the impact of natural gas derivatives that settled in the period, increased gross margin by $229.8 million compared to 2014. Lower gas costs were primarily driven by increased North American natural gas production, as increased well efficiencies increased supply. Warm weather conditions, especially in the fourth quarter, also contributed to high storage levels and the resulting decline in gas prices.

Net earnings attributable to common stockholders of $699.9 million for 2015 included a $94.4 million gain as a result of the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK ($94.4 million after tax), a $61.9 million impairment of our equity method investment in PLNL ($61.9 million after tax), a $176.3 million unrealized net mark-to-market loss ($110.9 million after tax) on natural gas derivatives, $42.8 million of losses ($30.9 million after tax) as a result of the sale of equity method investments, $56.9 million of transaction costs ($56.9 million after tax), $51.3 million of expenses ($32.3 million after tax) related to our capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa that did not qualify for capitalization, and $21.6 million of realized and unrealized losses ($13.6 million after tax) on foreign currency derivatives related to our capacity expansion projects.
Net earnings attributable to common stockholders of $1.39 billion in 2014 included a $750.1 million gain ($462.8 million after tax) on sale of the phosphate business, a $79.5 million unrealized net mark-to-market loss ($50.1 million after tax) on natural gas derivatives, $30.7 million of expenses ($19.4 million after tax) related to our capacity expansion projects that did not qualify for capitalization, $38.4 million ($24.2 million after tax) of realized and unrealized net losses on foreign currency derivatives and $13.1 million ($8.2 million after tax) of retirement benefits settlement charges.

Net Sales

Our total net sales decreased $434.9 million, or 9%, to $4.31 billion in 2015 compared to $4.74 billion in 2014. The impact of the CF Fertilisers UK acquisition increased our net sales by $208.4 million. The remaining decline in our net sales of $643.3 million, or 14%, included a $474.9 million decrease attributable to the Nitrogen Product Segments and a $168.4 million decrease due to the sale of the phosphate business in March 2014. The remaining Nitrogen Product Segments net sales decreased due to an 8% decline in average selling prices and a 3% decline in sales volume.
Nitrogen Product Segments average selling prices, excluding the impact of the CF Fertilisers UK acquisition, were $318 per ton in 2015 compared to $345 per ton in 2014 due primarily to lower UAN, granular urea and ammonia selling prices in 2015 as international nitrogen fertilizer prices continued to decline due to excess global supply. The combination of falling global production costs, foreign currency devaluation and reduced ocean freight costs allowed many international producers to continue operations and the resulting supply weighed on global prices. The decline in UAN average selling prices was primarily due to excess global supply. Granular urea exports from China were at a record high in 2015 and Russian exports have increased significantly while global capacity additions in 2015 further contributed to the global supply excess and the decline in average selling prices compared to 2014. The decrease in ammonia average selling prices from prior year levels is due primarily to weaker nitrogen fertilizer market conditions compared to the prior year, as a weak fall application season combined with higher producer inventory levels and slowing demand from phosphate fertilizer producers weighed on prices at the end of 2015.
Our total Nitrogen Product Segments sales volume increased by 3%. The impact of the CF Fertilisers UK acquisition increased our sales volume by 6%. The remaining decline in our Nitrogen Product Segments sales volume of 3% was due primarily to lower ammonia and UAN sales volume. Our ammonia sales volume was lower in 2015 partly due to a poor fall application season in North America as a result of poor weather conditions in the Midwest. The season started late and ended early in November due to snow in the Midwest. In addition, our ammonia and UAN sales volume were lower as customers were hesitant to buy in a declining pricing environment.

Cost of Sales

Total cost of sales decreased $203.5 million, or 7%, from 2014 to 2015 including the impact of the CF Fertilisers UK acquisition which increased cost of sales by $184.9 million, or 6%. The remaining decrease in our cost of sales of $388.4 million, or 13%, was due primarily to lower natural gas costs. The cost of sales per ton in our Nitrogen Product Segments averaged $200 in 2015, a 5% decrease from the $211 per ton in 2014. The realized natural gas costs, including the impact of lower purchased natural gas costs and realized derivative losses during 2015, decreased 28% compared to 2014. Cost of sales in 2015 also included $176.3 million of unrealized net mark-to-market losses on natural gas derivatives compared to losses of $79.5 million in 2014. Lower gas costs were primarily driven by increasing North American natural gas production, as increased well efficiencies increased supply. Warm weather conditions, especially in the fourth quarter, also contributed to the high storage levels and the resulting decline in gas prices.

Table of Contents

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $17.9 million to $169.8 million in 2015 from $151.9 million in 2014. The increase was due primarily to the impact of the CF Fertilisers UK acquisition, an increase in corporate project activities, and higher intangible amortization costs.

Transaction Costs

In 2015, we incurred $56.9 million of transaction costs for various consulting and legal services associated primarily with executing the strategic agreements and preparing for the proposed combination with the ENA Business of OCI, our strategic venture with CHS and our acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us.

Other Operating—Net

Other operating—net changed by $39.0 million from $53.3 million of expense in 2014 to expense of $92.3 million in 2015. The increased expense was due primarily to higher expansion project costs pertaining to our Donaldsonville, Louisiana and Port Neal, Iowa capacity expansion projects that did not qualify for capitalization. This was partially offset by the decrease in realized and unrealized losses on foreign currency derivatives from $38.4 million of losses in 2014 to $21.6 million of losses in 2015.

Equity in Earnings of Operating Affiliates

Equity in earnings of operating affiliates consists of our 50% share of the operating results of PLNL. Equity in earnings of operating affiliates decreased by $78.1 million in 2015 as compared to 2014 due primarily to a $61.9 million impairment of our equity method investment in PLNL that was recognized in the fourth quarter of 2015. The remaining decrease was due primarily to lower operating results from PLNL due to lower average selling prices.

Interest—Net

Net interest expense was $131.6 million in 2015 compared to $177.3 million in 2014. The $45.7 million decrease in net interest expense was due primarily to higher amounts of capitalized interest related to our capacity expansion projects, partially offset by higher interest expense pertaining to the $1.0 billion and $1.5 billion of senior notes issued in September 2015 and in March 2014, respectively. We recorded capitalized interest of $154.5 million in 2015 primarily related to our capacity expansion projects compared to $74.2 million in 2014.

Other Non-Operating—Net

Other non-operating—net was a $3.9 million expense in 2015 compared to expense of $1.9 million in 2014.

Income Taxes

Our income tax provision for 2015 was $395.8 million on pre-tax income of $1.06 billion, or an effective tax rate of 37.4%, compared to an income tax provision of $773.0 million on pre-tax income of $2.19 billion, or an effective tax rate of 35.3% in the prior year. The increase in the effective tax rate in 2015 was due primarily to the impact of certain transactional expenses that are not deductible for tax purposes. The income tax provision in 2014 included $287.3 million of income tax expense relating to the phosphate business sale, which increased the effective tax rate by 1.5%.

During the third quarter of 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us and recognized a $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK. The earnings in CF Fertilisers UK have been permanently reinvested. Therefore, the recognition of the $94.4 million gain on the remeasurement of the historical equity investment does not include the recognition of tax expense on the gain.

In the fourth quarter of 2015, we determined the carrying value of our equity method investment in PLNL exceeded fair value and recognized an impairment of our equity method investment in PLNL of $61.9 million, which is included in the equity in earnings of operating affiliates in 2015. Our income tax provision does not include a tax benefit for the impairment of the equity investment as it does not give rise to a tax deduction.

The effective tax rate does not reflect a tax provision on the earnings attributable to noncontrolling interest in TNCLP (a partnership), which is not a taxable entity. For additional information on income taxes, see Note 10—Income Taxes to our consolidated financial statements included in Item 8 of this report.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Equity in Earnings of Non-Operating Affiliates—Net of Taxes

Equity in earnings of non-operating affiliates—net of taxes consists of our share of the financial results of unconsolidated joint venture interests in CF Fertilisers UK and Keytrade. During the second quarter of 2015, we sold our interests in Keytrade. On July 31, 2015, we completed the CF Fertilisers UK acquisition for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us and became part of our consolidated financial results.

Equity in earnings of non-operating affiliates—net of taxes increased by $49.8 million in 2015 compared to 2014 due primarily to the $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK that was recorded in connection with the closing of the transaction. This was partially offset by the combination of operating losses experienced at Keytrade and from the loss on sale of our investments in Keytrade during the second quarter of 2015.

Net Earnings Attributable to Noncontrolling Interest

Net earnings attributable to noncontrolling interest decreased $12.3 million in 2015 compared to 2014 due primarily to lower net earnings attributable to the 24.7% interest of the publicly-held common units of TNCLP.

Diluted Net Earnings Per Share Attributable to Common Stockholders

Diluted net earnings per share attributable to common stockholders decreased $2.46, or 45%, to $2.96 per share in 2015 from $5.42 per share in 2014. This decrease is primarily due to the $1.80 per share gain from the sale of the phosphate business in 2014, partially offset by the impact of lower diluted weighted-average shares outstanding in 2015 as compared to 2014 due to the impact of our share repurchase programs. We repurchased 8.9 million shares in 2015 for $527.2 million, or an average cost of $59 per share. The total shares repurchased during 2015 represent 4% of the shares outstanding as of December 31, 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Consolidated Operating Results

Our total gross margin declined by $741.7 million, or 29%, to $1.78 billion in 2014 from $2.52 billion in 2013. The sale of the phosphate business reduced gross margin between the periods by $64.8 million as the business was sold in the first quarter of 2014, but had reported results in both the first half of 2014 and the entire year in 2013. Gross margin for the Nitrogen Product Segments declined by $676.9 million, or 28%. This decline in gross margin is due primarily to the following factors:

- Average selling prices in the Nitrogen Product Segments declined by 4%, which reduced gross margin by $358.9 million.
- Sales volume in the Nitrogen Product Segments increased by 3%, which increased gross margin by $73.5 million.
- Higher natural gas costs reduced gross margin by $122.3 million.
- Unrealized net mark-to-market losses on natural gas derivatives decreased gross margin by $132.4 million as 2014 included a $79.5 million loss and 2013 included a $52.9 million gain.
- Other production costs, including production outage related expenses, and distribution and storage expenses increased compared to 2013.

Net earnings attributable to common stockholders of $1.39 billion for 2014 included a $750.1 million pre-tax gain ($462.8 million after tax) on the sale of the phosphate business, a $79.5 million of pre-tax unrealized mark-to-market loss ($50.1 million after tax) on natural gas derivatives, $30.7 million of expenses ($19.4 million after tax) related to our capacity expansion projects in Donaldsonville, Louisiana, and Port Neal, Iowa, $38.4 million ($24.2 million after tax) of realized and unrealized net losses on foreign currency derivatives and $13.1 million ($8.2 million after tax) of retirement benefits settlement charges. Net earnings in 2013 of $1.46 billion included $52.9 million of unrealized net mark-to-market gain ($33.5 million after tax) on natural gas derivatives, $10.8 million of expenses ($6.8 million after tax) related to our capacity expansion projects, $20.8 million ($13.2 million after tax) of realized and unrealized net gains on foreign currency derivatives and a net $20.6 million benefit from a settlement with the IRS concerning certain pre-IPO NOLs.

47

Net Sales

Net sales decreased $731.5 million, or 13%, to $4.74 billion in 2014 compared to $5.47 billion in 2013. These results were impacted by the CFL selling price modifications in 2013. On an as adjusted basis, the 2014 net sales decreased 14% compared to 2013. The $731.5 million decrease in net sales is attributable to a $103.0 million decrease in the Nitrogen Product Segments and a $628.5 million decrease in the phosphate segment due to the sale of the phosphate business in March 2014.

Nitrogen Product Segments net sales decreased $103.0 million, or 2%, due primarily to a 4% decrease in average selling prices, partially offset by a 3% increase in sales volume. Nitrogen Product Segments average selling prices declined due primarily to lower ammonia and UAN selling prices compared to the prior year period. Ammonia prices were lower due primarily to the higher producer inventory levels that carried over from the end of 2013 as compared to the previous year as a result of the shortened 2013 fall ammonia application season caused by cold weather conditions. The decline in UAN prices was due primarily to customer preferences for attractively priced ammonia during the extended spring ammonia application season in 2014.

Nitrogen Product Segments sales volume increased due primarily to increased sales of ammonia and AN along with the increased sales in the Other segment, mainly DEF. Ammonia volume benefited in 2014 from a combination of attractive pricing compared to other forms of nitrogen fertilizer, favorable weather conditions that resulted in an extended spring application season, and effective utilization of our terminal and logistics system to resupply in advance of periods of high demand. In addition, sales to Mosaic under our ammonia supply contract from our PLNL joint venture also increased volume compared to 2013. AN segment sales volume increased due to higher AN exports and increased late season AN fertilizer demand compared to 2013. DEF volume increased along with the growing North American DEF market.

Cost of Sales

Total cost of sales increased $10.2 million from 2013 to 2014 due primarily to higher Nitrogen Product Segments cost of sales partially offset by the sale of the phosphate business in March 2014. Total cost of sales per ton in our Nitrogen Product Segments averaged $211 in 2014 compared to $172 in 2013. This 23% increase was due primarily to higher natural gas costs and higher other production costs. Total realized gas costs increased 16%. Natural gas costs for 2014 also included a $79.5 million unrealized net mark-to-market loss on natural gas derivatives and 2013 included a $52.9 million gain. Additionally, we incurred higher other production costs, including production outage related expenses, and distribution and storage expenses compared to 2013.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased $14.1 million to $151.9 million in 2014 from $166.0 million in 2013. The decrease was due primarily to lower incentive compensation costs and lower corporate office costs for certain corporate activities such as information technology projects.

Other Operating—Net

Other operating—net changed by $69.1 million from $15.8 million net income in 2013 to expense of $53.3 million in 2014. The increased expense was due primarily to $38.4 million of realized and unrealized losses on foreign currency derivatives in 2014 compared to $20.8 million of gains in 2013. Additionally, expenses related to the capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa that did not qualify for capitalization increased by $19.9 million between the years.

Phosphate Business Disposition

In March 2014, we completed the sale of the Company's phosphate mining and manufacturing business to Mosaic pursuant to the terms of the definitive transaction agreement executed in October 2013, among the Company, CF Industries and Mosaic for approximately $1.4 billion in cash. In 2014, we recognized pre-tax and after-tax gains on the sale of the phosphate business of $750.1 million and $462.8 million, respectively.

Equity in Earnings of Operating Affiliates

Equity in earnings of operating affiliates consists of our 50% share of the operating results of PLNL and our 50% interest in an ammonia storage joint venture located in Houston, Texas. Equity in earnings of operating affiliates was

$43.1 million in 2014 as compared to $41.7 million in 2013. The increase was due primarily to improved operating results from PLNL.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Interest—Net

Net interest expense was $177.3 million in 2014 compared to $147.5 million in 2013. The $29.8 million increase in net interest expense was due primarily to the interest expense on the $1.5 billion of senior notes we issued during the first quarter of 2014 and the $1.5 billion of senior notes issued during the second quarter of 2013. This increase was partially offset by capitalized interest of $74.2 million in 2014 primarily related to our capacity expansion projects compared to $26.7 million in 2013.

Other Non Operating—Net

Other non operating—net was a $1.9 million expense in 2014 compared to expense of $54.5 million in 2013. As discussed under Items Affecting Comparability of Results—NOL Settlement, in 2013, a charge of $55.2 million was recognized for the 73.1% portion of the NOLs we had accumulated prior to our 2005 public offering that are being paid to pre IPO owners as NOL tax benefits are realized.

Income Taxes

Our income tax provision for 2014 was $773.0 million on pre-tax income of $2.19 billion, or an effective tax rate of 35.3%, compared to an income tax provision of $686.5 million on pre-tax income of $2.21 billion, or an effective tax rate of 31.1% in 2013. The primary increase in the effective tax rate in 2014 was due to the fact that we recognized a tax benefit in 2013 for the impact of our closing agreement with the IRS (2.2%), enabling us to utilize a portion of our pre-IPO NOLs. The 2014 effective tax rate is also impacted by reduced tax benefits from depletion (1.1%) related to our disposed phosphate business. The income tax provision in 2014 includes $287.3 million of income tax expense relating to the phosphate business sale, which increased the effective tax rate by 1.5%.

The effective tax rate does not reflect a tax provision on the earnings attributable to noncontrolling interest in TNCLP (a partnership), which is not a taxable entity. For additional information on income taxes, see Note 10—Income Taxes to our consolidated financial statements included in Item 8 of this report.

Equity in Earnings of Non-Operating Affiliates—Net of Taxes

Equity in earnings of non-operating affiliates—net of taxes consists of our share of the operating results of unconsolidated joint venture interests in CF Fertilisers UK and Keytrade. The $12.9 million increase in 2014 compared to 2013 was due primarily to increased earnings from CF Fertilisers UK reflecting lower natural gas costs in the United Kingdom and improved trading performance at Keytrade.

Net Earnings Attributable to Noncontrolling Interest

Net earnings attributable to noncontrolling interest decreased $21.7 million in 2014 compared to 2013 due primarily to lower net earnings attributable to the 24.7% interest of the publicly-held common units of TNCLP.

Diluted Net Earnings Per Share Attributable to Common Stockholders

Diluted net earnings per share attributable to common stockholders increased to $5.42 in 2014 from $4.95 in 2013 due primarily to the gain on the phosphate business sale and lower weighted-average number of shares outstanding due to the impact of our share repurchase programs. We repurchased 38.4 million shares of our common stock in 2014 for $1.92 billion, or an average cost of $50 per share. The total shares repurchased during 2014 represent 14% of the shares outstanding as of December 31, 2013.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Operating Results by Business Segment

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us. CF Fertilisers UK is now wholly owned by us and its results are included in our results as of the date of acquisition. See Note 8—Equity Method Investments to our consolidated financial statements included in Item 8 of this report for additional information. CF Fertilisers UK has nitrogen manufacturing complexes located in Ince, United Kingdom, and Billingham, United Kingdom. The Ince complex produces AN, ammonia and NPKs while the Billingham complex produces AN and ammonia. In the third quarter of 2015, we changed our reportable segment structure to separate AN from our Other segment as our AN products increased in significance as a result of the CF Fertilisers UK acquisition. Our new reportable segment structure reflects how our CODM assesses the performance of our reportable segments and makes decisions about resource allocation. Our reportable segments now consist of ammonia, granular urea, UAN, AN, other, and phosphate. These segments are differentiated by products. Historical financial results have been restated to reflect the new reportable segment structure on a comparable basis.

The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter. However, the segment will continue to be included until the reporting of comparable period phosphate results ceases. We use gross margin to evaluate segment performance and allocate resources. Total other operating costs and expenses (consisting of selling, general and administrative expenses and other operating—net) and non-operating expenses (interest and income taxes), are centrally managed and are not included in the measurement of segment profitability reviewed by management.

The following table presents summary operating results by business segment, including the impact of the CF Fertilisers UK acquisition:

	Ammonia	Granular Urea[(1)]	UAN[(1)]	AN[(1)]	Other[(1)]	Phosphate	Consolidated
	(in million, except percentages)						
Year ended December 31, 2015							
Net sales	$1,523.1	$788.0	$1,479.7	$294.0	$223.5	$—	$4,308.3
Cost of sales	883.7	469.5	954.5	290.8	162.7	—	2,761.2
Gross margin	$639.4	$318.5	$525.2	$3.2	$60.8	$—	$1,547.1
Gross margin percentage	42.0 %	40.4 %	35.5 %	1.1 %	27.2 %	— %	35.9 %
Year ended December 31, 2014							
Net sales	$1,576.3	$914.5	$1,669.8	$242.7	$171.5	$168.4	$4,743.2
Cost of sales	983.2	516.6	997.4	189.1	120.1	158.3	2,964.7
Gross margin	$593.1	$397.9	$672.4	$53.6	$51.4	$10.1	$1,778.5
Gross margin percentage	37.6 %	43.5 %	40.3 %	22.1 %	30.0 %	6.0 %	37.5 %
Year ended December 31, 2013							
Net sales	$1,437.9	$924.6	$1,935.1	$215.1	$165.1	$796.9	$5,474.7
Cost of sales	656.5	410.1	895.6	155.9	114.4	722.0	2,954.5
Gross margin	$781.4	$514.5	$1,039.5	$59.2	$50.7	$74.9	$2,520.2
Gross margin percentage	54.3 %	55.6 %	53.7 %	27.5 %	30.7 %	9.4 %	46.0 %

(1) The cost of ammonia that is upgraded into other products is transferred at cost into the upgraded product results.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Impact of CFL Selling Price Modifications

As discussed in the Items Affecting Comparability of Results section of this discussion and analysis, on April 30, 2013, CF Industries acquired the noncontrolling interests in CFL and CFL became a wholly-owned subsidiary of CF Industries. As a result, the consolidated financial results for 2015 and 2014 included twelve months of market-based selling prices, while 2013 included four months of selling prices based on production cost plus an agreed-upon margin and eight months of market-based selling prices. These changes affect the year-over-year comparability of net sales, gross margin, operating earnings, earnings before income taxes and net earnings attributable to noncontrolling interest, but do not impact the comparability of our net earnings attributable to common stockholders or net cash flows for the same period.

The following table adjusts the results for 2013 to market-based selling prices for the full year to be on a comparable basis with 2015 and 2014.

	Year Ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except percentages)						
Ammonia Segment							
Net sales							
As reported	$1,523.1	$1,576.3	$1,437.9	$(53.2)	(3)%	$138.4	10%
Impact of selling price adjustment	—	—	44.8	—		(44.8)	
As adjusted	$1,523.1	$1,576.3	$1,482.7	$(53.2)	(3)%	$93.6	6%
Gross margin							
As reported	$639.4	$593.1	$781.4	$46.3	8%	$(188.3)	(24)%
Impact of selling price adjustment	—	—	44.8	—		(44.8)	
As adjusted	$639.4	$593.1	$826.2	$46.3	8%	$(233.1)	(28)%
Gross margin percentage							
As reported	42.0%	37.6%	54.3%				
Impact of selling price adjustment	—	—	1.4				
As adjusted	42.0%	37.6%	55.7%				
Average selling price per product ton							
As reported	$509	$531	$592	$(22)	(4)%	$(61)	(10)%
Impact of selling price adjustment	—	—	19	—		(19)	
As adjusted	$509	$531	$611	$(22)	(4)%	$(80)	(13)%
Granular Urea Segment							
Net sales							
As reported	$788.0	$914.5	$924.6	$(126.5)	(14)%	$(10.1)	(1)%
Impact of selling price adjustment	—	—	26.3	—		(26.3)	
As adjusted	$788.0	$914.5	$950.9	$(126.5)	(14)%	$(36.4)	(4)%
Gross margin							
As reported	$318.5	$397.9	$514.5	$(79.4)	(20)%	$(116.6)	(23)%
Impact of selling price adjustment	—	—	26.3	—		(26.3)	

As adjusted	$318.5		$397.9		$540.8		$(79.4	)	(20	)%	$(142.9	)	(26	)%
Gross margin percentage														
As reported	40.4	%	43.5	%	55.6	%								
Impact of selling price adjustment	—		—		1.3									
As adjusted	40.4	%	43.5	%	56.9	%								
Average selling price per product ton														
As reported	$320		$372		$369		$(52	)	(14	)%	$3		1	%
Impact of selling price adjustment	—		—		10		—				(10	)		
As adjusted	$320		$372		$379		$(52	)	(14	)%	$(7	)	(2	)%

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Ammonia Segment

Our ammonia segment produces anhydrous ammonia (ammonia), which is our most concentrated nitrogen fertilizer product as it contains 82% nitrogen. The results of our ammonia segment consist of sales of ammonia to external customers. In addition, ammonia is the "basic" nitrogen product that we upgrade into other nitrogen products such as granular urea, UAN and AN. We produce ammonia at all of our nitrogen manufacturing complexes.

The following table presents summary operating data for our ammonia segment including the impact of the CF Fertilisers UK acquisition:

	Twelve months ended December 31,				
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$1,523.1	$1,576.3	$1,437.9	$(53.2)	(3)%	$138.4	10%
Cost of sales	883.7	983.2	656.5	(99.5)	(10)%	326.7	50%
Gross margin	$639.4	$593.1	$781.4	$46.3	8%	$(188.3)	(24)%
Gross margin percentage[1]	42.0%	37.6%	54.3%	4.4%		(16.7)%	
Sales volume by product tons (000s)	2,995	2,969	2,427	26	1%	542	22%
Sales volume by nutrient tons (000s)[2]	2,456	2,434	1,990	22	1%	444	22%
Average selling price per product ton	$509	$531	$592	$(22)	(4)%	$(61)	(10)%
Average selling price per nutrient ton[2]	$620	$648	$723	$(28)	(4)%	$(75)	(10)%
Gross margin per product ton	$213	$200	$322	$13	7%	$(122)	(38)%
Gross margin per nutrient ton[2]	$260	$244	$393	$16	7%	$(149)	(38)%
Depreciation and amortization	$95.4	$69.0	$58.2	$26.4	38%	$10.8	19%

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(1) Includes the impact of tons purchased from PLNL at market-based prices and sold to Mosaic, which began in the first quarter of 2014.

(2) Ammonia represents 82% nitrogen content. Nutrient tons represent the tons of nitrogen within the product tons.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net Sales. Total net sales in the ammonia segment decreased by $53.2 million, or 3%, to $1.52 billion in 2015 from $1.58 billion in 2014 due primarily to a 4% decrease in average selling prices partially offset by a 1% increase in sales volume. These results include the impact of the CF Fertilisers UK acquisition completed on July 31, 2015 which increased net sales by $38.4 million, or 2%. The remaining decrease in our ammonia net sales of $91.6 million, or 6%, was due to lower average selling prices and lower sales volume compared to 2014. The decrease in average ammonia selling prices from prior year levels is due primarily to weaker nitrogen fertilizer market conditions compared to the prior year as a weak fall application season combined with higher producer inventory levels and slowing demand from phosphate fertilizer producers weighed on prices at the end of 2015. At the end of 2014, the pricing environment was stronger due to a tighter supply after the strong North American 2014 spring season and a higher level of global production outages in 2014. Sales volumes are lower in 2015 due to the weak fall application season in North America as a result of poor weather conditions in the Midwest. The fall application season started late and then ended early in November due to snow in the Midwest.

Cost of Sales. Cost of sales per ton in our ammonia segment averaged $296 per ton in 2015, an 11% decrease over the average of $331 per ton in 2014. The decrease was due primarily to lower realized natural gas costs during 2015 partly offset by increased unrealized net mark-to-market losses on natural gas derivatives in 2015 compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Net sales in the ammonia segment increased by $138.4 million, or 10%, to $1.58 billion in 2014 from $1.44 billion in 2013 due primarily to a 22% increase in sales volume, partially offset by a 10% decrease in average selling prices. The comparability of the ammonia segment net sales was impacted by the CFL selling price modifications in 2013. On an as adjusted basis, net sales in the ammonia segment increased by $93.6 million, or 6%, and average selling prices decreased 13%. The increased volume is due to a combination of attractive pricing compared to other forms of nitrogen, favorable weather conditions that resulted in an extended spring application season, and effective utilization of our terminal and logistics system to resupply in advance of periods of high demand. In addition, sales to Mosaic under our contract to supply ammonia

Table of Contents

from our PLNL joint venture also increased sales volume compared to 2013. The decrease in average selling prices from 2013 levels is due primarily to the North American inventory levels that were higher entering 2014 as a result of the shortened 2013 fall ammonia application season caused by cold weather conditions. This was partially offset by a stronger pricing environment at the end of 2014 due to tighter supply after the strong 2014 spring season and a high level of global production outages in 2014.

Cost of Sales. Cost of sales in our ammonia segment averaged $331 per ton in 2014, a 23% increase over the $270 per ton in 2013 due primarily to higher natural gas costs and higher other production cost. Total gas costs for 2014 increased 16%, plus the impact of mark-to-market on natural gas derivatives increased ammonia segment gas costs by $42.9 million compared to 2013.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Granular Urea Segment

Our granular urea segment produces granular urea, which contains 46% nitrogen. Produced from ammonia and carbon dioxide, it has the highest nitrogen content of any of our solid nitrogen fertilizers. Granular urea is produced at our Courtright, Ontario; Donaldsonville, Louisiana; and Medicine Hat, Alberta nitrogen complexes.

The following table presents summary operating data for our granular urea segment:

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$788.0	$914.5	$924.6	$(126.5)	(14)%	$(10.1)	(1)%
Cost of sales	469.5	516.6	410.1	(47.1)	(9)%	106.5	26%
Gross margin	$318.5	$397.9	$514.5	$(79.4)	(20)%	$(116.6)	(23)%
Gross margin percentage	40.4%	43.5%	55.6%	(3.1)%		(12.1)%	
Sales volume by product tons (000s)	2,460	2,459	2,506	1	—%	(47)	(2)%
Sales volume by nutrient tons (000s)[1]	1,132	1,131	1,153	1	—%	(22)	(2)%
Average selling price per product ton	$320	$372	$369	$(52)	(14)%	$3	1%
Average selling price per nutrient ton[1]	$696	$809	$802	$(113)	(14)%	$7	1%
Gross margin per product ton	$129	$162	$205	$(33)	(20)%	$(43)	(21)%
Gross margin per nutrient ton[1]	$281	$352	$446	$(71)	(20)%	$(94)	(21)%
Depreciation and amortization	$50.5	$37.5	$37.4	$13.0	35%	$0.1	—%

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(1) Granular urea represents 46% nitrogen content. Nutrient tons represent the tons of nitrogen within the product tons.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net Sales. Net sales in the granular urea segment decreased by $126.5 million, or 14%, for 2015 compared to 2014 due primarily to a 14% decrease in average selling prices. Average selling prices decreased to $320 per ton in 2015 compared to $372 per ton in 2014 primarily due to the excess global supply availability weighing on global nitrogen fertilizer selling prices. Granular urea exports from China were at a record high in 2015 and Russian exports have increased significantly while global capacity additions in 2015 further contributed to the excess global supply. Our sales volume was flat compared to the prior year as we offset weaker domestic demand with sales out of our new urea production at our Donaldsonville, Louisiana complex that came on line in November of 2015.

Cost of Sales. Cost of sales per ton in our granular urea segment averaged $191 per ton in 2015, a 9% decrease from the $210 per ton in 2014. The decrease was due primarily to lower realized natural gas costs partly offset by the impact of increased unrealized net mark-to-market losses on natural gas derivatives in 2015 compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Net sales in the granular urea segment decreased by $10.1 million, or 1%, for 2014 compared to 2013 due primarily to a 2% decrease in sales volume, partially offset by a 1% increase in average selling prices. The comparability of the granular urea segment net sales was impacted by the CFL selling price modifications in 2013. On an as adjusted basis, net sales decreased by $36.4 million, or 4%, and average selling prices decreased 2%. Volumes were lower mainly due to our decision to reduce export volume as compared to 2013 due to anticipated robust domestic demand. The poor fall 2014 ammonia season combined with a tight ammonia supply contributed to increased demand at the end of 2014 and expectations for a strong 2015 spring season.

Cost of Sales. Cost of sales per ton in our granular urea segment averaged $210 per ton in 2014, a 28% increase over the $164 per ton in 2013 due primarily to increased natural gas costs which increased 16%, plus the impact of mark-to-market on natural gas derivatives which increased granular urea segment gas costs by $33.0 million compared to 2013.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

UAN Segment

Our UAN segment produces urea ammonium nitrate solution (UAN). UAN, a liquid fertilizer product with a nitrogen content that typically ranges from 28% to 32%, is produced by combining urea and ammonium nitrate. UAN is produced at our nitrogen complexes in Courtright, Ontario; Donaldsonville, Louisiana; Port Neal, Iowa; Verdigris, Oklahoma; Woodward, Oklahoma; and Yazoo City, Mississippi.

The following table presents summary operating data for our UAN segment:

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$1,479.7	$1,669.8	$1,935.1	$(190.1)	(11)%	$(265.3)	(14)%
Cost of sales	954.5	997.4	895.6	(42.9)	(4)%	101.8	11 %
Gross margin	$525.2	$672.4	$1,039.5	$(147.2)	(22)%	$(367.1)	(35)%
Gross margin percentage	35.5 %	40.3 %	53.7 %	(4.8)%		(13.4)%	
Sales volume by product tons (000s)	5,865	6,092	6,383	(227)	(4)%	(291)	(5)%
Sales volume by nutrient tons (000s)(1)	1,854	1,925	2,015	(71)	(4)%	(90)	(4)%
Average selling price per product ton	$252	$274	$303	$(22)	(8)%	$(29)	(10)%
Average selling price per nutrient ton(1)	$798	$867	$960	$(69)	(8)%	$(93)	(10)%
Gross margin per product ton	$90	$110	$163	$(20)	(18)%	$(53)	(33)%
Gross margin per nutrient ton(1)	$283	$349	$516	$(66)	(19)%	$(167)	(32)%
Depreciation and amortization	$191.6	$179.3	$172.6	$12.3	7 %	$6.7	4 %

(1) UAN represents between 28% and 32% of nitrogen content, depending on the concentration specified by the customer. Nutrient tons represent the tons of nitrogen within the product tons.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net Sales. Net sales in the UAN segment decreased $190.1 million, or 11%, in 2015 due primarily to an 8% decrease in average selling prices and a 4% decrease in sales volume. Average selling prices decreased to $252 per ton in 2015 compared to $274 in 2014. The decline in UAN average selling prices was due to excess global supply availability weighing on global nitrogen fertilizer selling prices. Sales volume was lower as customers delayed purchases in the declining pricing environment.

Cost of Sales. Cost of sales per ton in our UAN segment averaged $162 in 2015, a 1% decrease from the average of $164 per ton in 2014. The decrease was due primarily to lower realized natural gas costs partly offset by the impact of higher unrealized net mark-to-market losses on natural gas derivatives in 2015 compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Net sales in the UAN segment decreased by $265.3 million, or 14%, due to a 10% decrease in average selling prices and a 5% decrease in sales volume. The decrease in UAN prices and volume was due primarily to the combination of customer preferences for attractively priced ammonia during the extended spring ammonia application season and lower production. Sales volume was negatively impacted by unplanned outages at the Woodward, Oklahoma nitrogen complex for maintenance and repairs of certain critical equipment.

Cost of Sales. Cost of sales per ton in our UAN segment averaged $164 in 2014, a 17% increase over the $140 per ton in 2013 due primarily to increased natural gas costs which increased 16%, plus the impact of mark-to-market on natural gas derivatives which increased UAN segment gas costs by $49.3 million compared to 2013.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

AN Segment

Our AN segment produces ammonium nitrate (AN). AN is a nitrogen-based product with a nitrogen content between 29% and 35%. AN is used as nitrogen fertilizer and is also used by industrial customers for commercial explosives and blasting systems. AN is produced at our nitrogen complexes in Yazoo City, Mississippi and Ince and Billingham, United Kingdom.

The following table presents summary operating data for our AN segment including the impact of the CF Fertilisers UK acquisition:

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$294.0	$242.7	$215.1	$51.3	21 %	$27.6	13 %
Cost of sales	290.8	189.1	155.9	101.7	54 %	33.2	21 %
Gross margin	$3.2	$53.6	$59.2	$(50.4)	(94)%	$(5.6)	(9)%
Gross margin percentage	1.1 %	22.1 %	27.5 %	(21.0)%		(5.4)%	
Sales volume by product tons (000s)	1,290	958	859	332	35 %	99	12 %
Sales volume by nutrient tons (000s)[1]	437	329	295	108	33 %	34	12 %
Average selling price per product ton	$228	$253	$250	$(25)	(10)%	$3	1 %
Average selling price per nutrient ton[1]	$673	$738	$729	$(65)	(9)%	$9	1 %
Gross margin per product ton	$2	$56	$69	$(54)	(96)%	$(13)	(19)%
Gross margin per nutrient ton[1]	$7	$163	$201	$(156)	(96)%	$(38)	(19)%
Depreciation and amortization	$65.6	$46.5	$41.0	$19.1	41 %	$5.5	13 %

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[1] Nutrient tons represent the tons of nitrogen within the product tons.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net Sales. Total net sales in our AN segment increased $51.3 million, or 21%, in 2015 from 2014 due primarily to a 35% increase in sales volume partially offset by a 10% decrease in average selling prices. These results include the impact of the CF Fertilisers UK acquisition completed on July 31, 2015, which increased net sales by $117.0 million, or 48%. The remaining decrease in our AN net sales of $65.7 million, or 27%, was due primarily to 18% lower average selling prices and 11% lower sales volume as a result of weak North American domestic demand.

Cost of Sales. Total cost of sales per ton in our AN segment averaged $226 in 2015. These results include the impact of the CF Fertilisers UK acquisition, which averaged $249 per ton and includes the revaluation of the CF Fertilisers UK inventory in acquisition accounting of $6.6 million in the second half of 2015. The remaining cost of sales per ton averaged $213 per ton, an 8% increase from the average of $197 per ton in 2014, due primarily to the impact of higher unrealized net mark-to-market losses on natural gas derivatives in 2015 compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Net sales in our AN segment increased $27.6 million, or 13%, to $242.7 million in 2014 from $215.1 million in 2013 due primarily to a 12% increase in sales volume. AN sales volume increased due to higher agricultural grade sales, both domestic and exports.

Cost of Sales. Cost of sales per ton in our AN segment averaged $197 in 2014, a 9% increase over the $181 per ton in 2013 due primarily to increased natural gas costs.

56

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Other Segment

This segment primarily includes the following products:

- Diesel exhaust fluid (DEF) is an aqueous urea solution typically made with 32.5% high-purity urea and 67.5% deionized water.
- Urea liquor is a liquid product that we sell in concentrations of 40%, 50% and 70% urea as a chemical intermediate.
- Nitric acid is a nitrogen-based product with a nitrogen content of 22.2%.
- Compound fertilizer products (NPKs) are solid granular fertilizer products for which the nutrient content is a combination of nitrogen, phosphorus and potassium.

The following table presents summary operating data for our Other segment, including the impact of the CF Fertilisers UK acquisition:

	Twelve months ended December 31,						
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$223.5	$171.5	$165.1	$52.0	30 %	$6.4	4 %
Cost of sales	162.7	120.1	114.4	42.6	35 %	5.7	5 %
Gross margin	$60.8	$51.4	$50.7	$9.4	18 %	$0.7	1 %
Gross margin percentage	27.2 %	30.0 %	30.7 %	(2.8)%		(0.7)%	
Sales volume by product tons (000s)	1,108	798	770	310	39 %	28	4 %
Sales volume by nutrient tons (000s)(1)	215	155	151	60	39 %	4	3 %
Average selling price per product ton	$202	$215	$214	$(13)	(6)%	$1	— %
Average selling price per nutrient ton(1)	$1,040	$1,106	$1,093	$(66)	(6)%	$13	1 %
Gross margin per product ton	$55	$64	$66	$(9)	(14)%	$(2)	(3)%
Gross margin per nutrient ton(1)	$283	$332	$336	$(49)	(15)%	$(4)	(1)%
Depreciation and amortization	$35.2	$20.4	$19.2	$14.8	73 %	$1.2	6 %

(1) Nutrient tons represent the tons of nitrogen within the product tons.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net Sales. Total net sales in our Other segment increased $52.0 million, or 30%, for 2014 due to a 39% increase in sales volume. These results include the impact of the CF Fertilisers UK acquisition completed on July 31, 2015, which increased net sales by $53.0 million, or 31%. The remaining decrease in our Other net sales of $1.0 million, or 1%, was due primarily to lower average selling prices, primarily urea liquor, due to overall weaker pricing conditions. This decrease was partially offset by an increase in our DEF average selling prices and sales volume as the North American DEF market continued to grow in response to stricter diesel engine emission requirements.

Cost of Sales. Cost of sales per ton in our Other segment averaged $147 in 2015, a 3% decrease from the $151 per ton in 2014 due primarily to lower realized natural gas costs in 2015 compared to 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Total net sales in our Other segment increased $6.4 million, or 4%, to $171.5 million in 2014 from $165.1 million in 2013 due to a 4% increase in sales volume, primarily DEF. DEF sales increased along with the growing North American DEF market in response to stricter engine emission requirements.

Cost of Sales. Cost of sales per ton in our Other segment averaged $151 in 2014, a 2% increase over the average of $148 per ton in 2013 due primarily to increased natural gas costs.

57

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Phosphate Segment

On March 17, 2014, we sold our phosphate mining and manufacturing business to Mosaic pursuant to the terms of the definitive transaction agreement executed in October 2013, among the Company, CF Industries and Mosaic. The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter although the segment will continue to be included until the reporting of comparable period phosphate results ceases.

The following table presents summary operating data for our phosphate segment:

	Twelve months ended December 31,					
	2015	2014	2013	2015 v. 2014		2014 v. 2013	
	(in millions, except as noted)						
Net sales	$—	$168.4	$796.9	$(168.4)	(100)%	$(628.5)	(79)%
Cost of sales	—	158.3	722.0	(158.3)	(100)%	(563.7)	(78)%
Gross margin	$—	$10.1	$74.9	$(10.1)	(100)%	$(64.8)	(87)%
Gross margin percentage	—%	6.0%	9.4%	(6.0)%		(3.4)%	
Sales volume by product tons (000s)[1]	—	487	1,857	(487)	(100)%	(1,370)	(74)%
Average selling price per product ton	$—	$346	$429	$(346)	(100)%	$(83)	(19)%
Gross margin per product ton	$—	$21	$40	$(21)	(100)%	$(19)	(48)%
Depreciation, depletion and amortization[2]	$—	$—	$42.3	$—	N/M	$(42.3)	(100)%

(1) Represents DAP and MAP product sales.

(2) On March 17, 2014, we sold our phosphate mining and manufacturing business. The assets and liabilities sold were classified as held for sale as of December 31, 2013; therefore, no depreciation, depletion or amortization was recorded in 2014 for the related property, plant and equipment.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net Sales. Net sales in the phosphate segment decreased due to the sale of the phosphate business in March 2014.

Cost of Sales. Cost of sales per ton in the phosphate segment averaged $325 in 2014, a 16% decrease over the average of $389 per ton in 2013 due primarily to lower raw material costs.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Liquidity and Capital Resources

Our primary uses of cash are generally for operating costs, working capital, capital expenditures, debt service, investments, taxes, share repurchases and dividends. Our working capital requirements are affected by several factors, including demand for our products, selling prices, raw material costs, freight and seasonal factors inherent in the business. Generally, our primary source of cash is cash from operations, which includes cash generated by customer advances. We may also from time to time access the capital markets or engage in borrowings under our credit agreements.

During 2015, the following significant events have had or will have an impact on our cash and liquidity position.

- On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million.
- On August 12, 2015, we announced that we agreed to enter into a strategic venture with CHS. The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in our subsidiary CFN for $2.8 billion in cash.
- In September 2015, we issued $1.0 billion in senior notes with $250 million due in 2022, $500 million due in 2025 and $250 million due in 2027.
- In 2015, we spent $1.7 billion on capital expenditures related to our capacity expansion projects. In November 2015, the new urea plant at the Donaldsonville, Louisiana complex came on line and is the first plant to be commissioned as part of our capacity expansion projects in North America. The UAN plant at Donaldsonville is expected to be commissioned in the first quarter of 2016. The remaining projects are expected to be on line in mid-2016.
- In 2015, we repurchased 8.9 million shares for $527.2 million under the $1.0 billion share repurchase program authorized by our Board of Directors in August 2014.

Further details regarding these events are provided below.

Cash and Cash Equivalents

We had cash and cash equivalents of $286.0 million and $2.0 billion as of December 31, 2015 and 2014, respectively. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less. Under our short-term investment policy, we may invest our cash balances, either directly or through mutual funds, in several types of investment-grade securities, including notes and bonds issued by governmental entities or corporations. Securities issued by governmental entities include those issued directly by the U.S. and Canadian federal governments; those issued by state, local or other governmental entities; and those guaranteed by entities affiliated with governmental entities.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Share Repurchase Programs and Retirements

Our Board of Directors has authorized certain programs to repurchase shares of our common stock. Each of these programs is consistent in that repurchases may be made from time to time in the open market, through privately-negotiated transactions, through block transactions or otherwise. The manner, timing and amount of repurchases are determined by our management based on the evaluation of market conditions, stock price and other factors.

In the third quarter of 2012, our Board of Directors authorized a program to repurchase up to $3.0 billion of the common stock of CF Holdings through December 31, 2016 (the 2012 Program). The repurchases under the 2012 Program were completed in the second quarter of 2014. On August 6, 2014, our Board of Directors authorized a program to repurchase up to $1.0 billion of the common stock of CF Holdings through December 31, 2016 (the 2014 Program). As of December 31, 2015, there were approximately $100 million remaining repurchases under the 2014 Program.

The following table summarizes the share repurchases under the 2014 Program and the 2012 Program. The number of shares has been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

	2014 Program			2012 Program		
	Shares	Amounts	Average Price Per Share	Shares	Amounts	Average Price Per Share
	(in millions, except per share amounts)					
Shares repurchased in 2013	—	$—	$—	36.7	$1,449.3	$39
Shares repurchased in 2014:						
First quarter	—	$—	$—	16.0	$793.9	$50
Second quarter	—	—	—	15.4	756.8	49
Third quarter	—	—	—	—	—	—
Fourth quarter	7.0	372.8	53	—	—	—
Total shares repurchased in 2014	7.0	372.8	53	31.4	1,550.7	49
Shares repurchased as of December 31, 2014	7.0	$372.8	$53	68.1	$3,000.0	$44
Shares repurchased in 2015:						
First quarter	4.1	$236.6	$58			
Second quarter	4.5	268.1	60			
Third quarter	0.3	22.5	63			
Fourth quarter	—	—	—			
Total shares repurchased in 2015	8.9	527.2	59			
Shares repurchased as of December 31, 2015	15.9	$900.0	$57			

The retirement of the repurchased shares of our common stock was recognized as follows:

- In 2015, we retired 10.7 million shares of our common stock that had been repurchased. In our consolidated balance sheet, the retirement of these shares eliminated the recorded treasury stock and reduced retained earnings and paid-in-capital by $535.0 million and $62.0 million, respectively.
- In 2014, we retired 38.6 million shares of our common stock that had been repurchased. In our consolidated balance sheet, the retirement of these shares eliminated the recorded treasury stock and reduced retained earnings and paid-in-capital by $1.68 billion and $220.3 million, respectively.
- In 2013, we retired 32.3 million shares of our common stock that had been repurchased. In our consolidated balance sheet, the retirement of these shares eliminated the recorded treasury stock and reduced retained earnings and paid-in-capital by $1.07 billion and $180.1 million, respectively.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Capacity Expansion Projects and Restricted Cash

In 2012, we announced that we would construct new ammonia and urea/UAN plants at our Donaldsonville, Louisiana complex and new ammonia and urea plants at our Port Neal, Iowa complex. These new plants will increase our product mix flexibility at Donaldsonville, improve our ability to serve upper-Midwest urea customers from our Port Neal location, and allow us to benefit from the cost advantages of North American natural gas. In combination, these new facilities will be able to produce 2.1 million tons of gross ammonia per year, upgraded products ranging from 2.0 million to 2.7 million tons of granular urea per year and up to 1.8 million tons of UAN 32% solution per year, depending on our choice of product mix.

In November 2015, the new urea plant at the Donaldsonville, Louisiana complex came on line and was the first plant to be commissioned as part of our capacity expansion projects. The UAN plant at Donaldsonville is expected to be commissioned in the first quarter of 2016. The remaining plants are expected to be commissioned in mid-2016.

The estimated aggregate capital expenditures for both projects remains at approximately $4.6 billion and total cash spent to date on capital expenditures for the capacity expansion projects was $3.5 billion, including $1.7 billion in 2015. We have financed expenditures for the capacity expansion projects through available cash and cash equivalents, cash generated from operations and borrowings. In addition, $471.1 million was invested in the capacity expansion projects and not paid as of December 31, 2015 and recognized as liabilities in the consolidated balance sheets.

We have retained engineering and procurement services from an affiliate of ThyssenKrupp Industrial Solutions (ThyssenKrupp) for both capacity expansion projects. Under the terms of the engineering and procurement services contract, we have granted ThyssenKrupp a security interest in a restricted cash account and maintain a cash balance in that account equal to the cancellation fees for procurement services and equipment that would arise if we were to cancel the projects. The amount in the account will change over time based on procurement costs. As of December 31, 2015, there was $22.8 million held in this account. This restricted cash is excluded from our cash and cash equivalents and reported separately on our consolidated balance sheets and statements of cash flows.

Capital Spending

We make capital expenditures to sustain our asset base, to increase our capacity, to improve plant efficiency and to comply with various environmental, health and safety requirements. Capital expenditures totaled $2.47 billion in 2015 as compared to $1.81 billion in 2014. The increase in capital expenditures is primarily the result of the $422.4 million increase in cash spent on the two capacity expansion projects and increased capital expenditures on sustaining projects in 2015 compared to 2014.

Projected Capital Spending

We expect capital expenditures in 2016 to be approximately $1.8 billion, including $1.2 billion for the capacity expansion projects and $0.6 billion of sustaining and other capital expenditures. Planned capital expenditures are subject to change due to delays in regulatory approvals or permitting, unanticipated increases in cost, changes in scope and completion time, performance of third parties, adverse weather, defects in materials and workmanship, labor or material shortages, transportation constraints, acceleration or delays in the timing of the work and other unforeseen difficulties.

CF Fertilisers UK Acquisition

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million. The purchase price was funded with cash on hand. Beginning July 31, 2015, the operating results of CF Fertilisers UK became part of our consolidated financial results. See Note 4—Acquisitions and Divestitures to our consolidated financial statements included in Item 8 of this report for additional information.

Disposition of Phosphate Business and Ammonia Supply Agreements

In October 2013, we entered into a definitive transaction agreement with Mosaic to sell our entire phosphate mining and manufacturing business, which was located in Florida, for a purchase price of approximately $1.4 billion in cash and entered into two agreements to supply ammonia to Mosaic. The first agreement provides for us to supply between 600,000 and 800,000 tons of ammonia per year from our Donaldsonville, Louisiana complex beginning no later than 2017. The second agreement provides for us to supply approximately 300,000 tons of ammonia per year sourced from our PLNL joint venture, which began at the closing of the phosphate business sale transaction.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

In 2014, we completed the sale of our phosphate mining and manufacturing business and recognized pre-tax and after-tax gains on the sale of the phosphate business of $750.1 million and $462.8 million, respectively. Under the terms of the definitive transaction agreement, the accounts receivable and accounts payable pertaining to the phosphate mining and manufacturing business and certain phosphate inventory held in distribution facilities were not sold to Mosaic in the transaction and were settled in the ordinary course.

The phosphate mining and manufacturing business assets we sold in the transaction included the Hardee County Phosphate Rock Mine; the Plant City Phosphate Complex; an ammonia terminal, phosphate warehouse and dock at the Port of Tampa; and the site of the former Bartow Phosphate Complex. In addition, Mosaic assumed certain liabilities related to the phosphate mining and manufacturing business, including responsibility for closure, water treatment and long-term maintenance and monitoring of the phosphogypsum stacks at the Plant City and Bartow complexes. Mosaic also received the value of the phosphate mining and manufacturing business asset retirement obligation trust and escrow funds totaling approximately $200 million. The assets and liabilities sold to Mosaic were classified as held for sale as of December 31, 2013; therefore, no depreciation, depletion or amortization was recorded in 2014 for the related property, plant and equipment.

See further discussion of this transaction in the section titled Items Affecting Comparability of Results.

Acquisitions of the Noncontrolling Interests in CFL

In 2012, we entered into agreements to acquire the 34% of CFL's common and preferred shares owned by Viterra, the product purchase agreement between CFL and Viterra, and the CFL common shares held by GROWMARK and La Coop fédérée for a total purchase price of approximately C$0.9 billion. In April 2013, we completed the acquisitions. Since CFL was previously a consolidated variable interest entity, the purchase price was recognized as follows: a $0.8 billion reduction in paid-in capital; a $0.1 billion deferred tax asset; and the removal of the CFL noncontrolling interest. CFL is now a wholly-owned subsidiary and we are entitled to purchase 100% of CFL's ammonia and granular urea production. For additional information, see Note 15—Noncontrolling Interest to our consolidated financial statements included in Item 8 of this report.

Repatriation of Foreign Earnings and Income Taxes

We have operations in Canada, the United Kingdom and interest in a joint venture in the Republic of Trinidad and Tobago. The estimated additional U.S. and foreign income taxes due upon repatriation of the earnings of these foreign operations to the U.S. are recognized in our consolidated financial statements as the earnings are recognized, unless the earnings are considered to be indefinitely reinvested based upon our current plans. However, the cash payment of the income tax liabilities associated with repatriation of earnings from foreign operations occurs at the time of the repatriation. As a result, the recognition of income tax expense related to foreign earnings, as applicable, and the payment of taxes resulting from repatriation of those earnings can occur in different periods. Cash balances held by our joint venture are maintained at sufficient levels to fund local operations as accumulated earnings are repatriated from the joint venture on a periodic basis.

As of December 31, 2015, approximately $44.7 million of our consolidated cash and cash equivalents balance of $286.0 million was held by our Canadian and United Kingdom subsidiaries. The cash balance held by the Canadian subsidiaries represents accumulated earnings of our foreign operations, which is not considered to be permanently reinvested. We have recognized deferred income taxes on these earnings for the foreign and domestic taxes that would be due upon their repatriation to the United States. As of December 31, 2015, the cash tax cost to repatriate the Canadian and United Kingdom cash balances would be approximately $3.2 million.

Impact of the Protecting Americans from Tax Hikes (PATH) Act of 2015

On December 18, 2015, the Protecting Americans from Tax Hikes (PATH) Act of 2015 was signed into law and applies to tax years 2015 through 2019. One of the provisions of the PATH Act permits companies to deduct 50% of their capital expenditures for federal income tax purposes in the year qualifying assets were placed into service. As a result of this provision, for the year ended December 31, 2015, we recorded a federal tax receivable of approximately $120 million that is expected to result in a tax refund. This receivable is primarily associated with the new urea plant and related offsites that were placed into service at our Donaldsonville, Louisiana complex during November of 2015.

In 2016, we expect to place into service (i) the new UAN and ammonia plants at our Donaldsonville, Louisiana complex and (ii) the new urea and ammonia plants at our Port Neal, Iowa complex. Most of these assets will also qualify for 50% bonus depreciation for fiscal year 2016. As a result of these additional assets being placed into service in 2016, we expect to have significantly reduced cash tax payments in 2016.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Debt

Revolving Credit Agreement

We have a senior unsecured revolving credit agreement (as amended, the Revolving Credit Agreement) providing for a revolving credit facility of up to $2.0 billion with a maturity of September 18, 2020. Borrowings under the Revolving Credit Agreement may be used for working capital and general corporate purposes. CF Industries is a borrower, and CF Industries and CF Holdings are guarantors, under the Revolving Credit Agreement. Following the date of the closing of the transactions contemplated by the Combination Agreement (the Combination Agreement Closing Date), New CF would be required to be a borrower and a guarantor under the Revolving Credit Agreement, at which time CF Industries would cease to be a borrower under the Revolving Credit Agreement. CF Industries or, following the Combination Agreement Closing Date, New CF, may designate as borrowers one or more wholly-owned subsidiaries that are organized in the United States or any state thereof, the District of Columbia, England and Wales or the Netherlands.

Borrowings under the Revolving Credit Agreement may be denominated in dollars, Canadian dollars, Euro and Sterling, and bear interest at a per annum rate equal to an applicable eurocurrency rate or base rate plus, in either case, a specified margin, and the borrowers are required to pay an undrawn commitment fee on the undrawn portion of the commitments under the Revolving Credit Agreement and customary letter of credit fees. The specified margin and the amount of the commitment fee depend on CF Holdings' (or, after the consummation of the transactions contemplated by the Combination Agreement on the Combination Agreement Closing Date, New CF's) credit rating at the time.

Certain of CF Holdings' U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and CF Holdings' material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Revolving Credit Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of CF Holdings, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of CF Holdings, CF Industries or New CF, including debt under the Bridge Credit Agreement (as defined below).

The Revolving Credit Agreement contains customary representations and warranties and covenants for a financing of this type, including two financial maintenance covenants: (i) a requirement that the interest coverage ratio, as defined in the Revolving Credit Agreement, be maintained at a level of not less than 2.75 to 1.00 and (ii) a requirement that the total leverage ratio, as defined in the Revolving Credit Agreement, be maintained at a level of not greater than 3.75 to 1.00.

The Revolving Credit Agreement contains events of default (with notice requirements and cure periods, as applicable) customary for a financing of this type, including, but not limited to, non-payment of principal, interest or fees; inaccuracy of representations and warranties in any material respect; and failure to comply with specified covenants. Upon the occurrence and during the continuance of an event of default under the Revolving Credit Agreement and after any applicable cure period, subject to specified exceptions, the administrative agent may, and at the request of the requisite lenders is required to, accelerate the loans under the Revolving Credit Agreement or terminate the lenders' commitments under the Revolving Credit Agreement.

As of December 31, 2015, we had excess borrowing capacity under the Revolving Credit Agreement of $1,995.1 million (net of outstanding letters of credit $4.9 million), and there were no borrowings outstanding as of December 31, 2015 or 2014. Maximum borrowings during the year ended December 31, 2015 were $367.0 million with a weighted-average annual interest rate of 1.47%. There were no borrowings during the years ended December 31, 2014 and 2013.

CF Fertilisers UK Credit Agreement

CF Fertilisers UK Group Limited as borrower and CF Fertilisers UK Limited as guarantor entered into a £40.0 million senior unsecured credit agreement, dated October 1, 2012 (the CF Fertilisers UK Credit Agreement), which provided for a revolving credit facility of up to £40.0 million with a maturity of five years.

On December 8, 2015, the CF Fertilisers UK Credit Agreement was canceled. There were no borrowings outstanding under the CF Fertilisers UK Credit Agreement as of its cancellation or any time during the year ended December 31, 2015.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Senior Notes

Long-term debt presented on our consolidated balance sheets as of December 31, 2015 and December 31, 2014 consisted of the following unsecured senior notes:

	December 31, 2015	December 31, 2014
	(in millions)	
Public Senior Notes:		
6.875% due 2018	$800.0	$800.0
7.125% due 2020	800.0	800.0
3.450% due 2023	749.4	749.4
5.150% due 2034	746.3	746.2
4.950% due 2043	748.8	748.8
5.375% due 2044	748.2	748.1
Private Senior Notes:		
4.490% due 2022	250.0	—
4.930% due 2025	500.0	—
5.030% due 2027	250.0	—
	5,592.7	4,592.5
Less: Current portion	—	—
Net long-term debt	$5,592.7	$4,592.5

Public Senior Notes

On April 23, 2010, CF Industries issued $800 million aggregate principal amount of 6.875% senior notes due May 1, 2018 and $800 million aggregate principal amount of 7.125% senior notes due May 1, 2020 (the 2018/2020 Public Senior Notes). Interest on the 2018/2020 Public Senior Notes is paid semiannually on May 1 and November 1 and the 2018/2020 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. As of December 31, 2015, the carrying value of the 2018/2020 Public Senior Notes was $1.60 billion and the fair value was approximately $1.78 billion.

On May 23, 2013, CF Industries issued $750 million aggregate principal amount of 3.450% senior notes due June 1, 2023 and $750 million aggregate principal amount of 4.950% senior notes due June 1, 2043 (the 2023/2043 Public Senior Notes). Interest on the 2023/2043 Public Senior Notes is paid semiannually on June 1 and December 1 and the 2023/2043 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. We received net proceeds from the issuance and sale of the 2023/2043 Public Senior Notes, after deducting underwriting discounts and offering expenses, of approximately $1.48 billion. As of December 31, 2015, the carrying value of the 2023/2043 Public Senior Notes was approximately $1.50 billion and the fair value was approximately $1.34 billion.

On March 11, 2014, CF Industries issued $750 million aggregate principal amount of 5.150% senior notes due March 15, 2034 and $750 million aggregate principal amount of 5.375% senior notes due March 15, 2044 (the 2034/2044 Public Senior Notes). Interest on the 2034/2044 Public Senior Notes is paid semiannually on March 15 and September 15 and the 2034/2044 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. We received net proceeds of $1.48 billion from the issuance and sale of the 2034/2044 Public Senior Notes, after deducting underwriting discounts and offering expenses. As of December 31, 2015, the carrying value of the 2034/2044 Public Senior Notes was approximately $1.49 billion and the fair value was approximately $1.35 billion.

Under the indentures (including the applicable supplemental indentures) governing the 2018/2020 Public Senior Notes, the 2023/2043 Public Senior Notes and the 2034/2044 Public Senior Notes (collectively, the Public Senior Notes), each series of the Public Senior Notes is guaranteed by CF Holdings. The indentures governing the Public Senior Notes contain customary events of default and covenants that limit, among other things, the ability of

CF Holdings and its subsidiaries, including CF Industries, to incur liens on certain properties to secure debt.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

If a Change of Control occurs together with a Ratings Downgrade (as both terms are defined under the indentures governing the Public Senior Notes), CF Industries would be required to offer to repurchase each series of Public Senior Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. In addition, in the event that a subsidiary of ours, other than CF Industries, becomes a borrower or a guarantor under the Revolving Credit Agreement (or any renewal, replacement or refinancing thereof), such subsidiary would be required to become a guarantor of the Public Senior Notes, provided that such requirement will no longer apply with respect to the 2023/2043 Public Senior Notes and 2034/2044 Public Senior Notes following the repayment of the 2018/2020 Public Senior Notes or the subsidiaries of ours, other than CF Industries, otherwise becoming no longer subject to such a requirement to guarantee the 2018/2020 Public Senior Notes.

Private Senior Notes

On September 24, 2015, CF Industries issued in a private placement $250 million aggregate principal amount of 4.49% senior notes due October 15, 2022, $500.0 million aggregate principal amount of 4.93% senior notes due October 15, 2025 and $250 million aggregate principal amount of 5.03% senior notes due October 15, 2027 (the Private Senior Notes). CF Industries received proceeds of $1.0 billion from the issuance and sale of the Private Senior Notes. The Private Senior Notes are governed by the terms of a note purchase agreement (as amended, the Note Purchase Agreement) and are guaranteed by the Company. Interest on the Private Senior Notes is payable semiannually on April 15 and October 15.

CF Industries may prepay at any time all, or from time to time any part of, any series of the Private Senior Notes, in an amount not less than 5% of the aggregate principal amount of such series of the Private Senior Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid plus a make-whole amount determined as specified in the Note Purchase Agreement. In the event of a Change in Control (as defined in the Note Purchase Agreement), each holder of the Private Senior Notes may require CF Industries to prepay the entire unpaid principal amount of the Private Senior Notes held by such holder at a price equal to 100% of the principal amount of such Private Senior Notes together with accrued and unpaid interest thereon, but without any make-whole amount or other premium.

All obligations under the Note Purchase Agreement are unsecured. On and after the Combination Agreement Closing Date, New CF would be required to guarantee the obligations under the Note Purchase Agreement. In addition, certain of the Company's U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and the Company's material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Note Purchase Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of the Company, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of the Company, CF Industries or New CF.

The Note Purchase Agreement contains customary representations and warranties and covenants for a financing of this type, including two financial maintenance covenants: (i) a requirement that the interest coverage ratio (as defined in the Note Purchase Agreement) be maintained at a level of not less than 2.75 to 1.00 and (ii) a requirement that the total leverage ratio (as defined in the Note Purchase Agreement) be maintained at a level of not greater than 3.75 to 1.00.

The Note Purchase Agreement contains events of default (with notice requirements and cure periods, as applicable) customary for a financing of this type, including, but not limited to, non-payment of principal, make-whole amounts, or interest; inaccuracy of representations and warranties in any material respect; and failure to comply with specified covenants. Upon the occurrence and during the continuance of an event of default under the Note Purchase Agreement and after any applicable cure period, subject to specified exceptions, the holder or holders of more than 50% in principal amount of the Private Senior Notes outstanding may declare all the Private Senior Notes then outstanding due and payable.

As of December 31, 2015, the carrying value of the Private Senior Notes was $1.0 billion and the fair value was approximately $0.99 billion.

Bridge Credit Agreement

On September 18, 2015, in connection with CF Holdings' proposed combination with the ENA Business of OCI (see Note 4—Acquisitions and Divestitures for additional information). CF Holdings, as a guarantor, and CF Industries, as the tranche A borrower, entered into a senior unsecured 364-Day Bridge Credit Agreement (as amended, the Bridge Credit Agreement). On the tranche B closing date, as defined in the Bridge Credit Agreement, New CF would become a party to the Bridge Credit Agreement as the tranche B borrower. The tranche B closing date would occur upon the satisfaction of specified conditions, including the occurrence of the closing under the Combination Agreement.

The Bridge Credit Agreement (1) provided for a single borrowing of a tranche A bridge loan of up to $1.0 billion that would have been used by CF Industries first to reduce amounts outstanding, if any, under the Revolving Credit Agreement and then for general corporate purposes; and (2) provides for a single borrowing of a tranche B bridge loan of up to $3.0 billion that may be used by New CF to pay the cash portion, if any, of the purchase price for specified equity interests to be acquired pursuant to the Combination Agreement; to consummate the refinancing of specified debt in connection with the transactions contemplated by the Combination Agreement; to pay fees and expenses in connection with the transactions contemplated by the Bridge Credit Agreement and the Combination Agreement; and in an amount of up to $1.3 billion for general corporate purposes.

The obligations of the lenders to fund the tranche A bridge loan under the Bridge Credit Agreement automatically terminated on September 24, 2015 in connection with the issuance of the Private Senior Notes. The obligations of the lenders to fund the tranche B bridge loan under the Bridge Credit Agreement are subject to customary limited conditionality and expire on August 6, 2016 (or no later than November 6, 2016, if extended pursuant to the terms thereof), or earlier as provided in the Bridge Credit Agreement. The tranche B bridge loan would mature on the date that is 364 days after the initial funding of such loan.

The Bridge Credit Agreement is voluntarily prepayable from time to time without premium or penalty and is mandatorily prepayable with, and the commitments thereunder will automatically be reduced by, the net cash proceeds from specified issuances of equity interests of CF Holdings and its subsidiaries and, on and after the Combination Agreement Closing Date, New CF and its subsidiaries, specified issuances or incurrences of debt by such persons and the net cash proceeds (including casualty insurance proceeds and condemnation awards) from specified dispositions of assets of such persons, with specified exceptions, including a right to reinvest such proceeds or awards in assets used or useful in the business of such persons and their subsidiaries. Commitments under the Bridge Credit Agreement will also be reduced by the amount of commitments under certain designated term loan facilities and by the amount of any specified debt as to which, on or prior to the tranche B closing date, arrangements have been made to permit such debt to remain outstanding in accordance with its terms or permanent repayment or termination has been effected by OCI and its affiliates.

Borrowings under the Bridge Credit Agreement will be denominated in dollars and bear interest at a per annum rate equal to an applicable LIBOR rate or base rate plus, in either case, a specified margin that depends on CF Holdings' (or, after the consummation of the transactions contemplated by the Combination Agreement on the Combination Agreement Closing Date, New CF's) credit rating at the time and that will increase by a specified amount every 90 days commencing with the 90th day after the date of the initial funding of the tranche B bridge loan through the date that is 270 days after the date of such initial funding. CF Industries is required to pay an undrawn commitment fee equal to 0.15% of the undrawn portion of the commitments under the Bridge Credit Agreement. CF Industries and New CF will also be required to pay duration fees ranging from 0.50% to 1.00% at specified intervals following the funding of the tranche B bridge loan.

Currently, CF Holdings and CF Industries are the only guarantors of the obligations under the Bridge Credit Agreement. Certain of CF Holdings' U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and CF Holdings' material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Bridge Credit Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of CF Holdings, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of CF Holdings, CF Industries or New CF, including debt under the Revolving Credit Agreement.

The representations, warranties, events of default and covenants contained in the Bridge Credit Agreement are substantially similar to those contained in the Revolving Credit Agreement.

CF INDUSTRIES HOLDINGS, INC.

Forward Sales and Customer Advances

We offer our customers the opportunity to purchase products from us on a forward basis at prices and on delivery dates we propose. Therefore, our reported fertilizer selling prices and margins may differ from market spot prices and margins available at the time of shipment.

Customer advances, which typically represent a portion of the contract's sales value, are received shortly after the contract is executed, with any remaining unpaid amount generally being collected by the time the product is shipped, thereby reducing or eliminating the accounts receivable related to such sales. Any cash payments received in advance from customers in connection with forward sales contracts are reflected on our consolidated balance sheets as a current liability until the related orders are shipped and revenue is recognized. As of December 31, 2015 and 2014, we had $161.5 million and $325.4 million, respectively, in customer advances on our consolidated balance sheets.

While customer advances are generally a significant source of liquidity, the level of forward sales contracts is affected by many factors including current market conditions and our customers' outlook of future market fundamentals. If the level of sales under our forward sales programs were to decrease in the future, our cash received from customer advances could likely decrease and our accounts receivable balances would likely increase. Additionally, borrowing under the Revolving Credit Agreement could become necessary. Due to the volatility inherent in our business and changing customer expectations, we cannot estimate the amount of future forward sales activity.

Under our forward sales programs, a customer may delay delivery of an order due to weather conditions or other factors. These delays generally subject the customer to potential charges for storage or may be grounds for termination of the contract by us. Such a delay in scheduled shipment or termination of a forward sales contract due to a customer's inability or unwillingness to perform may negatively impact our reported sales.

Derivative Financial Instruments

We use derivative financial instruments to reduce our exposure to changes in prices for natural gas that will be purchased in the future. Natural gas is the largest and most volatile component of our manufacturing cost for nitrogen-based fertilizers. We also use derivative financial instruments to reduce our exposure to changes in foreign currency exchange rates. Because we use derivative instruments, volatility in reported quarterly earnings can result from the unrealized mark-to-market adjustments in the value of the derivatives.

Derivatives expose us to counterparties and the risks associated with their ability to meet the terms of the contracts. For derivatives that are in net asset positions, we are exposed to credit loss from nonperformance by the counterparties. We control our credit risk through the use of multiple counterparties that are multinational commercial banks, major financial institutions or large energy companies, and, in most cases, the use of International Swaps and Derivatives Association (ISDA) master netting arrangements.

The ISDA master netting arrangements to most of our derivative instruments contain credit-risk-related contingent features, such as cross default provisions and credit support requirements. In the event of certain defaults or a credit ratings downgrade, our counterparty may request early termination and net settlement of certain derivative trades or may require us to collateralize derivatives in a net liability position.

As of December 31, 2015 and 2014, the aggregate fair value of the derivative instruments with credit-risk-related contingent features in net liability positions was $211.3 million and $47.1 million, respectively, which also approximates the fair value of the maximum amount of additional collateral that would need to be posted or assets needed to settle the obligations if the credit-risk-related contingent features were triggered at the reporting dates. As of December 31, 2015 and 2014, we had open natural gas derivative contracts for 431.5 million MMBtus and 58.7 million MMBtus, respectively. At both December 31, 2015 and 2014, we had no cash collateral on deposit with counterparties for derivative contracts.

As of December 31, 2015 and 2014, the notional amount of our open foreign currency derivatives was €89.0 million and €209.0 million, respectively. None of these open foreign currency derivatives were designated as hedging instruments for accounting purposes.

Pension and Other Postretirement Benefits

We contributed $27.7 million to our pension plans in 2015. We expect to contribute approximately $39.8 million to our pension plans in 2016.

Table of Contents

Cash Flows

Operating Activities

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net cash provided by operating activities in 2015 was $1.20 billion as compared to $1.41 billion in 2014, a decline of $204.9 million. This decline was primarily due to unfavorable working capital changes as customer advances were lower and inventory levels were higher in 2015 as compared to 2014 levels. Due to the declining pricing environment for nitrogen fertilizers in 2015, customers delayed making forward purchase commitments to purchase fertilizer in 2015, which reduced the amount of customer advances that were received, as compared to 2014 when fertilizer pricing was stronger. A poor fall ammonia application season contributed to higher inventory levels in 2015 as compared to 2014 when inventory levels declined.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net cash provided by operating activities in 2014 was $1.41 billion as compared to $1.47 billion in 2013. The $58.2 million decrease in net cash provided by operating activities resulted from lower earnings from core operating activities partially offset by favorable working capital changes in 2014 as compared to 2013. The lower earnings from core operating activities were primarily a result of the $741.7 million decline in gross margin. Partially offsetting the decline in gross margin, $638.6 million less was invested in net working capital than in 2013. Improvements in working capital during 2014 were due to a combination of higher customer advances, lower inventory levels and lower amounts paid for income taxes in 2014 as compared in 2013. Customer advances were higher in anticipation of a busy spring 2015 application season combined with tighter North American nitrogen fertilizer supply compared to 2013.

Investing Activities

Years Ended December 31, 2015, 2014 and 2013

Net cash used in investing activities was $2.98 billion in 2015 compared to $343.5 million in 2014 when we received proceeds of $1.37 billion from the sale of the phosphate business. During 2015, capital expenditures totaled $2.47 billion compared to $1.81 billion in 2014. The increase in capital expenditures is primarily related to the capacity expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa. We also acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for a net cash payment of $551.6 million, which was net of cash acquired of $18.8 million. The $1.02 billion net cash used in investing activities in 2013 included $823.8 million in capital expenditures and $154.0 million transferred to a restricted cash account in support of the capacity expansion projects.

Financing Activities

Years Ended December 31, 2015, 2014 and 2013

Net cash provided by financing activities was $79.9 million in 2015 compared to net cash used in financing activities of $775.1 million and $980.3 million in 2014 and 2013, respectively. In 2015, we issued senior notes and received proceeds of $1.0 billion. In both 2014 and 2013, we issued senior notes and received proceeds of approximately $1.5 billion. Net cash used in financing activities in 2013 included $918.7 million to acquire the noncontrolling interests in CFL. Cash used for share repurchases in 2015, 2014 and 2013 was $556.3 million, $1.93 billion and $1.41 billion, respectively. We distributed $45.0 million to the noncontrolling interests in 2015, compared to $46.0 million in 2014 and $73.7 million in 2013. The decrease in distributions to noncontrolling interests in 2015 and 2014 as compared to 2013 was due to the acquisition of the noncontrolling interests in CFL in April 2013, which impacted the payments made in the first four months of 2013.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Contractual Obligations
The following is a summary of our contractual obligations as of December 31, 2015:

	2016	2017	2018	2019	2020	After 2020	Total
	(in millions)						
Contractual Obligations							
Debt							
Long-term debt[1]	$—	$—	$800.0	$—	$800.0	$4,000.0	$5,600.0
Interest payments on long-term debt[1]	312.9	305.4	277.9	250.4	221.1	2,602.5	3,970.2
Other Obligations							
Operating leases	82.2	87.9	70.8	58.3	46.3	115.6	461.1
Equipment purchases and plant improvements	142.5	23.6	1.5	—	—	—	167.6
Capacity expansion projects[2]	953.2	—	—	—	—	—	953.2
Transportation[3]	62.6	11.1	8.4	7.6	3.3	—	93.0
Purchase obligations[4][5]	641.6	335.5	109.5	38.1	37.2	148.3	1,310.2
Contributions to pension plans[6]	39.8	—	—	—	—	—	39.8
Net operating loss settlement[7]	10.8	10.6	—	—	—	—	21.4
Total[8][9]	$2,245.6	$774.1	$1,268.1	$354.4	$1,107.9	$6,866.4	$12,616.5

(1) Based on debt balances before discounts, offering expenses and interest rates as of December 31, 2015.

(2) We expect to spend approximately $1.2 billion during 2016 related to the Donaldsonville and Port Neal capacity expansion projects expected to be completed in mid-2016. Contractual commitments do not include any amounts related to our foreign currency derivatives. For further information, see our previous discussion under Capacity Expansion Projects and Restricted Cash in the Liquidity and Capital Resources section of this discussion and analysis.

(3) Includes anticipated expenditures under certain contracts to transport raw materials and finished product to and from our facilities. The majority of these arrangements allow for reductions in usage based on our actual operating rates. Amounts set forth above are based on projected normal operating rates and contracted or current spot prices, where applicable, as of December 31, 2015 and actual operating rates and prices may differ.

(4) Includes minimum commitments to purchase natural gas based on prevailing market-based forward prices as of December 31, 2015. Purchase obligations do not include any amounts related to our natural gas derivatives.

(5) Includes a commitment to purchase ammonia from PLNL at market-based prices under an agreement that expires in 2018. The annual commitment based on market prices as of December 31, 2015 is $87.1 million with a total remaining commitment of $239.6 million.

(6) Represents the contributions we expect to make to our pension plans during 2016. Our pension funding policy is to contribute amounts sufficient to meet minimum legal funding requirements plus discretionary amounts that we may deem to be appropriate.

(7) Represents the amounts we expect to pay to our pre-IPO owners in conjunction with the amended NOL Agreement and the 2013 settlement with the IRS. See Note 10—Income Taxes to our consolidated financial statements included in Item 8 of this report for further discussion of this matter.

(8) Excludes $182.6 million of unrecognized tax benefits due to the uncertainty in the timing of potential tax payments.

(9) Excludes $10.6 million of environmental remediation liabilities.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Subsequent Event

On August 12, 2015, we announced that we agreed to enter into a strategic venture with CHS Inc. (CHS). The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in CF Industries Nitrogen, LLC (CFN), a subsidiary of CF Holdings, for $2.8 billion. CHS also began receiving deliveries from us pursuant to a supply agreement under which CHS has the right to purchase annually from us up to approximately 1.1 million tons of granular urea and 580,000 tons of UAN at market prices. CHS is entitled to semi-annual profit distributions from CFN as a result of its minority equity interest in CFN based generally on the volume of granular urea and UAN purchased by CHS pursuant to the supply agreement.

Off-Balance Sheet Arrangements

We have operating leases for certain property and equipment under various noncancelable agreements, the most significant of which are rail car leases and barge tow charters for the transportation of fertilizer. The rail car leases currently have minimum terms ranging from one to eleven years and the barge charter commitments range from two to seven years. We also have terminal and warehouse storage agreements for our distribution system, some of which contain minimum throughput requirements. The storage agreements contain minimum terms generally ranging from one to five years and commonly contain automatic annual renewal provisions thereafter unless canceled by either party. See Note 24—Leases in the notes to our consolidated financial statements included in Item 8 of this report for additional information concerning leases.

We do not have any other off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition, results of operations, liquidity and capital resources is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. U.S. GAAP requires that we select policies and make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience, technological assessment, opinions of appropriate outside experts, and the most recent information available to us. Actual results may differ from these estimates. Changes in estimates that may have a material impact on our results are discussed in the context of the underlying financial statements to which they relate. The following discussion presents information about our most critical accounting policies and estimates.

Revenue Recognition

We recognize revenue when title and risk of loss are transferred to the customer, which can be at the plant gate, a distribution facility, a supplier location or a customer destination. In some cases, application of this policy requires that we make certain assumptions or estimates regarding a component of revenue, discounts and allowances, rebates, or creditworthiness of some of our customers. We base our estimates on historical experience, and the most recent information available to us, which can change as market conditions change. Amounts related to shipping and handling that are billed to our customers in sales transactions are classified as sales in our consolidated statements of operations. Sales incentives are reported as a reduction in net sales.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost and depreciation and amortization are computed using either the straight-line method or the units-of-production method over the lives of the assets. The lives used in computing depreciation and amortization expense are based on estimates of the period over which the assets will be of economic benefit to us. Estimated lives are based on historical experience, manufacturers' or engineering estimates, valuation or appraisal estimates and future business plans. We review the depreciable lives assigned to our property, plant and equipment on a periodic basis, and change our estimates to reflect the results of those reviews.

Scheduled inspections, replacements and overhauls of plant machinery and equipment at our continuous process manufacturing facilities during a full plant shutdown are referred to as plant turnarounds. We account for plant turnarounds under the deferral method, as opposed to the direct expense or built-in overhaul methods. Under the deferral method, expenditures related to turnarounds are capitalized in property, plant and equipment when incurred and amortized to production costs on a straight-line basis over the period benefited, which is until the next scheduled turnaround in up to 5 years. Should the estimated period between turnarounds change, we may be required to amortize the remaining cost of the turnaround over a shorter period, which would lead to higher depreciation and amortization costs. If we used the direct expense method, turnaround costs would be expensed as incurred. Scheduled replacements and overhauls of plant machinery and equipment include the dismantling, repair or replacement and installation of various components including piping, valves, motors, turbines, pumps, compressors, heat exchangers and the replacement of catalyst when a full plant shutdown occurs. Scheduled inspections are also conducted during a full plant shut down including required safety inspections, which entails the disassembly of various components such as steam boilers, pressure vessels and other equipment requiring safety certifications. Capitalized turnaround costs have been applied consistently in the periods presented. Internal employee costs and overhead amounts are not considered turnaround costs and are not capitalized. Turnaround costs are classified as investing activities in the consolidated statements of cash flows in the line entitled, "Additions to property, plant and equipment."

Inventory Valuation

We review our inventory account balances at least quarterly, and more frequently if required by market conditions, to determine whether the carrying amount of inventories exceeds their market value. This review process incorporates current industry and customer-specific trends, current operating plans, historical price activity, and selling prices expected to be realized. If the carrying amount of our inventory exceeds its estimated market value, we immediately adjust our carrying values accordingly. Upon inventory liquidation, if the actual sales prices are less than our most recent estimate of market value, additional losses would be recorded in the period of liquidation. Fixed production costs related to idle capacity are not included in the cost of inventory but are charged directly to cost of sales.

Asset Retirement Obligations

Asset retirement obligations (AROs) are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal operation of such assets. AROs are initially recognized as incurred when sufficient information exists to estimate fair value. We have AROs at our nitrogen fertilizer manufacturing complexes and at our distribution and storage facilities that are conditional upon cessation of operations. These AROs include certain decommissioning activities as well as the removal and disposal of certain chemicals, waste materials, structures, equipment, vessels, piping and storage tanks. Also included are reclamation of land and the closure of certain effluent ponds. A liability has not been recorded for these conditional AROs. The most recent estimate of the aggregate cost of these AROs expressed in 2015 dollars is $66.4 million. We have not recorded a liability for these conditional AROs as of December 31, 2015 because we do not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of operations at our nitrogen fertilizer manufacturing facilities or our distribution and storage facilities, which is necessary in order to estimate fair value. In reaching this conclusion, we considered the historical performance of each complex or facility and have taken into account factors such as planned maintenance, asset replacements and upgrades of plant and equipment, which if conducted as in the past, can extend the physical lives of our nitrogen manufacturing facilities and our distribution and storage facilities indefinitely. We also considered the possibility of changes in technology, risk of obsolescence, and availability of raw materials in arriving at our conclusion.

Recoverability of Long-Lived Assets, Goodwill and Investments in Unconsolidated Subsidiaries

We review the carrying values of our property, plant and equipment and other long-lived assets, including our finite-lived intangible assets, goodwill and investments in affiliates including joint ventures in accordance with U.S. GAAP in order to assess recoverability. Factors that we must estimate when performing impairment tests include sales volume, selling prices, raw material costs, operating rates, operating expenses, inflation, discount rates, exchange rates, tax rates and capital spending. Significant judgment is involved in estimating each of these factors, which include inherent uncertainties. The factors we use are consistent with those used in our internal planning process. The recoverability of the values associated with our goodwill, long-lived assets and investments in unconsolidated affiliates is dependent upon future operating performance of the specific businesses to which they are attributed. Certain of the operating assumptions are particularly sensitive to the cyclical nature of the fertilizer business. Adverse changes in demand for our products, increases in supply and the availability and costs of key raw materials could significantly affect the results of our review.

The recoverability and impairment tests of long-lived assets are required only when conditions exist that indicate the carrying value may not be recoverable. For goodwill, impairment tests are required at least annually, or more frequently if events or circumstances indicate that it may be impaired. Our investments in unconsolidated affiliates are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. When circumstances indicate that the fair value of our investment in any such affiliate is less than its carrying value, and the reduction in value is other than temporary, the reduction in value is recognized immediately in earnings.

Our joint venture investment in the Republic of Trinidad and Tobago operates an ammonia plant that relies on natural gas supplied by The National Gas Company of Trinidad and Tobago Limited (NGC). The joint venture is accounted for under the equity method and continues to generate positive income and cash flow. The financial results are included in the information in

CF INDUSTRIES HOLDINGS, INC.

Note 8—Equity Method Investments to the consolidated financial statements. The joint venture has experienced natural gas curtailments in 2015 and 2014 due to major maintenance activities being conducted at upstream natural gas facilities and decreased gas exploration and development activity in the Republic of Trinidad and Tobago. These curtailments are expected to continue into the future. Commitments from NGC regarding the level of future availability and the related cost are not available. The future availability and cost of natural gas represents a significant assumption in the discounted cash flow models utilized for recoverability and impairment testing. In 2015, our equity in earnings of operating affiliates includes a $61.9 million impairment of our equity method investment in PLNL. No impairment was recognized in 2014 or 2013 related to this investment.

We evaluate goodwill for impairment in the fourth quarter at the reporting unit level, which in our case, are the ammonia, granular urea, UAN, AN and Other segments. Our evaluation can begin with a qualitative assessment of the factors that could impact the significant inputs used to estimate fair value. If after performing the qualitative assessment, we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then no further testing is performed. However, if it is unclear based on the results of the qualitative test, we perform a quantitative test involving potentially two steps. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. We use an income-based valuation method, determining the present value of future cash flows, to estimate the fair value of a reporting unit. If the fair value of a reporting unit exceeds its positive carrying amount, goodwill of the reporting unit is considered not impaired, and the second step of the impairment test is unnecessary. The second step of the goodwill impairment test, if needed, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. We recognize an impairment loss immediately to the extent the carrying value exceeds its implied fair value. We identified no goodwill impairment in our 2015, 2014 or 2013 reviews. As of December 31, 2015 and 2014, the carrying value of our goodwill was $2.39 billion and $2.09 billion, respectively.

Intangible assets identified in connection with our 2010 acquisition of Terra Industries Inc. consist of customer relationships, which are being amortized over a period of 18 years. The intangible assets identified in connection with our 2015 acquisition of CF Fertilisers UK consist of customer relationships and trade names which are being amortized over a remaining period of approximately 20 years. Our intangible assets are presented in other assets on the consolidated balance sheets. For additional information regarding our goodwill and other intangible assets, see Note 7—Goodwill and Other Intangible Assets.

Income Taxes

We recognize expenses, assets and liabilities for income taxes based on estimates of amounts that ultimately will be determined to be taxable or deductible in tax returns filed in various jurisdictions. U.S. income taxes are provided on that portion of the earnings of foreign subsidiaries that is expected to be remitted to the U.S. and be taxable. The final taxes paid are dependent upon many factors and judgments, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, state and international tax audits. The judgments made at any point in time may change from previous conclusions based on the outcome of tax audits, as well as changes to, or further interpretations of, tax laws and regulations. We adjust income tax expense in the period in which these changes occur.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are projected to be recovered or settled. Realization of deferred tax assets is dependent on our ability to generate sufficient taxable income of an appropriate character in future periods. A valuation allowance is established if it is determined to be more likely than not that a deferred tax asset will not be realized. Significant judgment is applied in evaluating the need for and the magnitude of appropriate valuation allowances against deferred tax assets. Interest and penalties related to unrecognized tax benefits are reported as interest expense and income tax expense, respectively.

A deferred income tax liability is recorded for income taxes that would result from the repatriation of the portion of the investment in our non-U.S. subsidiaries and joint venture that are considered to not be permanently reinvested. No deferred income tax liability is recorded for the remainder of our investment in non-U.S. subsidiaries and joint venture, which we believe to be indefinitely reinvested.

As a large commercial enterprise with international operations, our income tax expense and our effective tax rate may change from period to period due to many factors. The most significant of these factors are changes in tax legislation, changes in the geographic mix of earnings, the tax characteristics of our income, the ability to realize certain foreign tax credits and net operating losses, and the portion of the income of our foreign subsidiaries and joint venture that is expected to be remitted to the U.S. and be taxable. It is reasonably likely that these items will impact income tax expense, net income and liquidity in future periods.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

We operate in a number of countries and as a result have a significant amount of cross border transactions. The taxability of cross border transactions has received an increasing level of scrutiny among regulators in countries across the globe, including the countries in which we operate. The tax rules and regulations within the various countries in which we operate are complex and in many cases there is not symmetry between the rules of the various countries. As a result, there are instances where regulators within the countries involved in a cross border transaction may reach different conclusions regarding the taxability of the transaction in their respective jurisdictions based on the same set of facts and circumstances. We work closely with regulators to reach a common understanding and conclusion regarding the taxability of cross border transactions. However, there are instances where reaching a common understanding is not possible or practical. As of December 31, 2015, we have recorded a reserve for unrecognized tax benefits, including penalties and interest, of $182.6 million, which is related predominantly to certain potential tax exposures involving cross border transactions. This amount represents our best estimate of the amounts due based on our interpretations of the rules and the facts and circumstances of the transactions. Differences in interpretation of the tax laws, including agreements between governments surrounding our cross border transactions, can result in differences in taxes paid which may be higher or lower than our estimates.

Pension Assets and Liabilities

Pension assets and liabilities are affected by the fair value of plan assets, estimates of the expected return on plan assets, plan design, actuarial estimates and discount rates. Actual changes in the fair value of plan assets and differences between the actual return on plan assets and the expected return on plan assets affect the amount of pension expense ultimately recognized. Key assumptions that affect our projected benefit obligation (PBO) are discount rates and, in addition for our United Kingdom plans, an adjusted retail price index (RPI). Key assumptions affecting pension expense include discount rates, the expected long-term rate of return on assets and, in addition for our United Kingdom plans, RPI.

The December 31, 2015 PBO was computed based on a weighted-average discount rates of 4.3% for our North America plans and 3.8% for our United Kingdom plans, which were based on yields for high-quality (AA rated or better) fixed income debt securities that match the timing and amounts of expected benefit payments as of the measurement date of December 31. Declines in comparable bond yields would increase our PBO. The weighted-average discount rate used to calculate pension expense in 2015 was 4.0% for North America plans and 3.7% for United Kingdom plans. Our net benefit obligation, after deduction of plan assets, could increase or decrease depending on the extent to which returns on pension plan assets are lower or higher than the discount rate. The 4.8% weighted-average expected long-term rate of return on assets used to calculate pension expense in 2015 for our North America plans is based on studies of actual rates of return achieved by equity and non-equity investments, both separately and in combination over historical holding periods. The 5.4% weighted-average expected long-term rate of return on assets used to calculate pension expense in 2015 for our United Kingdom plans is based on expected long-term performance of underlying investments, net of investment managers' fees. The 3.1% RPI used to calculate our United Kingdom plan PBO and pension expense is developed using the Bank of England implied retail price inflation curve based on the difference between yields on fixed interest and index-linked gilts adjusted for inflation risk.

For North America qualified pension plans, our PBO was $735.8 million as of December 31, 2015, which was $109.2 million higher than pension plan assets. If the discount rate used to compute the PBO for North America plans was lower or higher by 50 basis points, our PBO would have been $46.1 million higher or $41.8 million lower, respectively, than the amount previously discussed. If the discount rate used to compute the 2015 pension expense for North America plans decreased or increased by 50 basis points, the expense would have been approximately $3.5 million higher or $2.8 million lower, respectively, than the amount calculated. If the expected long-term rate of return on assets for North America plans was higher or lower by 50 basis points, pension expense for 2015 would have been $3.0 million lower or higher, respectively.

For our United Kingdom pension plans, our PBO was $562.7 million as of December 31, 2015 which was $148.7 million higher than pension plan assets. If the discount rate used to compute the United Kingdom PBO was lower or higher by 50 basis points, our PBO would have been $47.0 million higher or $42.9 million lower, respectively, than the amount previously discussed. If the discount rate used to compute the 2015 United Kingdom pension expense decreased or increased by 50 basis points, the expense would have been $0.5 million lower or higher, respectively. If the expected long-term rate of return on assets for our United Kingdom plans was higher or lower by 50 basis points, pension expense for 2015 would have been $0.8 million lower or higher, respectively. If RPI was higher or lower by 50 basis points, our PBO for United Kingdom plans would have been $28.3 million higher or $26.7 million lower, respectively and pension expense for 2015 would have been $0.5 million higher or lower, respectively.

See Note 11—Pension and Other Postretirement Benefits to our consolidated financial statements included in Item 8 of this report for further discussion of our pension plans.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Consolidation

We consolidate all entities that we control by ownership of a majority interest and use the equity method to account for investments in affiliates that we do not consolidate, but for which we have the ability to exercise significant influence over operating and financial policies. Our consolidated net earnings include our share of the net earnings of these companies plus the amortization expense of certain tangible and intangible assets identified as part of purchase accounting. Our judgment regarding the level of influence over our equity method investments includes considering key factors such as ownership interest, representation on the Board of Directors, participation in policy decisions and material intercompany transactions. We regularly review for potential changes in the consolidation of variable interest entities.

We eliminate from our consolidated financial results all significant intercompany transactions.

Recent Accounting Pronouncements

See Note 3—New Accounting Standards to our consolidated financial statements included in Item 8 of this report for a discussion of recent accounting pronouncements.

Discussion of Seasonality Impacts on Operations

The fertilizer business is seasonal. The degree of seasonality of our business can change significantly from year to year due to conditions in the agricultural industry and other factors. The strongest demand for our products occurs during the spring planting season, with a second period of strong demand following the fall harvest. We and our customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. Seasonality is greatest for ammonia due to the short application season and the limited ability of our customers and their customers to store significant quantities of this product. The seasonality of fertilizer demand generally results in our sales volumes and net sales being the highest during the spring and our working capital requirements being the highest just prior to the start of the spring planting season. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and purchasing patterns.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to the impact of changes in commodity prices, interest rates and foreign currency exchange rates.

Commodity Prices

Our net sales, cash flows and estimates of future cash flows related to nitrogen-based fertilizers are sensitive to changes in fertilizer prices as well as changes in the prices of natural gas and other raw materials unless these costs have been fixed or hedged. A $1.00 per MMBtu change in the price of natural gas would change the cost to produce a ton of ammonia, granular urea, UAN (32%) and AN by approximately $32, $22, $14 and $15, respectively.

Natural gas is the largest and most volatile component of the manufacturing cost for nitrogen-based fertilizers. We manage the risk of changes in natural gas prices primarily with the use of derivative financial instruments covering periods through December 2018. The derivative instruments that we use are primarily natural gas fixed price swaps and natural gas options. These derivatives settle using primarily NYMEX futures price indexes, which represent the basis for fair value at any given time. The contracts represent anticipated natural gas needs for future periods and settlements are scheduled to coincide with anticipated natural gas purchases during those future periods.

As of December 31, 2015 and 2014, we had open derivative contracts for 431.5 million MMBtus and 58.7 million MMBtus, respectively. A $1.00 per MMBtu increase in the forward curve prices of natural gas as of December 31, 2015 would result in a favorable change in the fair value of these derivative positions of $407 million, and a $1.00 per MMBtu decrease in the forward curve prices of natural gas would change their fair value unfavorably by $407 million.

From time to time we may purchase nitrogen products on the open market to augment or replace production at our facilities.

Interest Rate Fluctuations

As of December 31, 2015, we had nine series of senior notes totaling $5.59 billion outstanding with maturity dates of May 1, 2018; May 1, 2020, October 15, 2022, June 1, 2023, October 15, 2025, October 15, 2027, March 15, 2034, June 1, 2043 and March 15, 2044. The senior notes have fixed interest rates. The fair value of our senior notes outstanding as of December 31, 2015 was approximately $5.46 billion.

Borrowings under the Revolving Credit Agreement and the Bridge Credit Agreement bear current market rates of interest and we are subject to interest rate risk on such borrowings. Maximum borrowings during 2015 were $367.0 million and zero for both 2014 and 2013. There were no borrowings outstanding as of December 31, 2015 or December 31, 2014.

Foreign Currency Exchange Rates

Since the fourth quarter of 2012, we have entered into euro/U.S. dollar derivative hedging transactions related to the euro-denominated construction costs associated with our capacity expansion projects at our Donaldsonville, Louisiana and Port Neal, Iowa facilities. As of December 31, 2015 and 2014, the notional amount of our open foreign currency forward contracts was approximately €89.0 million and €209.0 million, and the fair value was a net unrealized loss of $0.1 million and $22.4 million, respectively. As of December 31, 2015, a 10% change in U.S. dollar/euro forward exchange rates would change the fair value of these positions by $9.7 million.

We are also directly exposed to changes in the value of the Canadian dollar, the British pound and the Euro. Outside of the transactions mentioned above, we do not maintain any exchange rate derivatives or hedges related to these currencies.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CF Industries Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of CF Industries Holdings, Inc. and subsidiaries (the Company) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CF Industries Holdings, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), CF Industries Holdings, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

(signed) KPMG LLP

Chicago, Illinois
February 25, 2016

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2015	2014	2013
	(in millions, except per share amounts)		
Net sales	$4,308.3	$4,743.2	$5,474.7
Cost of sales	2,761.2	2,964.7	2,954.5
Gross margin	1,547.1	1,778.5	2,520.2
Selling, general and administrative expenses	169.8	151.9	166.0
Transaction costs	56.9	—	—
Other operating—net	92.3	53.3	(15.8)
Total other operating costs and expenses	319.0	205.2	150.2
Gain on sale of phosphate business	—	750.1	—
Equity in earnings of operating affiliates	(35.0)	43.1	41.7
Operating earnings	1,193.1	2,366.5	2,411.7
Interest expense	133.2	178.2	152.2
Interest income	(1.6)	(0.9)	(4.7)
Other non-operating—net	3.9	1.9	54.5
Earnings before income taxes and equity in earnings of non-operating affiliates	1,057.6	2,187.3	2,209.7
Income tax provision	395.8	773.0	686.5
Equity in earnings of non-operating affiliates—net of taxes	72.3	22.5	9.6
Net earnings	734.1	1,436.8	1,532.8
Less: Net earnings attributable to noncontrolling interest	34.2	46.5	68.2
Net earnings attributable to common stockholders	$699.9	$1,390.3	$1,464.6
Net earnings per share attributable to common stockholders[(1)]:			
Basic	$2.97	$5.43	$4.97
Diluted	$2.96	$5.42	$4.95
Weighted-average common shares outstanding[(1)]:			
Basic	235.3	255.9	294.4
Diluted	236.1	256.7	296.0

(1) Share and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company’s common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

See Accompanying Notes to Consolidated Financial Statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Net earnings	$734.1	$1,436.8	$1,532.8
Other comprehensive income (loss):			
Foreign currency translation adjustment—net of taxes	(157.3)	(72.4)	(30.2)
Unrealized (loss) gain on hedging derivatives—net of taxes	—	(1.8)	1.9
Unrealized gain on securities—net of taxes	0.2	0.2	1.0
Defined benefit plans—net of taxes	67.1	(43.2)	33.6
	(90.0)	(117.2)	6.3
Comprehensive income	644.1	1,319.6	1,539.1
Less: Comprehensive income attributable to noncontrolling interest	34.2	46.5	67.5
Comprehensive income attributable to common stockholders	$609.9	$1,273.1	$1,471.6

See Accompanying Notes to Consolidated Financial Statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
	(in millions, except share and per share amounts)	
Assets		
Current assets:		
Cash and cash equivalents	$286.0	$1,996.6
Restricted cash	22.8	86.1
Accounts receivable—net	267.2	191.5
Inventories	321.2	202.9
Prepaid income taxes	184.6	34.8
Other current assets	45.3	18.6
Total current assets	1,127.1	2,530.5
Property, plant and equipment—net	8,539.0	5,525.8
Investments in and advances to affiliates	297.8	861.5
Goodwill	2,390.1	2,092.8
Other assets	384.9	243.6
Total assets	$12,738.9	$11,254.2
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$917.7	$589.9
Income taxes payable	5.5	16.0
Customer advances	161.5	325.4
Other current liabilities	130.5	48.4
Total current liabilities	1,215.2	979.7
Long-term debt	5,592.7	4,592.5
Deferred income taxes	916.2	734.6
Other liabilities	627.6	374.9
Equity:		
Stockholders' equity:		
Preferred stock—$0.01 par value, 50,000,000 shares authorized	—	—
Common stock—$0.01 par value, 500,000,000 shares authorized, 2015—235,493,395 shares issued and 2014—245,904,140 shares issued[1]	2.4	2.5
Paid-in capital[1]	1,377.4	1,413.9
Retained earnings	3,057.9	3,175.3
Treasury stock—at cost, 2015—2,411,839 shares and 2014—4,231,090[1] shares	(152.7)	(222.2)
Accumulated other comprehensive loss	(249.8)	(159.8)
Total stockholders' equity	4,035.2	4,209.7
Noncontrolling interest	352.0	362.8
Total equity	4,387.2	4,572.5
Total liabilities and equity	$12,738.9	$11,254.2

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(1) December 31, 2014 amounts have been retroactively restated to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

See Accompanying Notes to Consolidated Financial Statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF EQUITY

	Common Stockholders							
	$0.01 Par Value Common Stock[(1)]	Treasury Stock[(1)]	Paid-In Capital[(1)]	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	(in millions)							
Balance as of December 31, 2012	$3.1	$(2.3)	$2,489.9	$3,461.1	$ (49.6)	$ 5,902.2	$ 380.0	$6,282.2
Net earnings	—	—	—	1,464.6	—	1,464.6	68.2	1,532.8
Other comprehensive income:								
Foreign currency translation adjustment—net of taxes	—	—	—	—	(29.5)	(29.5)	(0.7)	(30.2)
Unrealized net gain on hedging derivatives—net of taxes	—	—	—	—	1.9	1.9	—	1.9
Unrealized net gain on securities—net of taxes	—	—	—	—	1.0	1.0	—	1.0
Defined benefit plans—net of taxes	—	—	—	—	33.6	33.6	—	33.6
Comprehensive income						1,471.6	67.5	1,539.1
Acquisitions of noncontrolling interests in Canadian Fertilizers Limited (CFL)	—	—	(752.5)	—	—	(752.5)	(16.8)	(769.3)
Purchases of treasury stock	—	(1,449.3)	—	—	—	(1,449.3)	—	(1,449.3)
Retirement of treasury stock	(0.3)	1,247.8	(180.1)	(1,067.4)	—	—	—	—
Acquisition of treasury stock under employee stock plans	—	(3.2)	—	—	—	(3.2)	—	(3.2)
Issuance of $0.01 par value common stock under employee stock plans	—	5.2	8.7	(3.6)	—	10.3	—	10.3
Stock-based compensation expense	—	—	12.6	—	—	12.6	—	12.6
Excess tax benefit from stock-based compensation	—	—	13.5	—	—	13.5	—	13.5
Cash dividends ($0.44 per share)[(1)]	—	—	—	(129.1)	—	(129.1)	—	(129.1)
Distributions declared to noncontrolling interest	—	—	—	—	—	—	(68.5)	(68.5)
Effect of exchange rates changes	—	—	—	—	—	—	0.1	0.1

Balance as of December 31, 2013	$2.8	$(201.8)	$1,592.1	$3,725.6	$ (42.6)	$ 5,076.1	$ 362.3	$5,438.4
Net earnings	—	—	—	1,390.3	—	1,390.3	46.5	1,436.8
Other comprehensive income:								
Foreign currency translation adjustment—net of taxes	—	—	—	—	(72.4)	(72.4)	—	(72.4)
Unrealized net loss on hedging derivatives—net of taxes	—	—	—	—	(1.8)	(1.8)	—	(1.8)
Unrealized net gain on securities—net of taxes	—	—	—	—	0.2	0.2	—	0.2
Defined benefit plans—net of taxes	—	—	—	—	(43.2)	(43.2)	—	(43.2)
Comprehensive income						1,273.1	46.5	1,319.6
Purchases of treasury stock	—	(1,923.7)	—	—	—	(1,923.7)	—	(1,923.7)
Retirement of treasury stock	(0.3)	1,905.5	(220.3)	(1,684.9)	—	—	—	—
Acquisition of treasury stock under employee stock plans	—	(3.1)	—	—	—	(3.1)	—	(3.1)
Issuance of $0.01 par value common stock under employee stock plans	—	0.9	16.7	—	—	17.6	—	17.6
Stock-based compensation expense	—	—	16.7	—	—	16.7	—	16.7
Excess tax benefit from stock-based compensation	—	—	8.7	—	—	8.7	—	8.7
Cash dividends ($1.00 per share)(1)	—	—	—	(255.7)	—	(255.7)	—	(255.7)
Distributions declared to noncontrolling interest	—	—	—	—	—	—	(46.0)	(46.0)
Balance as of December 31, 2014	$2.5	$(222.2)	$1,413.9	$3,175.3	$ (159.8)	$ 4,209.7	$ 362.8	$4,572.5
Net earnings	—	—	—	699.9	—	699.9	34.2	734.1
Other comprehensive income:								
Foreign currency translation adjustment—net of taxes	—	—	—	—	(157.3)	(157.3)	—	(157.3)
Unrealized net gain on securities—net of taxes	—	—	—	—	0.2	0.2	—	0.2
Defined benefit plans—net of taxes	—	—	—	—	67.1	67.1	—	67.1
Comprehensive income						609.9	34.2	644.1
Purchases of treasury stock	—	(527.2)	—	—	—	(527.2)	—	(527.2)
Retirement of treasury stock	(0.1)	597.1	(62.0)	(535.0)	—	—	—	—
Acquisition of treasury stock under employee	—	(1.3)	—	—	—	(1.3)	—	(1.3)

stock plans								
Issuance of $0.01 par value common stock under employee stock plans	—	0.9	7.5	—	—	8.4	—	8.4
Stock-based compensation expense	—	—	16.5	—	—	16.5	—	16.5
Excess tax benefit from stock-based compensation	—	—	1.5	—	—	1.5	—	1.5
Cash dividends ($1.20 per share)	—	—	—	(282.3)	—	(282.3)	—	(282.3)
Distributions declared to noncontrolling interest	—	—	—	—	—	—	(45.0)	(45.0)
Balance as of December 31, 2015	$2.4	$(152.7)	$1,377.4	$3,057.9	$ (249.8)	$ 4,035.2	$ 352.0	$4,387.2

(1) Amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

See Accompanying Notes to Consolidated Financial Statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Operating Activities:			
Net earnings	$734.1	$1,436.8	$1,532.8
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation, depletion and amortization	479.6	392.5	410.6
Deferred income taxes	77.9	18.5	(34.3)
Stock-based compensation expense	16.8	16.6	12.6
Excess tax benefit from stock-based compensation	(1.5)	(8.7)	(13.5)
Unrealized loss on derivatives	162.8	119.2	(59.3)
Gain on remeasurement of CF Fertilisers UK investment	(94.4)	—	—
Impairment of equity method investment in PLNL	61.9	—	—
Loss on sale of equity method investments	42.8	—	—
Gain on sale of phosphate business	—	(750.1)	—
Loss on disposal of property, plant and equipment	21.4	3.7	5.6
Undistributed earnings of affiliates—net of taxes	(3.3)	(11.5)	(11.3)
Changes in:			
Accounts receivable—net	(4.8)	36.1	0.4
Inventories	(71.0)	63.8	(80.3)
Accrued and prepaid income taxes	(147.8)	(56.8)	(153.4)
Accounts payable and accrued expenses	41.7	(53.2)	49.5
Customer advances	(163.9)	204.8	(260.1)
Other—net	51.4	(3.1)	67.5
Net cash provided by operating activities	1,203.7	1,408.6	1,466.8
Investing Activities:			
Additions to property, plant and equipment	(2,469.3)	(1,808.5)	(823.8)
Proceeds from sale of property, plant and equipment	12.4	11.0	12.6
Proceeds from sale of equity method investment	12.8	—	—
Proceeds from sale of phosphate business	—	1,372.0	—
Purchase of CF Fertilisers UK, net of cash acquired	(551.6)	—	—
Sales and maturities of short-term and auction rate securities	—	5.0	13.5
Canadian terminal acquisition	—	—	(72.5)
Deposits to restricted cash funds	—	(505.0)	(154.0)
Withdrawals from restricted cash funds	63.3	573.0	—
Deposits to asset retirement obligation funds	—	—	(2.9)
Other—net	(43.5)	9.0	7.8
Net cash used in investing activities	(2,975.9)	(343.5)	(1,019.3)
Financing Activities:			
Proceeds from long-term borrowings	1,000.0	1,494.2	1,498.0
Proceeds from short-term borrowings	367.0	—	—
Payments of short-term borrowings	(367.0)	—	—
Financing fees	(46.4)	(16.0)	(14.5)
Purchases of treasury stock	(556.3)	(1,934.9)	(1,409.1)
Acquisitions of noncontrolling interests in CFL	—	—	(918.7)

Dividends paid on common stock	(282.3)	(255.7)	(129.1)
Distributions to noncontrolling interest	(45.0)	(46.0)	(73.7)
Issuances of common stock under employee stock plans	8.4	17.6	10.3
Excess tax benefit from stock-based compensation	1.5	8.7	13.5
Other—net	—	(43.0)	43.0
Net cash provided by (used in) financing activities	79.9	(775.1)	(980.3)
Effect of exchange rate changes on cash and cash equivalents	(18.3)	(4.2)	(31.3)
(Decrease) increase in cash and cash equivalents	(1,710.6)	285.8	(564.1)
Cash and cash equivalents at beginning of period	1,996.6	1,710.8	2,274.9
Cash and cash equivalents at end of period	$286.0	$1,996.6	$1,710.8

See Accompanying Notes to Consolidated Financial Statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Background and Basis of Presentation

We are one of the largest manufacturers and distributors of nitrogen fertilizer and other nitrogen products in the world. Our principal customers are cooperatives, independent fertilizer distributors, farmers and industrial users. Our principal nitrogen fertilizer products are ammonia, granular urea, urea ammonium nitrate solution (UAN) and ammonium nitrate (AN). Our other nitrogen products include diesel exhaust fluid (DEF), urea liquor, nitric acid and aqua ammonia, which are sold primarily to our industrial customers, and compound fertilizer products (NPKs), which are solid granular fertilizer products for which the nutrient content is a combination of nitrogen, phosphorus, and potassium. Our core market and distribution facilities are concentrated in the midwestern United States and other major agricultural areas of the United States, Canada and the United Kingdom. We also export nitrogen fertilizer products from our Donaldsonville, Louisiana; Yazoo City, Mississippi; and Billingham, United Kingdom manufacturing facilities.

All references to "CF Holdings," "the Company," "we," "us" and "our" refer to CF Industries Holdings, Inc. and its subsidiaries, except where the context makes clear that the reference is only to CF Industries Holdings, Inc. itself and not its subsidiaries. All references to "CF Industries" refer to CF Industries, Inc., a 100% owned subsidiary of CF Industries Holdings, Inc.

Our principal assets include:

- six North American nitrogen fertilizer manufacturing facilities located in: Donaldsonville, Louisiana (the largest nitrogen fertilizer complex in North America); Medicine Hat, Alberta (the largest nitrogen fertilizer complex in Canada); Port Neal, Iowa; Courtright, Ontario; Yazoo City, Mississippi; and Woodward, Oklahoma;
- two United Kingdom nitrogen manufacturing complexes located in Ince and Billingham that produce AN, ammonia and NPKs;
- a 75.3% interest in Terra Nitrogen Company, L.P. (TNCLP), a publicly-traded limited partnership of which we are the sole general partner and the majority limited partner and which, through its subsidiary Terra Nitrogen, Limited Partnership (TNLP), operates a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma;
- an extensive system of terminals and associated transportation equipment located primarily in the midwestern United States; and
- a 50% interest in Point Lisas Nitrogen Limited (PLNL), an ammonia production joint venture located in the Republic of Trinidad and Tobago that we account for under the equity method.

Reclassifications and Changes in Presentation

During the fourth quarter of 2015, we adopted Accounting Standards Update (ASU) 2015-17, Balance Sheet Classification of Deferred Taxes (an update to Topic 740, Income Taxes) (ASU 2015-17) on a retrospective basis. As required by ASU 2015-17, all deferred tax assets and liabilities are classified as noncurrent in our consolidated balance sheets, which is a change from our historical presentation whereby certain of our deferred income taxes were classified as current assets and the remainder were classified as noncurrent deferred income tax liabilities. Upon adoption of ASU 2015-17, deferred income taxes of $84.0 million previously classified as current assets as of December 31, 2014, were reclassified as an offset to noncurrent deferred income taxes liabilities. See Note 3—New Accounting Standards and Note 10—Income Taxes, for additional information.

On May 15, 2015, we announced that our Board of Directors declared a five-for-one split of our common stock to be effected in the form of a stock dividend. On June 17, 2015, stockholders of record as of the close of business on June 1, 2015 (Record Date) received four additional shares of common stock for each share of common stock held on the Record Date. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the stock split. All share and per share data has been retroactively restated to reflect the stock split, except for the number of authorized shares of common stock. Since the par value of the common stock remained at $0.01 per share, the recorded value for common stock has been retroactively restated to reflect the par value of total outstanding shares with a corresponding decrease to paid-in capital.

Table of Contents

CF Fertilisers UK Acquisition

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK Group Limited (formerly known as GrowHow UK Group Limited) (CF Fertilisers UK) not previously owned by us for total consideration of $570.4 million, and CF Fertilisers UK became a wholly-owned subsidiary. CF Fertilisers UK Limited (formerly known as GrowHow UK Limited), a wholly-owned subsidiary of CF Fertilisers UK, operates two nitrogen manufacturing complexes in the United Kingdom, in the cities of Ince and Billingham. We recorded a $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK that is included in equity in earnings of non-operating affiliates—net of taxes for the year ended December 31, 2015. The financial results of CF Fertilisers UK have been consolidated within our financial results since July 31, 2015. Prior to July 31, 2015, our initial 50% equity interest in CF Fertilisers UK was accounted for as an equity method investment, and the financial results of this investment were included in our consolidated statements of operations in equity in earnings of non-operating affiliates—net of taxes. See Note 4—Acquisitions and Divestitures, for additional information on the preliminary allocation of the total purchase price to the assets acquired and liabilities assumed in the CF Fertilisers UK acquisition.

New Segments

In the third quarter of 2015, we changed our reportable segment structure to separate AN from our Other segment as our AN products increased in significance as a result of the CF Fertilisers UK acquisition. Our reportable segment structure reflects how our chief operating decision maker (CODM), as defined under U.S. generally accepted accounting principles (GAAP), assesses the performance of our operating segments and makes decisions about resource allocation. Our reportable segments now consist of ammonia, granular urea, UAN, AN, Other, and phosphate. These segments are differentiated by products. Our management uses gross margin to evaluate segment performance and allocate resources. Historical financial results have been restated to reflect the new reportable segment structure on a comparable basis. See Note 21—Segment Disclosures for additional information and a description of our reportable segments.

Phosphate Business Disposition

Prior to March 17, 2014, we also manufactured and distributed phosphate fertilizer products. Our principal phosphate products were diammonium phosphate (DAP) and monoammonium phosphate (MAP). On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to The Mosaic Company (Mosaic) for approximately $1.4 billion in cash. The transaction followed the terms of the definitive agreement executed in October 2013. The accounts receivable and accounts payable pertaining to the phosphate mining and manufacturing business and certain phosphate inventory held in distribution facilities were not sold to Mosaic in the transaction and were settled in the ordinary course.

Upon selling the phosphate business, we began to supply Mosaic with ammonia produced by our PLNL joint venture. The contract to supply ammonia to Mosaic from our PLNL joint venture represents the continuation of a supply practice that previously existed between our former phosphate mining and manufacturing business and other operations of the Company. Prior to March 17, 2014, PLNL sold ammonia to us for use in the phosphate business and the cost was included in our production costs in our phosphate segment. Subsequent to the sale of the phosphate business, we now sell the PLNL-sourced ammonia to Mosaic. The revenue from these sales to Mosaic and the costs to purchase the ammonia from PLNL are now included in our ammonia segment. Our 50% share of the operating results of our PLNL joint venture continues to be included in equity in earnings of operating affiliates in our consolidated statements of operations. Because of the significance of this continuing supply practice, in accordance with U.S. GAAP, the phosphate mining and manufacturing business is not reported as discontinued operations in our consolidated statements of operations. See Note 4—Acquisitions and Divestitures for additional information.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

2. Summary of Significant Accounting Policies

Consolidation and Noncontrolling Interest

The consolidated financial statements of CF Holdings include the accounts of CF Industries and all majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

TNCLP is a master limited partnership that is consolidated in the financial statements of CF Holdings. TNCLP owns the nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma. We own an aggregate 75.3% of TNCLP and outside investors own the remaining 24.7%. Partnership interests in TNCLP are traded on the New York Stock Exchange (NYSE). As a result, TNCLP files separate financial reports with the Securities and Exchange Commission (SEC). The outside investors' limited partnership interests in the partnership are included in noncontrolling interest in our consolidated financial statements. This noncontrolling interest represents the noncontrolling unitholders' interest in the partners' capital of TNCLP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses for the periods presented. Significant estimates and assumptions are used for, but are not limited to, net realizable value of inventories, environmental remediation liabilities, environmental and litigation contingencies, the cost of customer incentives, useful lives of property and identifiable intangible assets, the assumptions used in the evaluation of potential impairments of property, investments, identifiable intangible assets and goodwill, income tax and valuation reserves, allowances for doubtful accounts receivable, the measurement of the fair values of investments for which markets are not active, assumptions used in the determination of the funded status and annual expense of defined benefit pension and other postretirement plans, the assumptions used to determine the relative fair values of our new reportable segments and the assumptions used in the valuation of stock-based compensation awards granted to employees.

Revenue Recognition

The basic criteria necessary for revenue recognition are: (1) evidence that a sales arrangement exists, (2) delivery of goods has occurred, (3) the seller's price to the buyer is fixed or determinable, and (4) collectability is reasonably assured. We recognize revenue when these criteria have been met and when title and risk of loss transfers to the customer, which can be at the plant gate, a distribution facility, a supplier location or a customer destination. Revenue from forward sales programs is recognized on the same basis as other sales (when title and risk of loss transfers to the customer) regardless of when the customer advances are received.

We offer certain incentives that typically involve rebates if a customer reaches a specified level of purchases. Customer incentives are accrued monthly and reported as a reduction in net sales. This process is intended to report sales at the ultimate net realized price and requires the use of estimates.

Shipping and handling fees billed to customers are reported in revenue. Shipping and handling costs incurred by us are included in cost of sales.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value.

Investments

Short-term investments and noncurrent investments are accounted for primarily as available-for-sale securities reported at fair value with changes in fair value reported in other comprehensive income unless fair value is below amortized cost (i.e., the investment is impaired) and the impairment is deemed other-than-temporary, in which case, some or all of the decline in value would be charged to earnings. The carrying values of short-term investments approximate fair values because of the short maturities and the highly liquid nature of these investments.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Restricted Cash

In connection with our capacity expansion projects, we granted a contractor a security interest in a restricted cash account. We maintain a cash balance in that account equal to the cancellation fees for procurement services and equipment that would arise if the projects were canceled. This restricted cash is not included in our cash and cash equivalents and is reported separately on our consolidated balance sheets. Contributions to the restricted cash account are reported on our consolidated statements of cash flows as investing activities.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at face amounts less an allowance for doubtful accounts. The allowance is an estimate based on historical collection experience, current economic and market conditions, and a review of the current status of each customer's trade accounts receivable. A receivable is past due if payments have not been received within the agreed-upon invoice terms. Account balances are charged-off against the allowance when management determines that it is probable that the receivable will not be recovered.

Accounts receivable includes trade receivables and non-trade receivables.

Inventories

Inventories are reported at the lower of cost or market with cost determined on a first-in, first-out or average cost basis. Inventory includes the cost of materials, production labor and production overhead. Inventory at warehouses and terminals also includes distribution costs to move inventory to the distribution facilities. Market value is reviewed at least quarterly. Fixed production costs related to idle capacity are not included in the cost of inventory but are charged directly to cost of sales.

Investment in Unconsolidated Affiliate

The equity method of accounting is used for our investments in affiliates that we do not consolidate, but over which we have the ability to exercise significant influence. Our equity method investment for which the results are included in operating earnings consists of our 50% ownership interest in PLNL, which operates an ammonia production facility in the Republic of Trinidad and Tobago. Our share of the net earnings from this investment is reported as an element of earnings from operations because PLNL's operations provide additional production and are integrated with our supply chain and sales activities in the ammonia segment. See Note 8—Equity Method Investments for additional information.

Profits resulting from sales or purchases with our equity method investee are eliminated until realized by the investee or investor, respectively. Our investment in the affiliate is reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. When circumstances indicate that the fair value of our investment in affiliate is less than its carrying value, and the reduction in value is other than temporary, the reduction in value is recognized immediately in earnings.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method or the units-of-production (UOP) method. Depreciable lives are as follows:

	Years
Mobile and office equipment	3 to 10
Production facilities and related assets	2 to 30
Land improvements	10 to 30
Buildings	10 to 40

We periodically review the depreciable lives assigned to our property, plant and equipment, as well as estimated production capacities used to develop UOP depreciation expense, and we change the estimates to reflect the results of those reviews.

Table of Contents

Scheduled inspections, replacements and overhauls of plant machinery and equipment at our continuous process manufacturing facilities during a full plant shutdown are referred to as plant turnarounds. Plant turnarounds are accounted for under the deferral method, as opposed to the direct expense or built-in overhaul methods. Under the deferral method, expenditures related to turnarounds are capitalized in property, plant and equipment when incurred and amortized to production costs on a straight-line basis over the period benefited, which is until the next scheduled turnaround in up to five years. If the direct expense method were used, all turnaround costs would be expensed as incurred. Internal employee costs and overhead amounts are not considered turnaround costs and are not capitalized. Turnaround costs are classified as investing activities in the consolidated statements of cash flows. For additional information, see Note 6—Property, Plant and Equipment—Net.

Recoverability of Long-Lived Assets

We review property, plant and equipment and other long-lived assets in order to assess recoverability based on expected future undiscounted cash flows whenever events or circumstances indicate that the carrying value may not be recoverable. If the sum of the expected future net cash flows is less than the carrying value, an impairment loss is recognized. The impairment loss is measured as the amount by which the carrying value exceeds the fair value of the asset.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price of an acquired entity over the amounts assigned to the assets acquired and liabilities assumed. Goodwill is not amortized, but is reviewed for impairment annually or more frequently if certain impairment conditions arise. We perform our annual goodwill impairment review in the fourth quarter of each year at the reporting unit level, which in our case, are the ammonia, granular urea, UAN, AN and Other segments. Our evaluation can begin with a qualitative assessment of the factors that could impact the significant inputs used to estimate fair value. If after performing the qualitative assessment, we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then no further testing is performed. However, if it is unclear based on the results of the qualitative test, we perform a quantitative test involving potentially two steps. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. We use an income-based valuation method, determining the present value of future cash flows, to estimate the fair value of a reporting unit. If the fair value of a reporting unit exceeds its positive carrying amount, goodwill of the reporting unit is considered not impaired, and the second step of the impairment test is unnecessary. The second step of the goodwill impairment test, if needed, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. We recognize an impairment loss immediately to the extent the carrying value exceeds its implied fair value.

Our intangible assets are presented in other assets on the consolidated balance sheets. For additional information regarding our goodwill and other intangible assets, see Note 7—Goodwill and Other Intangible Assets.

Leases

Leases may be classified as either operating leases or capital leases. Assets acquired under capital leases, if any, would be depreciated on the same basis as property, plant and equipment. For operating leases, rental payments, including rent holidays, leasehold incentives, and scheduled rent increases are expensed on a straight-line basis. Leasehold improvements are amortized over the shorter of the depreciable lives of the corresponding fixed assets or the lease term including any applicable renewals.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are projected to be recovered or settled. Realization of deferred tax assets is dependent on our ability to generate sufficient taxable income of an appropriate character in future periods. A valuation allowance is established if it is determined to be more likely than not that a deferred tax asset will not be realized. Significant judgment is applied in evaluating the need for and magnitude of appropriate valuation allowances against deferred tax assets. Interest and penalties related to unrecognized tax benefits are reported as interest expense and income tax expense, respectively.

A deferred income tax liability is recorded for income taxes that would result from the repatriation of the portion of the investment in the Company's non-U.S. subsidiaries and joint venture that are considered to not be permanently reinvested. No deferred income tax liability is recorded for the remainder of our investment in non-U.S. subsidiaries and joint venture, which we believe to be indefinitely reinvested.

Derivative Financial Instruments

Natural gas is the principal raw material used to produce nitrogen fertilizers. We manage the risk of changes in natural gas prices primarily through the use of derivative financial instruments. The derivative instruments that we use are primarily fixed price swaps and options traded in the over-the-counter (OTC) markets. The derivatives reference primarily NYMEX futures contract prices, which represent the basis for fair value at any given time. These derivatives are traded in months forward and settlements are scheduled to coincide with anticipated gas purchases during those future periods. In order to manage our exposure to changes in foreign currency exchange rates, we use foreign currency derivatives, primarily forward exchange contracts.

The accounting for the change in the fair value of a derivative instrument depends on whether the instrument has been designated as a hedging instrument and whether the instrument is effective as part of a hedging relationship. Changes in the fair value of derivatives not designated as hedging instruments and the ineffective portion of derivatives designated as cash flow hedges are recorded in the consolidated statements of operations as the changes occur. Changes in the fair value of derivatives designated as cash flow hedging instruments considered effective are recorded in accumulated other comprehensive income (AOCI) as the changes occur, and are reclassified into income or expense as the hedged item is recognized in earnings.

Derivative financial instruments are accounted for at fair value and recognized as current or noncurrent assets and liabilities on our consolidated balance sheets. The fair values of derivative instruments and any related cash collateral are reported on a gross basis rather than on a net basis.

Cash flows related to natural gas derivatives are reported as operating activities. Cash flows related to foreign currency derivatives are reported as investing activities since they hedge future payments for the construction of long-term assets.

We do not use derivatives for trading purposes and are not a party to any leveraged derivatives. For additional information, see Note 16—Derivative Financial Instruments.

Customer Advances

Customer advances represent cash received from customers following acceptance of orders under our forward sales programs. Such advances typically represent a significant portion of the contract's sales value and are generally collected by the time the product is shipped, thereby reducing or eliminating accounts receivable from customers upon shipment. Revenue is recognized when title and risk of loss transfers upon shipment or delivery of the product to customers.

Environmental

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations are expensed. Expenditures that increase the capacity or extend the useful life of an asset, improve the safety or efficiency of the operations, or mitigate or prevent future environmental contamination are capitalized. Liabilities are recorded when it is probable that an obligation has been incurred and the costs can be reasonably estimated. Environmental liabilities are not discounted.

Stock-based Compensation

We grant stock-based compensation awards under our equity and incentive plans. The awards that have been granted to date are nonqualified stock options, restricted stock awards, restricted stock units and performance share units. The cost of employee services received in exchange for the awards is measured based on the fair value of the award on the grant date and is recognized as expense on a straight-line basis over the period during which the employee is required to provide the services. For additional information, see Note 19—Stock-Based Compensation.

Litigation

From time to time, we are subject to ordinary, routine legal proceedings related to the usual conduct of our business. We are also involved in proceedings regarding public utility and transportation rates, environmental matters, taxes and permits relating to the operations of our various plants and facilities. Accruals for such contingencies are recorded to the extent management concludes their occurrence is probable and the financial impact of an adverse outcome is reasonably estimable. Legal fees are recognized as incurred and are not included in accruals for contingencies.

Disclosure for specific legal contingencies is provided if the likelihood of occurrence is at least reasonably possible and the exposure is considered material to the consolidated financial statements. In making determinations of likely outcomes of litigation matters, many factors are considered. These factors include, but are not limited to, past history, scientific and other evidence, and the specifics and status of each matter. If the assessment of various factors changes, the estimates may change. Predicting the outcome of claims and litigation, and estimating related costs and exposure involves substantial uncertainties that could cause actual costs to vary materially from estimates and accruals.

Foreign Currency Translation

We translate the financial statements of our foreign subsidiaries with non-U.S. dollar functional currencies using period-end exchange rates for assets and liabilities and weighted-average exchange rates for each period for revenues and expenses. The resulting translation adjustments are recorded as a separate component of AOCI within stockholders' equity.

Foreign currency-denominated assets and liabilities are remeasured into U.S. dollars at exchange rates existing at the respective balance sheet dates. Gains and losses resulting from these foreign currency transactions are included in other operating—net on our consolidated statements of operations. Gains and losses resulting from intercompany foreign currency transactions that are of a long-term investment nature, if any, are reported in other comprehensive income.

Debt Issuance Costs

Costs associated with the issuance of debt are recorded as deferred charges and are amortized over the term of the related debt, in either current or noncurrent assets depending on the term. Debt issuance discounts are netted against the related debt and are amortized over the term of the debt using the effective interest method.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

3. New Accounting Standards

Recently Adopted Pronouncements

In November 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-17, Balance Sheet Classification of Deferred Taxes (an update to Topic 740, Income Taxes). To simplify the presentation of deferred income taxes, the amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The ASU will be effective for financial statements issued for annual and interim periods beginning after December 15, 2016, and can be applied prospectively or retrospectively. Earlier application is permitted. We elected to early adopt this ASU retrospectively in the fourth quarter of 2015, which resulted in the reclassification of deferred income taxes of $84.0 million from current assets to an offset of the noncurrent deferred income taxes liability on our consolidated balance sheet as of December 31, 2014. See Note 10—Income Taxes.

In May 2015, the FASB issued ASU No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). The amendments in ASU No. 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. ASU No. 2015-07 is effective for fiscal years beginning after December 15, 2015 and requires retrospective application. Early application is permitted. We elected to early adopt this ASU in the fourth quarter of 2015. See Note 11—Pension and Other Postretirement Benefits for additional information.

Recently Issued Pronouncements

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory (an update to Topic 330, Inventory), effective for annual and interim periods beginning after December 15, 2016. ASU No. 2015-11 changes the inventory measurement principle for entities using the first-in, first out (FIFO) or average cost methods. For entities utilizing one of these methods, the inventory measurement principle will change from lower of cost or market to the lower of cost and net realizable value. We use the FIFO or average cost methods and are currently evaluating the impact of this ASU on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. This ASU requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being presented as an asset. Debt disclosures will include the face amount of the debt liability and the effective interest rate. The ASU requires retrospective application and represents a change in accounting principle. In August 2015, the FASB issued the related ASU No. 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, which clarifies ASU No. 2015-03 and states that the SEC staff would not object to an entity deferring and presenting debt issuance costs related to a line-of-credit arrangement as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for fiscal years beginning after December 15, 2015 and retrospective presentation is required. Upon adoption of the ASU in 2016, fees totaling $56.0 million as of December 31, 2015 related to the senior notes would be reclassified as a reduction to long-term debt. Fees related to the undrawn Bridge Credit Agreement and the Revolving Credit Agreement would remain classified as an asset. See Note 12—Financing Agreements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which supersedes the revenue recognition requirements in Accounting Standards Codification Topic 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments. Additionally, information concerning the costs to obtain and fulfill a contract, including assets to be recognized, is to be capitalized and disclosed. In July

2015, the FASB voted to defer the effective date of this ASU through the issuance of ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date, to December 15, 2017 for interim and annual reporting periods beginning after that date. Early adoption of the standard as of December 15, 2016 (for interim and annual reporting periods beginning after that date) is permitted. We are currently evaluating the impact of the adoption of this ASU on our consolidated financial statements.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

4. Acquisitions and Divestitures

CF Fertilisers UK Acquisition

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us. The purchase price was funded with cash on hand. We recorded a gain of $94.4 million on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK that is included in equity in earnings of non-operating affiliates—net of taxes for the year ended December 31, 2015. See Note 8—Equity Method Investments for additional information.

During 2015, the Company incurred direct transaction costs of $3.6 million for the acquisition of CF Fertilisers UK, which were expensed as incurred and included in transaction costs in our consolidated statements of operations.

The following table summarizes the preliminary allocation of the total fair value of CF Fertilisers UK to the assets acquired and liabilities assumed in its acquisition on July 31, 2015. The estimated fair value of the assets acquired and liabilities assumed is based on the estimated net realizable value for inventory, a replacement cost approach for property, plant and equipment and the income approach for intangible assets. Final determination of the fair values may result in further adjustments to the amounts presented below.

(In millions)	Original Valuation	Net Adjustments to Fair Value[1]	Adjusted Valuation
Fair value of consideration transferred	$570.4	$—	$570.4
Fair value of 50% of equity interest already held by the Company	570.4	—	570.4
Total fair value	$1,140.8	$—	$1,140.8
Assets acquired and liabilities assumed			
Current assets	$165.1	$1.5	$166.6
Property, plant and equipment	898.1	(0.1)	898.0
Goodwill	328.4	(8.3)	320.1
Other assets	140.0	(1.2)	138.8
Total assets acquired	1,531.6	(8.1)	1,523.5
Current liabilities	73.6	0.5	74.1
Deferred tax liabilities—noncurrent	128.8	(8.6)	120.2
Other liabilities	188.4	—	188.4
Total liabilities assumed	390.8	(8.1)	382.7
Total net assets acquired	$1,140.8	$—	$1,140.8

[1] The purchase price related to the CF Fertilisers UK acquisition was initially allocated based on the information available at the acquisition date. During the fourth quarter of 2015, adjustments were made to the fair value of the assets acquired and liabilities assumed, which resulted in a corresponding $8.3 million decrease to goodwill.

Current assets acquired included cash of $18.8 million, accounts receivable of $72.6 million and inventory of $67.3 million. The acquired property, plant and equipment will be depreciated over a period consistent with our existing fixed assets depreciation policy.

The acquisition resulted in the recognition of $320.1 million of goodwill, which is not deductible for income tax purposes. Other assets acquired included intangible assets of $131.8 million. See Note 7—Goodwill and Other Intangible Assets, for additional information related to goodwill and the acquired intangibles.

The amount of sales and net earnings of CF Fertilisers UK since the acquisition date included in the consolidated statements of operations for the year ended December 31, 2015 was $208.4 million and $21.8 million, respectively.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

The following unaudited summary information is presented on a pro forma consolidated basis as if the CF Fertilisers UK acquisition had occurred on January 1, 2014:

	Year ended December 31,	
	2015	2014
	(in millions)	
Net sales	$4,676.9	$5,407.8
Net earnings attributable to common stockholders	626.2	1,519.2

The pro forma amounts include transaction costs, amortization and depreciation expense based on the estimated fair value and useful lives of intangible and tangible assets, elimination of the equity in earnings of the initial 50% equity investment in CF Fertilisers UK and related tax effects. Because the pro forma amounts assume the acquisition of CF Fertilisers UK occurred on January 1, 2014, the $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK is reflected in pro forma net earnings for the year ended December 31, 2014. The pro forma results are not necessarily indicative of the combined results had the CF Fertilisers UK acquisition been completed on January 1, 2014.

Agreement to Combine with Certain of OCI N.V.'s Businesses

On August 6, 2015, we announced that we entered into a definitive agreement (as amended, the Combination Agreement), under which we will combine with the European, North American and global distribution businesses (collectively, the ENA Business) of OCI N.V. (OCI). OCI is a global producer and distributor of natural gas-based fertilizers and industrial chemicals based in the Netherlands. The combination transaction includes OCI's nitrogen production facility in Geleen, Netherlands; its nitrogen production facility under construction in Wever, Iowa; its approximately 79.88% equity interest in an ammonia and methanol complex in Beaumont, Texas; and its global distribution business and the assumption of approximately $2 billion in net debt. The combination transaction also includes the purchase by CF Holdings or its designee of a 45% interest plus an option to acquire the remaining interest in OCI's Natgasoline project in Texas, which upon completion in 2017 will be one of the world's largest methanol facilities.

Under the terms of the Combination Agreement, CF Holdings will become a subsidiary of a new holding company (New CF) domiciled in the Netherlands. OCI will contribute the entities holding the ENA Business (other than the Natgasoline project) to New CF in exchange for ordinary shares of New CF (base share consideration), plus additional consideration of $700 million (subject to adjustment) to be paid in cash, ordinary shares of New CF or a mixture of cash and ordinary shares of New CF, as determined by CF Holdings in accordance with the terms of the Combination Agreement. The base share consideration will represent 25.6% of the ordinary shares of New CF that, upon consummation of the combination, subject to downward adjustment to account for the assumption by New CF, as contemplated by the Combination Agreement, of any of OCI's 3.875% convertible bonds due 2018 that remain outstanding as of the closing date of the combination. The consideration for the 45% interest in Natgasoline is $517.5 million in cash. The actual ownership split of New CF upon completion of the combination as between former CF Holdings shareholders, on the one hand, and OCI and its shareholders, on the other hand, will be dependent on our share price at the time of closing, the amount of convertible bonds to be assumed by New CF at closing, the amount of adjustments to the amount of the additional consideration, and the mix of cash and New CF ordinary shares used to pay the additional consideration.

The transaction is expected to close in mid-2016, subject to the approval of shareholders of both CF Holdings and OCI, the receipt of certain regulatory approvals and other closing conditions. The consummation of the Natgasoline portion of the transaction is subject to conditions that are in addition to the conditions to which the consummation of the portion of the transaction involving the ENA Business other than the Natgasoline project is subject, and the consummation of the Natgasoline portion of the transaction is not a condition to consummation of the portion of the transaction involving the ENA Business other than the Natgasoline project. New CF will operate under a name to be determined by CF Holdings and be led by our existing management.

In conjunction with entering into the Combination Agreement, on August 6, 2015, CF Industries Holdings, Inc. obtained financing commitments from Morgan Stanley Senior Funding, Inc. and Goldman Sachs Bank USA to finance the transactions contemplated by the Combination Agreement and for general corporate purposes. The proceeds of such committed financing are available under a senior unsecured bridge term loan facility in an aggregate principal amount of up to $3.0 billion, subject to the terms and conditions set forth therein. See Note 12—Financing Agreements—Bridge Credit Agreement for additional information.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Sale of Equity Method Investments
During the second quarter of 2015, we sold our 50% ownership interest in an ammonia storage joint venture in Houston, Texas and our 50% ownership interest in KEYTRADE AG (Keytrade). See Note 8—Equity Method Investments for additional information.
Phosphate Disposition
On March 17, 2014, we sold our phosphate mining and manufacturing business to Mosaic pursuant to the terms of the definitive transaction agreement executed in October 2013, among the Company, CF Industries and Mosaic, for approximately $1.4 billion in cash. We recognized pre-tax and after-tax gains on the transaction of $750.1 million and $462.8 million, respectively. Under the terms of the definitive transaction agreement, the accounts receivable and accounts payable pertaining to the phosphate mining and manufacturing business and certain phosphate inventory held in distribution facilities were not sold to Mosaic in the transaction and were settled in the ordinary course.
Upon selling the phosphate business, we began to supply Mosaic with ammonia produced by our PLNL joint venture. The contract to supply ammonia to Mosaic from our PLNL joint venture represents the continuation of a supply practice that previously existed between our former phosphate mining and manufacturing business and other operations of the Company. Prior to March 17, 2014, PLNL sold ammonia to us for use in the phosphate business and the cost was included in our production costs in our phosphate segment. Subsequent to the sale of the phosphate business, we now sell the PLNL-sourced ammonia to Mosaic. The revenue from these sales to Mosaic and the costs to purchase the ammonia from PLNL are now included in our ammonia segment. Our 50% share of the operating results of our PLNL joint venture continues to be included in equity in earnings of operating affiliates in our consolidated statements of operations. Because of the significance of this continuing supply practice, in accordance with U.S. GAAP, the phosphate mining and manufacturing business is not reported as discontinued operations in our consolidated statements of operations.
The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter. However, the segment will continue to be included until the reporting of comparable period phosphate results ceases.
5. Net Earnings Per Share
Net earnings per share were computed as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions, except per share amounts)		
Net earnings attributable to common stockholders	$699.9	$1,390.3	$1,464.6
Basic earnings per common share[(1)]:			
Weighted-average common shares outstanding	235.3	255.9	294.4
Net earnings attributable to common stockholders	$2.97	$5.43	$4.97
Diluted earnings per common share[(1)]:			
Weighted-average common shares outstanding	235.3	255.9	294.4
Dilutive common shares—stock options	0.8	0.8	1.6
Diluted weighted-average shares outstanding	236.1	256.7	296.0
Net earnings attributable to common stockholders	$2.96	$5.42	$4.95

(1) Share and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

In the computation of diluted earnings per common share, potentially dilutive stock options are excluded if the effect of their inclusion is anti-dilutive. For the years ended December 31, 2015, 2014 and 2013, anti-dilutive stock options were insignificant.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

6. Property, Plant and Equipment—Net

Property, plant and equipment—net consists of the following:

	December 31,	
	2015	2014
	(in millions)	
Land	$68.1	$48.4
Machinery and equipment	7,347.6	5,268.7
Buildings and improvements	270.9	160.7
Construction in progress[1]	3,626.6	2,559.0
	11,313.2	8,036.8
Less: Accumulated depreciation and amortization	2,774.2	2,511.0
	$8,539.0	$5,525.8

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(1) As of December 31, 2015 and 2014, we had construction in progress that was accrued but unpaid of $543.3 million and $279.0 million, respectively. These amounts included accruals related to our capacity expansion projects of $471.1 million and $244.3 million as of December 31, 2015 and 2014, respectively.

Depreciation, depletion and amortization related to property, plant and equipment was $444.4 million, $360.5 million and $373.9 million in 2015, 2014 and 2013, respectively.

Plant turnarounds—Scheduled inspections, replacements and overhauls of plant machinery and equipment at our continuous process manufacturing facilities during a full plant shutdown are referred to as plant turnarounds. The expenditures related to turnarounds are capitalized in property, plant and equipment when incurred. The following is a summary of plant turnaround activity:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Net capitalized turnaround costs at beginning of the year	$153.2	$119.8	$82.1
Additions	134.9	88.3	78.6
Depreciation	(65.4)	(53.9)	(40.8)
Effect of exchange rate changes	(2.6)	(1.0)	(0.1)
Net capitalized turnaround costs at end of the year	$220.1	$153.2	$119.8

Scheduled replacements and overhauls of plant machinery and equipment include the dismantling, repair or replacement and installation of various components including piping, valves, motors, turbines, pumps, compressors, heat exchangers and the replacement of catalyst when a full plant shutdown occurs. Scheduled inspections are also conducted during full plant shutdowns, including required safety inspections which entail the disassembly of various components such as steam boilers, pressure vessels and other equipment requiring safety certifications. Internal employee costs and overhead amounts are not considered turnaround costs and are not capitalized.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

7. Goodwill and Other Intangible Assets

The following table shows the carrying amount of goodwill by reportable segment as of December 31, 2015 and 2014:

	Ammonia	Granular Urea	UAN	AN	Other	Total
	(in millions)					
Balance as of December 31, 2014	$578.7	$829.6	$577.0	$68.9	$38.6	$2,092.8
Acquisition of CF Fertilisers UK[1]	10.5	—	—	271.0	38.6	320.1
Effect of exchange rate changes	(1.9)	(1.8)	(1.3)	(15.6)	(2.2)	(22.8)
Balance as of December 31, 2015	$587.3	$827.8	$575.7	$324.3	$75.0	$2,390.1

[1] The acquisition on July 31, 2015 of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us resulted in goodwill of $320.1 million. See Note 4—Acquisitions and Divestitures and Note 8—Equity Method Investments for additional information.

Amounts presented in the above table as of December 31, 2014 have been restated to reflect goodwill of $68.9 million that was allocated from the Other segment to the AN segment, the new reportable segment that was created in 2015. See Note 21—Segment Disclosures for further information. The fair value of each reporting unit exceeded its carrying value; thus, no impairment was recorded.

Our identifiable intangibles and carrying values are shown below and are presented in noncurrent other assets on our consolidated balance sheets.

	December 31, 2015			December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
	(in millions)					
Intangible assets:						
Customer relationships	$139.5	$(17.9)	$121.6	$50.0	$(13.2)	$36.8
TerraCair brand	10.0	(10.0)	—	10.0	(5.0)	5.0
Trade names	34.8	(0.7)	34.1	—	—	—
Total intangible assets	$184.3	$(28.6)	$155.7	$60.0	$(18.2)	$41.8

Included in the table above are definite-lived intangible assets of $131.8 million identified in connection with the July 31, 2015 acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us. CF Fertilisers UK's intangible assets are being amortized over a remaining period of approximately 20 years.

Amortization expense of our identifiable intangibles was $10.4 million, $4.0 million and $3.8 million for the years ended December 31, 2015, 2014 and 2013, respectively. In early 2015, management approved a plan to discontinue the use of the TerraCair brand in the sale of DEF. Based on the discontinuation of the use of this brand, the related intangible assets were fully amortized during the first quarter of 2015.

Total estimated amortization expense for each of the five succeeding fiscal years is as follows:

	Estimated Amortization Expense
	(in millions)
2016	$9.0
2017	9.0
2018	9.0
2019	9.0
2020	9.0

94

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

8. Equity Method Investments

In 2015, Company management approved certain plans to focus its portfolio of equity method investments, including the following actions, which are further described below.

- In the second quarter of 2015, we sold our 50% ownership interest in an ammonia storage joint venture in Houston, Texas. See Operating Equity Method Investments, below.
- On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us. CF Fertilisers UK is now wholly owned by us. See Note 4—Acquisitions and Divestitures, and see Non-Operating Equity Method Investments, below.
- In the second quarter of 2015, we sold our 50% ownership interest in KEYTRADE AG (Keytrade). See Non-Operating Equity Method Investments, below.

Equity method investments consist of the following:

	December 31, 2015	2014
	(in millions)	
Operating equity method investments	$297.8	$377.6
Non-operating equity method investments	—	483.9
Investments in and advances to affiliates	$297.8	$861.5

Operating Equity Method Investments

As of December 31, 2015, our remaining equity method investment was a 50% ownership interest in Point Lisas Nitrogen Limited (PLNL), which operates an ammonia production facility in the Republic of Trinidad and Tobago. We include our share of the net earnings from this equity method investment as an element of earnings from operations because PLNL provides additional production to our operations and is integrated with our other supply chain and sales activities in the ammonia segment.

Our equity in earnings of operating affiliates are summarized below:

	Year ended December 31, 2015	2014	2013
	(in millions)		
Equity in earnings of operating affiliates:			
PLNL[1]	$(36.2)	$37.6	$34.6
Ammonia storage joint venture	1.2	5.5	7.1
Total equity in earnings of operating affiliates	$(35.0)	$43.1	$41.7

(1) Equity in earnings of operating affiliates in 2015 includes an impairment of our equity method investment in PLNL of $61.9 million. In the fourth quarter of 2015, we determined the carrying value of our equity method investment in PLNL exceeded fair value. This was primarily due to ongoing natural gas curtailments impacting the results of operations of PLNL and the current expectation that these curtailments will continue into the future. No impairment was recognized in 2014 or 2013 related to this investment.

The total carrying value of our equity method investment in PLNL as of December 31, 2015 was $218.0 million more than our share of PLNL's book value. The excess is primarily attributable to the purchase accounting impact of our acquisition of the investment in PLNL and reflects primarily the revaluation of property, plant and equipment, the value of an exclusive natural gas contract and goodwill. The increased basis for property, plant and equipment and the gas contract are being amortized over a remaining period of approximately 18 years and 3 years, respectively. Our equity in earnings of PLNL is different from our ownership interest in income reported by PLNL due to amortization and impairment of these basis differences.

We have transactions in the normal course of business with PLNL reflecting our obligation to purchase 50% of the ammonia produced by PLNL at current market prices. Our ammonia purchases from PLNL totaled $121.5 million, $141.1 million and $151.0 million in 2015, 2014 and 2013, respectively.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Non-Operating Equity Method Investments

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us for total consideration of $570.4 million, and CF Fertilisers UK became wholly owned by us. We recorded a gain of $94.4 million on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK. The earnings in CF Fertilisers UK have been permanently reinvested; therefore, the recognition of the $94.4 million gain on the remeasurement of the historical equity investment to fair value does not include the recognition of tax expense on the gain. See Note 4—Acquisitions and Divestitures for additional information.

During the second quarter of 2015, we sold our 50% ownership interest in Keytrade. As a result, our equity in earnings of non-operating affiliates includes our equity in earnings of Keytrade through the date of the sale.

Our equity in earnings of non-operating affiliates—net of taxes are summarized below:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Equity in earnings of non-operating affiliates—net of taxes:			
CF Fertilisers UK[1]	$107.2	$19.7	$10.8
Keytrade[2]	(34.9)	2.8	(1.2)
Total equity in earnings of non-operating affiliates—net of taxes	$72.3	$22.5	$9.6

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[1] Equity in earnings of non-operating affiliates—net of taxes in 2015 includes our after-tax remeasurement gain of $94.4 million, and our equity in earnings of CF Fertilisers UK from January 1, 2015 through July 31, 2015, the acquisition date.

[2] Equity in earnings of non-operating affiliates—net of taxes in 2015 includes an after-tax loss of $29.2 million (pre-tax loss of $40.1 million) resulting from the sale of our interests in Keytrade in the second quarter of 2015 and our equity in earnings of Keytrade through the date of sale.

CF INDUSTRIES HOLDINGS, INC.

9. Fair Value Measurements

Our cash and cash equivalents and other investments consist of the following:

	December 31, 2015			
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
	(in millions)			
Cash	$70.7	$—	$—	$70.7
Cash equivalents:				
U.S. and Canadian government obligations	190.3	—	—	190.3
Other debt securities	25.0	—	—	25.0
Total cash and cash equivalents	$286.0	$—	$—	$286.0
Restricted cash	22.8	—	—	22.8
Nonqualified employee benefit trusts	17.7	1.7	—	19.4

	December 31, 2014			
	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
	(in millions)			
Cash	$71.3	$—	$—	$71.3
Cash equivalents:				
U.S. and Canadian government obligations	1,916.3	—	—	1,916.3
Other debt securities	9.0	—	—	9.0
Total cash and cash equivalents	$1,996.6	$—	$—	$1,996.6
Restricted cash	86.1	—	—	86.1
Nonqualified employee benefit trusts	17.4	2.0	—	19.4

Under our short-term investment policy, we may invest our cash balances, either directly or through mutual funds, in several types of investment-grade securities, including notes and bonds issued by governmental entities or corporations. Securities issued by governmental entities include those issued directly by the Federal government; those issued by state, local or other governmental entities; and those guaranteed by entities affiliated with governmental entities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present assets and liabilities included in our consolidated balance sheets as of December 31, 2015 and 2014 that are recognized at fair value on a recurring basis, and indicate the fair value hierarchy utilized to determine such fair value:

	December 31, 2015			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash equivalents	$215.3	$215.3	$—	$—
Restricted cash	22.8	22.8	—	—
Derivative assets	0.6	—	0.6	—
Nonqualified employee benefit trusts	19.4	19.4	—	—
Derivative liabilities	(211.3)	—	(211.3)	—

CF INDUSTRIES HOLDINGS, INC.

	December 31, 2014			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash equivalents	$1,925.3	$1,925.3	$—	$—
Restricted cash	86.1	86.1	—	—
Derivative assets	0.5	—	0.5	—
Nonqualified employee benefit trusts	19.4	19.4	—	—
Derivative liabilities	(48.4)	—	(48.4)	—

Cash Equivalents

As of December 31, 2015 and 2014, our cash equivalents consisted primarily of U.S. and Canadian government obligations and money market mutual funds that invest in U.S. government obligations and other investment-grade securities.

Restricted Cash

We maintain a cash account for which the use of the funds is restricted. The restricted cash account as of December 31, 2015 and 2014 was put in place to satisfy certain requirements included in our engineering and procurement services contract for our capacity expansion projects. Under the terms of this contract, we are required to grant an affiliate of ThyssenKrupp Industrial Solutions a security interest in a restricted cash account and maintain a cash balance in that account equal to the cancellation fees for procurement services and equipment that would arise if we were to cancel the projects.

Derivative Instruments

The derivative instruments that we use are primarily natural gas fixed priced swaps, natural gas options and foreign currency forward contracts traded in the OTC markets with multi-national commercial banks, other major financial institutions or large energy companies. The natural gas derivative contracts represent anticipated gas needs for future periods and settlements are scheduled to coincide with anticipated gas purchases during those future periods. The foreign currency derivative contracts held are for the exchange of a specified notional amount of currencies at specified future dates coinciding with anticipated foreign currency cash outflows associated with our Donaldsonville, Louisiana and Port Neal, Iowa capacity expansion projects. The natural gas derivative contracts settle using primarily NYMEX futures prices. To determine the fair value of these instruments, we use quoted market prices from NYMEX and standard pricing models with inputs derived from or corroborated by observable market data such as forward curves supplied by an industry-recognized independent third party. The currency derivatives are valued based on quoted market prices supplied by an industry-recognized independent third party. See Note 16—Derivative Financial Instruments, for additional information.

Nonqualified Employee Benefit Trusts

We maintain trusts associated with certain nonqualified supplemental pension plans. The investments are accounted for as available-for-sale securities. The fair values of the trust assets are based on daily quoted prices in an active market, which represents the net asset values of the shares held in the trusts. These trusts are included on our consolidated balance sheets in other assets.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Financial Instruments

The carrying amounts and estimated fair values of our financial instruments are as follows:

	December 31, 2015 Carrying Amount	Fair Value	2014 Carrying Amount	Fair Value
	(in millions)			
Long-term debt	$5,592.7	$5,455.8	$4,592.5	$4,969.3

The fair values of our long-term debt were based on either quoted prices for identical or similar liabilities in markets that are not active or valuation models in which all significant inputs and value drivers are observable and, as a result, they are classified as Level 2 inputs.

The carrying amounts of cash and cash equivalents, as well as instruments included in other current assets and other current liabilities that meet the definition of financial instruments, approximate fair values because of their short-term maturities.

10. Income Taxes

The components of earnings before income taxes and equity in earnings of non-operating affiliates are as follows:

	Year ended December 31, 2015	2014	2013
	(in millions)		
Domestic	$1,030.4	$2,073.2	$2,155.4
Non-U.S.	27.2	114.1	54.3
	$1,057.6	$2,187.3	$2,209.7

The components of the income tax provision are as follows:

	Year ended December 31, 2015	2014	2013
	(in millions)		
Current			
Federal	$258.1	$645.2	$641.5
Foreign	20.1	29.8	8.6
State	38.5	79.5	70.7
	316.7	754.5	720.8
Deferred			
Federal	76.4	11.7	(6.5)
Foreign	(13.3)	(8.0)	(6.7)
State	16.0	14.8	(21.1)
	79.1	18.5	(34.3)
Income tax provision	$395.8	$773.0	$686.5

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Differences in the expected income tax provision based on statutory rates applied to earnings before income taxes and the income tax provision reflected in the consolidated statements of operations are summarized below:

	Year ended December 31,					
	2015		2014		2013	
	(in millions, except percentages)					
Earnings before income taxes and equity in earnings of non-operating affiliates	$1,057.6		$2,187.3		$2,209.7	
Expected tax at U.S. statutory rate	370.2	35.0 %	765.6	35.0 %	773.4	35.0 %
State income taxes, net of federal	32.2	3.0 %	61.7	2.8 %	32.0	1.4 %
Net earnings attributable to noncontrolling interest	(12.0)	(1.1)%	(16.3)	(0.8)%	(23.9)	(1.1)%
U.S. manufacturing profits deduction	(16.8)	(1.6)%	(28.4)	(1.3)%	(47.0)	(2.1)%
Foreign tax rate differential	(17.5)	(1.7)%	(40.3)	(1.8)%	(46.9)	(2.1)%
U.S. tax on foreign earnings	(0.5)	— %	9.1	0.4 %	35.4	1.6 %
Depletion	—	— %	(0.5)	— %	(24.2)	(1.1)%
Valuation allowance	16.1	1.5 %	17.7	0.8 %	26.8	1.2 %
Non-deductible capital costs	17.7	1.7 %	—	— %	—	— %
Federal tax settlement	—	— %	—	— %	(50.1)	(2.2)%
Other	6.4	0.6 %	4.4	0.2 %	11.0	0.5 %
Income tax at effective rate	$395.8	37.4 %	$773.0	35.3 %	$686.5	31.1 %

The foreign tax rate differential is impacted by the inclusion of equity earnings from our equity method investment in PLNL, a foreign operating affiliate, which are included in pre-tax earnings on an after-tax basis and the tax effect of net operating losses of a foreign subsidiary of the Company for which a valuation allowance has been recorded. In the fourth quarter of 2015, we determined the carrying value of our equity method investment in PLNL exceeded fair value and recognized an impairment of our equity method investment in PLNL of $61.9 million, which is included in the equity in earnings of operating affiliates in 2015. Our income tax provision does not include a tax benefit for the impairment of the equity investment as it does not give rise to a tax deduction. See Note 8—Equity Method Investments for additional information.

Deferred tax assets and deferred tax liabilities are as follows:

	December 31,	
	2015	2014
	(in millions)	
Deferred tax assets:		
Net operating loss carryforwards, principally in foreign jurisdictions	$100.2	$102.6
Retirement and other employee benefits	95.1	87.5
Unrealized loss on hedging derivatives	67.8	5.3
Intangible asset	60.2	84.8
Federal tax settlement	14.1	27.8
Other	111.2	102.4
	448.6	410.4
Valuation allowance	(109.2)	(115.7)
	339.4	294.7
Deferred tax liabilities:		
Depreciation and amortization	(1,209.1)	(979.7)
Foreign earnings	(27.9)	(34.0)

Unrealized gain on hedging derivatives	(2.8)	—
Other	(15.8)	(15.6)
	(1,255.6)	(1,029.3)
Net deferred tax liability	$(916.2)	$(734.6)

100

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

A foreign subsidiary of the Company has net operating loss carryforwards of $320.3 million that are indefinitely available in the foreign jurisdiction. As the future realization of these carryforwards is not anticipated, a valuation allowance of $93.6 million has been recorded. Of this amount, $14.5 million and $17.2 million were recorded as valuation allowances for the years ended December 31, 2015 and 2014, respectively.

We consider the earnings of certain of our Canadian operating subsidiaries to not be permanently reinvested and we recognize a deferred tax liability for the future repatriation of these earnings, as they are earned. As of December 31, 2015, we have recorded a deferred income tax liability of approximately $27 million, which reflects the additional U.S. and foreign income taxes that would be due upon the repatriation of the accumulated earnings of our non-U.S. subsidiaries that are considered to not be permanently reinvested. As of December 31, 2015, we have approximately $830 million of indefinitely reinvested earnings related to investment in other non-U.S. subsidiaries and a joint venture, for which a deferred tax liability has not been recognized. It is not practicable to estimate the amount of such taxes.

During the fourth quarter of 2015, we adopted ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes on a retrospective basis. All deferred tax assets and liabilities are classified as noncurrent deferred tax liabilities in our consolidated balance sheets. Upon adoption of ASU 2015-17, current deferred tax assets of $84.0 million as of December 31, 2014 were reclassified as an offset to noncurrent deferred tax liabilities.

We file federal, provincial, state and local income tax returns principally in the United States, Canada and the United Kingdom, as well as in certain other foreign jurisdictions. In general, filed tax returns remain subject to examination by United States tax jurisdictions for years 1999 and thereafter, by Canadian tax jurisdictions for years 2006 and thereafter, and by United Kingdom tax jurisdictions for years 2014 and thereafter.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31, 2015	2014
	(in millions)	
Unrecognized tax benefits:		
Beginning balance	$135.8	$103.7
Additions for tax positions taken during the current year	2.4	22.3
Additions for tax positions taken during prior years	17.4	18.3
Reductions related to lapsed statutes of limitations	(0.8)	(8.5)
Ending balance	$154.8	$135.8

Unrecognized tax benefits increased by $19.0 million and by $32.1 million for the years ended December 31, 2015 and 2014, respectively. Our effective tax rate would be affected by $112.0 million if these unrecognized tax benefits were to be recognized in the future.

Interest expense and penalties of $3.8 million, $4.0 million, and $13.6 million were recorded for the years ended December 31, 2015, 2014 and 2013, respectively. Amounts recognized in our consolidated balance sheets for accrued interest and penalties related to income taxes of $27.8 million and $24.6 million are included in other liabilities as of December 31, 2015 and 2014, respectively.

On December 18, 2015, the Protecting Americans from Tax Hikes (PATH) Act of 2015 was signed into law and applies to tax years 2015 through 2019. One of the provisions of the PATH Act permits companies to deduct 50% of their capital expenditures for federal income tax purposes in the year qualifying assets were placed into service. As a result of this provision, for the year ended December 31, 2015, we recorded a federal tax receivable of approximately $120 million that is expected to result in a tax refund and is included in prepaid income taxes on our consolidated balance sheet as of December 31, 2015. This receivable is primarily associated with the new urea plant and related offsites that were placed into service at our Donaldsonville, Louisiana complex during November of 2015.

Table of Contents

During the third quarter of 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us and recognized a $94.4 million gain on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK. The earnings in CF Fertilisers UK have been permanently reinvested. Therefore, the recognition of the $94.4 million gain on the remeasurement of the historical equity investment does not include the recognition of tax expense on the gain. See Note 8—Equity Method Investments for additional information.
We recorded an income tax benefit of $11.9 million during the second quarter of 2015 for the pre-tax losses on the sale of equity method investments. The tax benefit related to the loss on the sale of our interests in Keytrade is included in equity in earnings of non-operating affiliates—net of taxes in our consolidated statements of operations. See Note 8—Equity Method Investments for additional information.

Prior to April 30, 2013, CFL operated like a cooperative for Canadian income tax purposes and distributed all of its earnings as patronage dividends to its customers, including CF Industries. The patronage dividends were deductible for Canadian income tax purposes for tax years preceding April 29, 2013. As a result of the August 2, 2012 definitive agreement we entered into with Glencore International plc to acquire their interests in CFL and our April 30, 2013 acquisition of those interests, CFL is no longer permitted to deduct the dividends it distributes to CF Industries. As a result, CFL has recorded an income tax provision in the years 2013 through 2015. See Note 15—Noncontrolling Interest for further information.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

11. Pension and Other Postretirement Benefits

We maintain five funded pension plans—three in North America (one U.S. plan and two Canadian plans) and two in the United Kingdom (CF Fertilisers UK plans acquired by us as a result of our July 31, 2015 acquisition of the remaining 50% equity interest in CF Fertilisers UK not previously owned by us). One of our Canadian plans is closed to new employees and the two United Kingdom plans are closed to new employees and future accruals. We also provide group medical insurance benefits to certain retirees in North America. The specific medical benefits provided to retirees vary by group and location.

Our plan assets, benefit obligations, funded status and amounts recognized on the consolidated balance sheets for our North America and United Kingdom plans as of the December 31 measurement date are as follows:

	Pension Plans			Retiree Medical Plans	
	North America		United Kingdom	North America	
	December 31,		December 31,	December 31,	
	2015	2014	2015	2015	2014
	(in millions)				
Change in plan assets					
Fair value of plan assets as of January 1	$664.8	$700.7	$—	$—	$—
Acquisition of CF Fertilisers UK plans	—	—	442.5	—	—
Return on plan assets	2.7	83.4	(3.8)	—	—
Employer contributions	19.0	20.4	8.7	4.3	4.9
Plan participant contributions	0.3	0.4	—	1.0	0.4
Benefit payments	(38.5)	(128.7)	(8.4)	(5.3)	(5.3)
Foreign currency translation	(21.7)	(11.4)	(25.0)	—	—
Fair value of plan assets as of December 31	626.6	664.8	414.0	—	—
Change in benefit obligation					
Benefit obligation as of January 1	(787.8)	(768.6)	—	(62.4)	(66.3)
Acquisition of CF Fertilisers UK plans	—	—	(617.7)	—	—
Curtailment gain (loss)	—	14.5	—	—	(2.0)
Special termination benefits	—	(0.3)	—	—	—
Service cost	(14.4)	(13.3)	—	(0.2)	(0.1)
Interest cost	(30.1)	(34.7)	(9.2)	(2.1)	(2.4)
Benefit payments	38.5	128.7	8.4	5.3	5.3
Foreign currency translation	21.3	11.6	34.2	0.6	0.3
Plan amendment	—	—	—	—	7.0
Plan participant contributions	(0.3)	(0.4)	—	(1.0)	(0.4)
Change in assumptions and other	37.0	(125.3)	21.6	4.2	(3.8)
Benefit obligation as of December 31	(735.8)	(787.8)	(562.7)	(55.6)	(62.4)
Funded status as of year end	$(109.2)	$(123.0)	$(148.7)	$(55.6)	$(62.4)

In the table above, the line titled "change in assumptions and other" for our pension plans primarily reflects the impact of changes in discount rates and the adoption of new mortality assumptions.

In March 2014, as a result of a reduction in plan participants due to the sale of our phosphate business, we recognized:

- a curtailment gain for our U.S. pension plan, which resulted in a reduction of $14.5 million in our pension benefit obligation (PBO) and a corresponding increase in other comprehensive income;
- a decrease of $7.0 million in our U.S. retiree medical benefit obligation due to a plan amendment, with a corresponding increase in other comprehensive income (included in "prior service cost" in the table below); and
- a $2.0 million curtailment loss related to terminated vested participants in our U.S. retiree medical plan.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

In August 2014, we communicated to certain terminated vested participants in our U.S. pension plan an option to receive a lump sum payment for their accrued benefits. For participants who elected this option, benefit payments of $90.8 million were made in December 2014 and we incurred a settlement charge of approximately $9.7 million, with a corresponding reduction in accumulated other comprehensive loss. Of the $9.7 million settlement charge, $8.7 million was reported in cost of sales and $1.0 million was reported in selling, general and administrative expenses. As a result, the PBO as of December 31, 2014 included a reduction of approximately $13.0 million (included in the line "change in assumptions and other" in the table above).

Amounts recognized on the consolidated balance sheets consist of the following:

	Pension Plans			Retiree Medical Plans	
	North America		United Kingdom	North America	
	December 31,		December 31,	December 31,	
	2015	2014	2015	2015	2014
	(in millions)				
Other assets	$9.4	$3.8	$—	$—	$—
Accrued expenses	—	—	—	(5.0)	(5.2)
Other liabilities	(118.6)	(126.8)	(148.7)	(50.6)	(57.2)
	$(109.2)	$(123.0)	$(148.7)	$(55.6)	$(62.4)

Pre-tax amounts recognized in accumulated other comprehensive loss consist of the following:

	Pension Plans			Retiree Medical Plans	
	North America		United Kingdom	North America	
	December 31,		December 31,	December 31,	
	2015	2014	2015	2015	2014
	(in millions)				
Prior service cost (benefit)	$0.8	$1.2	$—	$(4.7)	$(5.9)
Net actuarial loss (gain)	87.9	107.9	(7.8)	8.3	12.9
	$88.7	$109.1	$(7.8)	$3.6	$7.0

104

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Net periodic benefit cost (income) and other amounts recognized in accumulated other comprehensive loss for the years ended December 31 included the following:

	Pension Plans				Retiree Medical Plans		
	North America			United Kingdom	North America		
	2015	2014	2013	2015	2015	2014	2013
	(in millions)						
Service cost	$14.4	$13.3	$17.8	$—	$0.2	$0.1	$0.3
Interest cost	30.1	34.7	32.8	9.2	2.1	2.4	2.4
Expected return on plan assets	(28.6)	(35.9)	(32.6)	(9.5)	—	—	—
Settlement charge	—	9.7	—	—	—	—	—
Special termination benefits	—	0.3	—	—	—	—	—
Curtailment loss	—	—	—	—	—	2.0	—
Amortization of prior service cost (benefit)	0.1	0.2	0.2	—	(1.2)	(0.9)	0.1
Amortization of actuarial loss	5.7	1.7	10.5	—	0.5	0.3	0.6
Net periodic benefit cost (income)	21.7	24.0	28.7	(0.3)	1.6	3.9	3.4
Net actuarial (gain) loss	(11.2)	77.9	(45.4)	(8.2)	(4.2)	3.8	(0.9)
Prior service cost	—	—	—	—	—	(7.0)	—
Curtailment effects	—	(14.5)	—	—	—	—	—
Settlement effects	—	(9.7)	—	—	—	—	—
Amortization of prior service (cost) benefit	(0.1)	(0.2)	(0.2)	—	1.2	0.9	(0.1)
Amortization of actuarial loss	(5.7)	(1.7)	(10.5)	—	(0.5)	(0.3)	(0.6)
Total recognized in accumulated other comprehensive loss	(17.0)	51.8	(56.1)	(8.2)	(3.5)	(2.6)	(1.6)
Total recognized in net periodic benefit cost (income) and accumulated other comprehensive loss	$4.7	$75.8	$(27.4)	$(8.5)	$(1.9)	$1.3	$1.8

Amounts that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2016 are as follows:

	Pension Plans		Retiree Medical Plans
	North America	United Kingdom	North America
	(in millions)		
Prior service cost (benefit)	$0.1	$—	$(1.2)
Net actuarial loss	0.9	—	—

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

The accumulated benefit obligation in aggregate for the defined benefit pension plans in North America was approximately $688.2 million and $727.6 million as of December 31, 2015 and December 31, 2014, respectively. The accumulated benefit obligation in aggregate for the defined benefit pension plans in the United Kingdom was approximately $562.7 million as of December 31, 2015.

The following table presents aggregated information for individual defined benefit pension plans with an accumulated benefit obligation in excess of plan assets as of December 31:

	North America		United Kingdom
	2015	2014	2015
	(in millions)		
Accumulated benefit obligation	$(585.9)	$(610.3)	$(562.7)
Fair value of plan assets	505.7	536.0	414.0

The following table presents aggregated information for individual defined benefit pension plans with a projected benefit obligation in excess of plan assets as of December 31:

	North America		United Kingdom
	2015	2014	2015
	(in millions)		
Projected benefit obligation	$(679.1)	$(719.2)	$(562.7)
Fair value of plan assets	560.6	592.4	414.0

Our pension funding policy in North America is to contribute amounts sufficient to meet minimum legal funding requirements plus discretionary amounts that we may deem to be appropriate. Actual contributions may vary from estimated amounts depending on changes in assumptions, actual returns on plan assets, changes in regulatory requirements and funding decisions.

In accordance with United Kingdom pension legislation, our United Kingdom pension funding policy is to contribute amounts sufficient to meet the funding level target agreed between the employer and the trustees of the United Kingdom plans. Actual contributions are usually agreed with the plan trustees in connection with each triennial valuation and may vary following each such review depending on changes in assumptions, actual returns on plan assets, changes in regulatory requirements and funding decisions.

Our consolidated pension funding contributions for 2016 are estimated to be approximately $19.2 million for North America plans and $20.6 million for United Kingdom plans.

The expected future benefit payments for our pension and retiree medical plans are as follows:

	Pension Plans		Retiree Medical Plans
	North America	United Kingdom	North America
	(in millions)		
2016	$39.7	$20.3	$5.0
2017	41.6	21.2	5.0
2018	43.1	22.0	4.9
2019	44.3	22.8	4.8
2020	45.3	24.3	4.7
2021-2025	241.1	131.2	17.2

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

The following assumptions were used in determining the benefit obligations and expense:

	Pension Plans				Retiree Medical Plans		
	North America			United Kingdom	North America		
	2015	2014	2013	2015	2015	2014	2013
Weighted-average discount rate—obligation	4.3 %	4.0 %	4.8 %	3.8 %	3.9 %	3.6 %	4.2 %
Weighted-average discount rate—expense	4.0 %	4.8 %	4.0 %	3.7 %	3.6 %	4.2 %	3.3 %
Weighted-average rate of increase in future compensation	4.3 %	4.3 %	3.9 %	n/a	n/a	n/a	n/a
Weighted-average expected long-term rate of return on assets—expense	4.8 %	5.5 %	5.1 %	5.4 %	n/a	n/a	n/a
Weighted-average retail price index—obligation	n/a	n/a	n/a	3.1 %	n/a	n/a	n/a
Weighted-average retail price index—expense	n/a	n/a	n/a	3.1 %	n/a	n/a	n/a

The discount rates for all plans are developed by plan using spot rates derived from a yield curve of high quality (AA rated or better) fixed income debt securities as of the year-end measurement date to calculate discounted cash flows (the projected benefit obligation) and solving for a single equivalent discount rate that produces the same projected benefit obligation. In determining our benefit obligation, we use the actuarial present value of the vested benefits to which each eligible employee is currently entitled, based on the employee’s expected date of separation or retirement.

The expected long-term rate of return on assets in our North America plans is based on analysis of historical rates of return achieved by equity and non-equity investments and current market characteristics, adjusted for estimated plan expenses and weighted by target asset allocation percentages. As of January 1, 2016, our weighted-average expected long-term rate of return on assets is 4.9%.

The expected long-term rate of return on assets in our United Kingdom plans is based on the expected long-term performance of the underlying investments, adjusted for investment managers' fees. As of January 1, 2016, our weighted-average expected long-term rate of return on assets is 5.2%.

The retail price index in the United Kingdom plans is developed using the Bank of England implied retail price inflation curve based on the difference between yields on fixed interest and index-linked gilts adjusted for an inflation risk premium.

For the measurement of the benefit obligation at December 31, 2015 for our primary (U.S.) retiree medical benefit plans, the assumed health care cost trend rates, for pre-65 retirees, start with a 7.25% increase in 2016, followed by a gradual decline in increases to 4.5% for 2024 and thereafter. For post-65 retirees, the assumed health care cost trend rates start with a 9.0% increase in 2016, followed by a gradual decline in increases to 4.5% for 2024 and thereafter.

For the measurement of the benefit obligation at December 31, 2014 for our primary (U.S.) retiree medical benefit plans, the assumed health care cost trend rates, for pre-65 retirees, start with a 7.25% increase in 2015, followed by a gradual decline in increases to 5.0% for 2024 and thereafter. For post-65 retirees, the assumed health care cost trend rates start with a 6.75% increase in 2015, followed by a gradual decline in increases to 5.0% for 2022 and thereafter.

A one-percentage point change in the assumed health care cost trend rate of our primary (U.S.) retiree medical benefit plans as of December 31, 2015 would have the following effects on our retiree medical benefit plans:

	One-Percentage-Point	
	Increase	Decrease
	(in millions)	
Effect on total service and interest cost for 2015	$0.3	$(0.2)
Effect on benefit obligation as of December 31, 2015	6.0	(5.0)

The objectives of the investment policies governing the pension plans are to administer the assets of the plans for the benefit of the participants in compliance with all laws and regulations, and to establish an asset mix that provides for diversification and considers the risk of various different asset classes with the purpose of generating favorable investment returns. The investment policies consider circumstances such as participant demographics, time horizon to retirement and liquidity needs, and provide guidelines for asset allocation, planning horizon, general portfolio issues and investment manager

Table of Contents

evaluation criteria. The investment strategies for the plans, including target asset allocations and investment vehicles, are subject to change within the guidelines of the policies.

The target asset allocation for our U.S. pension plan is 80% non-equity and 20% equity, which has been determined based on analysis of actual historical rates of return and plan needs and circumstances. The equity investments are tailored to exceed the growth of the benefit obligation and are a combination of U.S. and non-U.S. total stock market index mutual funds. The non-equity investments consist primarily of investments in debt securities and money market instruments that are selected based on investment quality and duration to mitigate volatility of the funded status and annual required contributions. The non-equity investments have a duration profile that is similar to the benefit obligation in order to mitigate the impact of interest rate changes on the funded status. This investment strategy is achieved through the use of mutual funds and individual securities.

The target asset allocation for the CF Canadian plan is 60% non-equity and 40% equity, and for the Terra Canadian plan is 75% non-equity and 25% equity. The equity investments are passively managed portfolios that diversify assets across multiple securities, economic sectors and countries. The non-equity investments are high quality passively managed portfolios that diversify assets across economic sectors, countries and maturity spectrums. This investment strategy is achieved through the use of mutual funds.

The pension assets in the United Kingdom plans are each administered by a Board of Trustees consisting of employer nominated trustees, member nominated trustees and an independent trustee. Trustees may be appointed or removed by the Company, provided the Company fulfills its obligation to have at least one third of the Board of Trustees as member nominated. It is the responsibility of the trustees to ensure prudent management and investment of the assets in the plans. The trustees meet on a quarterly basis to review and discuss fund performance and other administrative matters.

The trustees' investment objectives are to hold assets that will achieve returns in excess of expected returns used in the valuation of each plan's liability without exposing the plans to unacceptable risk. This is accomplished through the asset allocation strategy of each plan. For both plans, if the asset allocation moves more than plus or minus 5% from the benchmark allocation, the trustees may decide to amend the asset allocation. At a minimum, the trustees review the investment strategy and every triennial actuarial valuation to ensure that the strategy remains consistent with its funding principles. The trustees may review the strategy more frequently if opportunities arise to reduce risk within the investments without jeopardizing the funding position.

Assets of the United Kingdom plans are invested in externally managed pooled funds. The target asset allocation for the United Kingdom Terra plan is 55% actively managed target return funds, 30% actively and passively managed bond and gilt funds and 15% actively managed property funds. The target asset allocation for the United Kingdom Kemira plan is 50% actively managed target return funds, 45% actively and passively managed bond and gilt funds and 5% in an actively managed property fund. The target return funds diversify assets across multiple asset classes (which may include, among others, traditional equities and bonds) and make use of derivatives. The bond and gilt funds generally invest in fixed income debt securities including government bonds, gilts, high yield and emerging market bonds, and investment grade corporate bonds and can make use of derivatives. The property funds are invested predominately in freehold and leasehold property. All of the funds are valued at net asset value (NAV) as determined by the fund manager based on the value of the underlying net assets of the fund. No adjustments have been made to NAV.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

The fair values of our pension plan assets as of December 31, 2015 and 2014, by major asset class, are as follows:

	December 31, 2015 North America			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash and cash equivalents[1]	$32.3	$32.3	$—	$—
Equity mutual funds				
Index equity[2]	102.9	102.9	—	—
Fixed income				
U.S. Treasury bonds and notes[3]	10.7	10.7	—	—
Corporate bonds and notes[4]	337.8	—	337.8	—
Government and agency securities[5]	21.7	—	21.7	—
Other[6]	1.8	—	1.8	—
Total assets at fair value by fair value levels	$507.2	$145.9	$361.3	$—
Assets measured at net asset value (NAV)				
Equity pooled mutual funds[7]	38.8			
Fixed income pooled mutual funds[8]	82.0			
Total assets measured at NAV as a practical expedient[13]	120.8			
Total assets at fair value	628.0			
Accruals and payables—net	(1.4)			
Total assets	$626.6			

	December 31, 2015 United Kingdom			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash	$3.0	$3.0	$—	$—
Total assets at fair value by fair value levels	$3.0	$3.0	$—	$—
Assets measured at NAV				
Pooled target return funds[9]	216.3			
Fixed income				
Pooled UK government index-linked securities[10]	26.0			
Pooled global fixed income funds[11]	126.8			
Pooled property funds[12]	41.9			
Total assets measured at NAV as a practical expedient[13]	411.0			
Total assets at fair value	414.0			
Accruals and payables—net	—			
Total assets	$414.0			

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

	December 31, 2014 North America			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash and cash equivalents(1)	$26.0	$26.0	$—	$—
Equity mutual funds				
Index equity(2)	102.8	102.8	—	—
Fixed income				
U.S. Treasury bonds and notes(3)	4.9	4.9	—	—
Corporate bonds and notes(4)	375.9	—	375.9	—
Government and agency securities(5)	26.0	—	26.0	—
Other(6)	2.1	—	2.1	—
Total assets at fair value by fair value levels	$537.7	$133.7	$404.0	$—
Assets measured at NAV				
Equity pooled mutual funds(7)	44.0			
Fixed income pooled mutual funds(8)	86.9			
Total assets measured at NAV as a practical expedient(13)	130.9			
Total assets at fair value	668.6			
Accruals and payables—net	(3.8)			
Total assets	$664.8			

(1) Cash and cash equivalents are primarily short-term money market funds and short-term federal home loan discount notes.

(2) The index equity funds are mutual funds that utilize a passively managed investment approach designed to track specific equity indices. They are valued at quoted market prices in an active market, which represent the net asset values of the shares held by the plan.

(3) U.S. Treasury bonds and notes are valued based on quoted market prices in an active market and are classified as Level 1 investments.

(4) Corporate bonds and notes, including private placement securities, are valued by institutional bond pricing services, which gather information from market sources and integrate credit information, observed market movements and sector news into their pricing applications and models.

(5) Government and agency securities consist of municipal bonds that are valued by institutional bond pricing services, which gather information on current trading activity, market movements, trends, and specific data on specialty issues.

(6) Other includes primarily mortgage-backed and asset-backed securities, which are valued through pricing models of reputable third party sources based on market data.

(7) The equity pooled mutual funds consist of pooled funds that invest in common stock and other equity securities that are traded on U.S., Canadian, and foreign markets.

(8) The fixed income pooled mutual funds invest in investment-grade corporate debt, various governmental debt obligations, and mortgage-backed securities with varying maturities.

(9) Pooled target return funds invest in a broad array of asset classes and a range of diversifiers including the use of derivatives.

(10) Pooled United Kingdom government index-linked funds invest primarily in United Kingdom government index-linked gilt securities.

(11) Pooled global fixed income funds invest primarily in government bonds, investment grade corporate bonds, high yield and emerging market bonds and can make use of derivatives.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

(12) Pooled property funds invest primarily in freehold and leasehold property in the United Kingdom.
(13) These funds are valued using NAV as a practical expedient. NAV is determined by the fund managers based on the value of the underlying net assets of the fund.

We have defined contribution plans covering substantially all employees in North America and the United Kingdom. In North America, depending on the specific provisions of each plan, qualified employees receive company contributions based on a percentage of base salary, matching of employee contributions up to specified limits, or a combination of both. Qualified employees in the United Kingdom receive company contributions based on a percentage of base salary that are greater than employee contributions up to specified limits. As of January 1, 2013, we adopted amendments to our U.S. qualified defined contribution plans to combine them into a single plan. In 2015, 2014 and 2013, we recognized expense related to company contributions to the defined contribution plans of $13.8 million, $12.3 million, and $13.1 million, respectively.

In addition to our qualified defined benefit pension plans, we also maintain certain nonqualified supplemental pension plans for highly compensated employees as defined under federal law. The amounts recognized in accrued expenses and other liabilities in our consolidated balance sheets for these plans were $2.5 million and $18.7 million as of December 31, 2015 and $2.5 million and $19.8 million as of December 31, 2014, respectively. We recognized expense for these plans of $1.9 million, $5.1 million and $2.0 million in 2015, 2014 and 2013, respectively. The expense recognized in 2014 includes a settlement charge of $3.4 million.

12. Financing Agreements

Revolving Credit Agreement

We have a senior unsecured revolving credit agreement (as amended, the Revolving Credit Agreement) providing for a revolving credit facility of up to $2.0 billion with a maturity of September 18, 2020. Borrowings under the Revolving Credit Agreement may be used for working capital and general corporate purposes. CF Industries is a borrower, and CF Industries and CF Holdings are guarantors, under the Revolving Credit Agreement. Following the date of the closing of the transactions contemplated by the Combination Agreement (the Combination Agreement Closing Date), New CF would be required to be a borrower and a guarantor under the Revolving Credit Agreement, at which time CF Industries would cease to be a borrower under the Revolving Credit Agreement. CF Industries or, following the Combination Agreement Closing Date, New CF, may designate as borrowers one or more wholly-owned subsidiaries that are organized in the United States or any state thereof, the District of Columbia, England and Wales or the Netherlands.

Borrowings under the Revolving Credit Agreement may be denominated in dollars, Canadian dollars, Euro and Sterling, and bear interest at a per annum rate equal to an applicable eurocurrency rate or base rate plus, in either case, a specified margin, and the borrowers are required to pay an undrawn commitment fee on the undrawn portion of the commitments under the Revolving Credit Agreement and customary letter of credit fees. The specified margin and the amount of the commitment fee depend on CF Holdings' (or, after the consummation of the transactions contemplated by the Combination Agreement on the Combination Agreement Closing Date, New CF's) credit rating at the time. Certain of CF Holdings' U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and CF Holdings' material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Revolving Credit Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of CF Holdings, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of CF Holdings, CF Industries or New CF, including debt under the Bridge Credit Agreement (as defined below).

The Revolving Credit Agreement contains customary representations and warranties and covenants for a financing of this type, including two financial maintenance covenants: (i) a requirement that the interest coverage ratio, as defined in the Revolving Credit Agreement, be maintained at a level of not less than 2.75 to 1.00 and (ii) a requirement that the total leverage ratio, as defined in the Revolving Credit Agreement, be maintained at a level of not greater than 3.75 to 1.00.

The Revolving Credit Agreement contains events of default (with notice requirements and cure periods, as applicable) customary for a financing of this type, including, but not limited to, non-payment of principal, interest or fees; inaccuracy of representations and warranties in any material respect; and failure to comply with specified covenants. Upon the occurrence and during the continuance of an event of default under the Revolving Credit Agreement and after any applicable cure period, subject to specified exceptions, the administrative agent may, and at the request of the requisite lenders is required to, accelerate the loans under the Revolving Credit Agreement or terminate the lenders' commitments under the Revolving Credit Agreement.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

As of December 31, 2015, we had excess borrowing capacity under the Revolving Credit Agreement of $1,995.1 million (net of outstanding letters of credit of $4.9 million), and there were no borrowings outstanding as of December 31, 2015 or 2014. Maximum borrowings during the year ended December 31, 2015 were $367.0 million with a weighted-average annual interest rate of 1.47%. There were no borrowings during the years ended December 31, 2014 and 2013.

CF Fertilisers UK Credit Agreement

CF Fertilisers UK Group Limited as borrower and CF Fertilisers UK Limited as guarantor entered into a £40.0 million senior unsecured credit agreement, dated October 1, 2012 (the CF Fertilisers UK Credit Agreement), which provided for a revolving credit facility of up to £40.0 million with a maturity of five years. On December 8, 2015, the CF Fertilisers UK Credit Agreement was canceled. There were no borrowings outstanding under the CF Fertilisers UK Credit Agreement as of its cancellation or any time during the year ended December 31, 2015.

Senior Notes

Long-term debt presented on our consolidated balance sheets as of December 31, 2015 and 2014 consisted of the following unsecured senior notes:

	December 31, 2015	2014
	(in millions)	
Public Senior Notes:		
6.875% due 2018	$800.0	$800.0
7.125% due 2020	800.0	800.0
3.450% due 2023	749.4	749.4
5.150% due 2034	746.3	746.2
4.950% due 2043	748.8	748.8
5.375% due 2044	748.2	748.1
Private Senior Notes:		
4.490% due 2022	250.0	—
4.930% due 2025	500.0	—
5.030% due 2027	250.0	—
	5,592.7	4,592.5
Less: Current portion	—	—
Net long-term debt	$5,592.7	$4,592.5

Public Senior Notes

On April 23, 2010, CF Industries issued $800 million aggregate principal amount of 6.875% senior notes due May 1, 2018 and $800 million aggregate principal amount of 7.125% senior notes due May 1, 2020 (the 2018/2020 Public Senior Notes). Interest on the 2018/2020 Public Senior Notes is paid semiannually on May 1 and November 1 and the 2018/2020 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. As of December 31, 2015, the carrying value of the 2018/2020 Public Senior Notes was $1.60 billion and the fair value was approximately $1.78 billion.

On May 23, 2013, CF Industries issued $750 million aggregate principal amount of 3.450% senior notes due June 1, 2023 and $750 million aggregate principal amount of 4.950% senior notes due June 1, 2043 (the 2023/2043 Public Senior Notes). Interest on the 2023/2043 Public Senior Notes is paid semiannually on June 1 and December 1 and the 2023/2043 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. We received net proceeds from the issuance and sale of the 2023/2043 Public Senior Notes, after deducting underwriting discounts and offering expenses, of approximately $1.48 billion. As of December 31, 2015, the carrying value of the 2023/2043 Public Senior Notes was approximately $1.50 billion and the fair value was approximately $1.34 billion.

On March 11, 2014, CF Industries issued $750 million aggregate principal amount of 5.150% senior notes due March 15, 2034 and $750 million aggregate principal amount of 5.375% senior notes due March 15, 2044 (the 2034/2044 Public Senior

112

Notes). Interest on the 2034/2044 Public Senior Notes is paid semiannually on March 15 and September 15 and the 2034/2044 Public Senior Notes are redeemable at our option, in whole at any time or in part from time to time, at specified make-whole redemption prices. We received net proceeds of $1.48 billion from the issuance and sale of the 2034/2044 Public Senior Notes, after deducting underwriting discounts and offering expenses. As of December 31, 2015, the carrying value of the 2034/2044 Public Senior Notes was approximately $1.49 billion and the fair value was approximately $1.35 billion.

Under the indentures (including the applicable supplemental indentures) governing the 2018/2020 Public Senior Notes, the 2023/2043 Public Senior Notes and the 2034/2044 Public Senior Notes (collectively, the Public Senior Notes), each series of the Public Senior Notes is guaranteed by CF Holdings. The indentures governing the Public Senior Notes contain customary events of default and covenants that limit, among other things, the ability of CF Holdings and its subsidiaries, including CF Industries, to incur liens on certain properties to secure debt.

If a Change of Control occurs together with a Ratings Downgrade (as both terms are defined under the indentures governing the Public Senior Notes), CF Industries would be required to offer to repurchase each series of Public Senior Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. In addition, in the event that a subsidiary of ours, other than CF Industries, becomes a borrower or a guarantor under the Revolving Credit Agreement (or any renewal, replacement or refinancing thereof), such subsidiary would be required to become a guarantor of the Public Senior Notes, provided that such requirement will no longer apply with respect to the 2023/2043 Public Senior Notes and 2034/2044 Public Senior Notes following the repayment of the 2018/2020 Public Senior Notes or the subsidiaries of ours, other than CF Industries, otherwise becoming no longer subject to such a requirement to guarantee the 2018/2020 Public Senior Notes.

Private Senior Notes

On September 24, 2015, CF Industries issued in a private placement $250.0 million aggregate principal amount of 4.49% senior notes due October 15, 2022, $500.0 million aggregate principal amount of 4.93% senior notes due October 15, 2025 and $250.0 million aggregate principal amount of 5.03% senior notes due October 15, 2027 (the Private Senior Notes). CF Industries received proceeds of $1.0 billion from the issuance and sale of the Private Senior Notes. The Private Senior Notes are governed by the terms of a note purchase agreement (as amended, the Note Purchase Agreement) and are guaranteed by the Company. Interest on the Private Senior Notes is payable semiannually on April 15 and October 15.

CF Industries may prepay at any time all, or from time to time any part of, any series of the Private Senior Notes, in an amount not less than 5% of the aggregate principal amount of such series of the Private Senior Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid plus a make-whole amount determined as specified in the Note Purchase Agreement. In the event of a Change in Control (as defined in the Note Purchase Agreement), each holder of the Private Senior Notes may require CF Industries to prepay the entire unpaid principal amount of the Private Senior Notes held by such holder at a price equal to 100% of the principal amount of such Private Senior Notes together with accrued and unpaid interest thereon, but without any make-whole amount or other premium.

All obligations under the Note Purchase Agreement are unsecured. On and after the Combination Agreement Closing Date, New CF would be required to guarantee the obligations under the Note Purchase Agreement. In addition, certain of the Company's U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and the Company's material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Note Purchase Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of the Company, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of the Company, CF Industries or New CF.

The Note Purchase Agreement contains customary representations and warranties and covenants for a financing of this type, including two financial maintenance covenants: (i) a requirement that the interest coverage ratio (as defined in the Note Purchase Agreement) be maintained at a level of not less than 2.75 to 1.00 and (ii) a requirement that the total leverage ratio (as defined in the Note Purchase Agreement) be maintained at a level of not greater than 3.75 to 1.00.

The Note Purchase Agreement contains events of default (with notice requirements and cure periods, as applicable) customary for a financing of this type, including, but not limited to, non-payment of principal, make-whole amounts, or interest; inaccuracy of representations and warranties in any material respect; and failure to comply with specified covenants. Upon the occurrence and during the continuance of an event of default under the Note Purchase Agreement and after any applicable cure period, subject to specified exceptions, the holder or holders of more than 50% in principal amount of the Private Senior Notes outstanding may declare all the Private Senior Notes then outstanding due and payable.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

As of December 31, 2015, the carrying value of the Private Senior Notes was $1.0 billion and the fair value was approximately $0.99 billion.

Bridge Credit Agreement

On September 18, 2015, in connection with CF Holdings' proposed combination with the ENA Business of OCI (see Note 4—Acquisitions and Divestitures for additional information), CF Holdings, as a guarantor, and CF Industries, as the tranche A borrower, entered into a senior unsecured 364-Day Bridge Credit Agreement (as amended, the Bridge Credit Agreement). On the tranche B closing date, as defined in the Bridge Credit Agreement, New CF would become a party to the Bridge Credit Agreement as the tranche B borrower. The tranche B closing date would occur upon the satisfaction of specified conditions, including the occurrence of the closing under the Combination Agreement.

The Bridge Credit Agreement (1) provided for a single borrowing of a tranche A bridge loan of up to $1.0 billion that would have been used by CF Industries first to reduce amounts outstanding, if any, under the Revolving Credit Agreement and then for general corporate purposes; and (2) provides for a single borrowing of a tranche B bridge loan of up to $3.0 billion that may be used by New CF to pay the cash portion, if any, of the purchase price for specified equity interests to be acquired pursuant to the Combination Agreement; to consummate the refinancing of specified debt in connection with the transactions contemplated by the Combination Agreement; to pay fees and expenses in connection with the transactions contemplated by the Bridge Credit Agreement and the Combination Agreement; and in an amount of up to $1.3 billion for general corporate purposes.

The obligations of the lenders to fund the tranche A bridge loan under the Bridge Credit Agreement automatically terminated on September 24, 2015 in connection with the issuance of the Private Senior Notes. The obligations of the lenders to fund the tranche B bridge loan under the Bridge Credit Agreement are subject to customary limited conditionality and expire on August 6, 2016 (or no later than November 6, 2016, if extended pursuant to the terms thereof), or earlier as provided in the Bridge Credit Agreement. The tranche B bridge loan would mature on the date that is 364 days after the initial funding of such loan.

The Bridge Credit Agreement is voluntarily prepayable from time to time without premium or penalty and is mandatorily prepayable with, and the commitments thereunder will automatically be reduced by, the net cash proceeds from specified issuances of equity interests of CF Holdings and its subsidiaries and, on and after the Combination Agreement Closing Date, New CF and its subsidiaries, specified issuances or incurrences of debt by such persons and the net cash proceeds (including casualty insurance proceeds and condemnation awards) from specified dispositions of assets of such persons, with specified exceptions, including a right to reinvest such proceeds or awards in assets used or useful in the business of such persons and their subsidiaries. Commitments under the Bridge Credit Agreement will also be reduced by the amount of commitments under certain designated term loan facilities and by the amount of any specified debt as to which, on or prior to the tranche B closing date, arrangements have been made to permit such debt to remain outstanding in accordance with its terms or permanent repayment or termination has been effected by OCI and its affiliates.

Borrowings under the Bridge Credit Agreement will be denominated in dollars and bear interest at a per annum rate equal to an applicable LIBOR rate or base rate plus, in either case, a specified margin that depends on CF Holdings' (or, after the consummation of the transactions contemplated by the Combination Agreement on the Combination Agreement Closing Date, New CF's) credit rating at the time and that will increase by a specified amount every 90 days commencing with the 90th day after the date of the initial funding of the tranche B bridge loan through the date that is 270 days after the date of such initial funding. CF Industries is required to pay an undrawn commitment fee equal to 0.15% of the undrawn portion of the commitments under the Bridge Credit Agreement. CF Industries and New CF will also be required to pay duration fees ranging from 0.50% to 1.00% at specified intervals following the funding of the tranche B bridge loan.

Currently, CF Holdings and CF Industries are the only guarantors of the obligations under the Bridge Credit Agreement. Certain of CF Holdings' U.S. subsidiaries, and, on and after the Combination Agreement Closing Date, certain of New CF's and CF Holdings' material wholly-owned U.S. and foreign subsidiaries, will be required to become guarantors of the obligations under the Bridge Credit Agreement if (i) such subsidiaries guarantee other debt for borrowed money (subject to specified exceptions) of CF Holdings, CF Industries or New CF in an aggregate principal amount in excess of $500 million or (ii) such subsidiaries are borrowers under, issuers of, or guarantors of specified debt obligations of CF Holdings, CF Industries or New CF, including debt under the Revolving Credit Agreement. The representations, warranties, events of default and covenants contained in the Bridge Credit Agreement are substantially similar to those contained in the Revolving Credit Agreement.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

13. Interest Expense

Details of interest expense are as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Interest on borrowings[1]	$267.4	$238.3	$150.6
Fees on financing agreements[1][2]	16.8	10.6	15.4
Interest on tax liabilities	3.5	3.5	12.9
Interest capitalized	(154.5)	(74.2)	(26.7)
Interest expense	$133.2	$178.2	$152.2

(1) See Note 12—Financing Agreements for additional information.

(2) Fees on financing agreements for the year ended December 31, 2015 includes $5.9 million of accelerated amortization of deferred fees related to the termination in September 2015 of the tranche A commitment under the Bridge Credit Agreement.

14. Other Operating—Net

Details of other operating—net are as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Loss on disposal of property, plant and equipment—net	$21.4	$3.7	$5.6
Expansion project costs	51.3	30.7	10.8
Loss (gain) on foreign currency derivatives	21.6	38.4	(20.8)
Gain on foreign currency transactions	(7.5)	(14.9)	(13.5)
Closed facilities costs	—	0.8	4.0
Other	5.5	(5.4)	(1.9)
Other operating loss (income)—net	$92.3	$53.3	$(15.8)

Expansion project costs that did not qualify for capitalization include amounts related to administrative and consulting services for our capacity expansion projects in Port Neal, Iowa and Donaldsonville, Louisiana.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

15. Noncontrolling Interest

Terra Nitrogen Company, L.P. (TNCLP)

TNCLP is a master limited partnership (MLP) that owns a nitrogen fertilizer manufacturing facility in Verdigris, Oklahoma. We own an aggregate 75.3% of TNCLP through general and limited partnership interests. Outside investors own the remaining 24.7% of the limited partnership. For financial reporting purposes, the assets, liabilities and earnings of the partnership are consolidated into our financial statements. The outside investors' limited partnership interests in the partnership are recorded in noncontrolling interest in our consolidated financial statements. The noncontrolling interest represents the noncontrolling unitholders' interest in the earnings and equity of TNCLP. An affiliate of CF Industries is required to purchase all of TNCLP's fertilizer products at market prices as defined in the Amendment to the General and Administrative Services and Product Offtake Agreement, dated September 28, 2010.

TNCLP makes cash distributions to the general and limited partners based on formulas defined within its Agreement of Limited Partnership. Cash available for distribution is defined in the agreement generally as all cash receipts less all cash disbursements, less certain reserves (including reserves for future operating and capital needs) established as the general partner determines in its reasonable discretion to be necessary or appropriate. Changes in working capital affect available cash, as increases in the amount of cash invested in working capital items (such as increases in inventory and decreases in accounts payable) reduce available cash, while declines in the amount of cash invested in working capital items increase available cash. Cash distributions to the limited partners and general partner vary depending on the extent to which the cumulative distributions exceed certain target threshold levels set forth in the Agreement of Limited Partnership.

In each of the applicable quarters of 2015, 2014 and 2013, the minimum quarterly distributions were satisfied, which entitled us, as the general partner, to receive increased distributions on our general partner interests as provided for in the Agreement of Limited Partnership. The earnings attributed to our general partner interest in excess of the threshold levels for the years ended December 31, 2015, 2014 and 2013 were $116.4 million, $139.4 million and $200.6 million, respectively.

As of December 31, 2015, Terra Nitrogen GP Inc. (TNGP), the general partner of TNCLP (and an indirect wholly-owned subsidiary of CF Industries), and its affiliates owned 75.3% of TNCLP's outstanding units. When not more than 25% of TNCLP's issued and outstanding units are held by non-affiliates of TNGP, TNCLP, at TNGP's sole discretion, may call, or assign to TNGP or its affiliates, TNCLP's right to acquire all such outstanding units held by non-affiliated persons. If TNGP elects to acquire all outstanding units, TNCLP is required to give at least 30 but not more than 60 days' notice of TNCLP's decision to purchase the outstanding units. The purchase price per unit will be the greater of (1) the average of the previous 20 trading days' closing prices as of the date five days before the purchase is announced or (2) the highest price paid by TNGP or any of its affiliates for any unit within the 90 days preceding the date the purchase is announced.

Canadian Fertilizers Limited (CFL)

CFL owns a nitrogen fertilizer complex in Medicine Hat, Alberta, Canada, which until April 30, 2013, supplied fertilizer products to CF Industries and Viterra Inc. (Viterra). The Medicine Hat complex is the largest nitrogen fertilizer complex in Canada, with two world-scale ammonia plants, a world-scale granular urea plant and on-site storage facilities for both ammonia and urea.

Prior to April 30, 2013, CF Industries owned 49% of the voting common shares and 66% of the non-voting preferred shares of CFL and purchased 66% of the production of CFL. Also prior to April 30, 2013, Viterra held 34% of the equity ownership of CFL, and had the right to purchase up to the remaining 34% of CFL's production. Both CF Industries and Viterra were entitled to receive distributions of net earnings of CFL based upon their respective purchases from CFL. The remaining 17% of the voting common shares were owned by GROWMARK, Inc. and La Coop fédérée. CFL was a variable interest entity that was consolidated in our financial statements.

In 2012, we entered into agreements to acquire the noncontrolling interests in CFL for C$0.9 billion, which included 34% of CFL's common and preferred shares owned by Viterra, the product purchase agreement between CFL and

Viterra and the CFL common shares held by GROWMARK, Inc. and La Coop fédérée. In April 2013, we completed the acquisitions. Since CFL was previously a consolidated variable interest entity, the purchase price was recognized as follows: a $0.8 billion reduction in paid-in capital; a $0.1 billion deferred tax asset; and the removal of the CFL noncontrolling interest because CFL became a wholly-owned subsidiary.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

A reconciliation of the beginning and ending balances of noncontrolling interest and distributions payable to the noncontrolling interests on our consolidated balance sheets is provided below.

	Year ended December 31,				
	2015	2014	2013		
	TNCLP	TNCLP	CFL	TNCLP	Total
	(in millions)				
Noncontrolling interest:					
Beginning balance	$362.8	$362.3	$17.4	$362.6	$380.0
Earnings attributable to noncontrolling interest	34.2	46.5	2.3	65.9	68.2
Declaration of distributions payable	(45.0)	(46.0)	(2.3)	(66.2)	(68.5)
Acquisitions of noncontrolling interests in CFL	—	—	(16.8)	—	(16.8)
Effect of exchange rate changes	—	—	(0.6)	—	(0.6)
Ending balance	$352.0	$362.8	$—	$362.3	$362.3
Distributions payable to noncontrolling interest:					
Beginning balance	$—	$—	$5.3	$—	$5.3
Declaration of distributions payable	45.0	46.0	2.3	66.2	68.5
Distributions to noncontrolling interest	(45.0)	(46.0)	(7.5)	(66.2)	(73.7)
Effect of exchange rate changes	—	—	(0.1)	—	(0.1)
Ending balance	$—	$—	$—	$—	$—

Proposed Internal Revenue Service Regulation Impacting Master Limited Partnerships

Currently, no federal income taxes are paid by TNCLP due to its MLP status. Partnerships are generally not subject to federal income tax, although publicly-traded partnerships (such as TNCLP) are treated as corporations for federal income tax purposes (and therefore are subject to federal income tax), unless at least 90% of the partnership's gross income is "qualifying income" as defined in Section 7704 of the Internal Revenue Code of 1986, as amended (the Code), and the partnership is not required to register as an investment company under the Investment Company Act of 1940. Any change in the tax treatment of income from fertilizer-related activities as qualifying income could cause TNCLP to be treated as a corporation for federal income tax purposes. If TNCLP were taxed as a corporation, under current law, due to its current ownership interest, CF Industries would qualify for a partial dividends received deduction on the dividends received from TNCLP. Therefore, we would not expect a change in the tax treatment of TNCLP to have a material impact on the consolidated financial condition or results of operations of CF Holdings.

On May 6, 2015, the Internal Revenue Service (IRS) published proposed regulations on the types of income and activities which constitute or generate qualifying income of a MLP. The proposed regulations would have the effect of limiting the types of income and activities which qualify under the MLP rules, subject to certain transition provisions. The proposed regulations include as activities that generate qualifying income processing or refining and transportation activities with respect to any mineral or natural resource (including fertilizer), but reserve on specific proposals regarding fertilizer-related activities. We continue to monitor these IRS regulatory activities.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

16. Derivative Financial Instruments

We use derivative financial instruments to reduce our exposure to changes in commodity prices and foreign currency exchange rates.

Commodity Price Risk Management

Natural gas is the largest and most volatile component of the manufacturing cost for nitrogen-based products. We manage the risk of changes in natural gas prices primarily through the use of derivative financial instruments covering periods through the end of 2018. The derivatives that we use are primarily fixed price swaps and options traded in the OTC markets. These natural gas derivatives settle using primarily a NYMEX futures price index, which represents the basis for fair value at any given time. We entered into natural gas derivative contracts with respect to natural gas to be consumed by us in the future, and settlements of those derivative contracts are scheduled to coincide with our anticipated purchases of natural gas used to manufacture nitrogen products during those future periods. We use natural gas derivatives as an economic hedge of natural gas price risk, but without the application of hedge accounting. As a result, changes in fair value of these contracts are recognized in earnings.

As of December 31, 2015 and 2014, we had open natural gas derivative contracts for 431.5 million MMBtus and 58.7 million MMBtus, respectively. For the year ended December 31, 2015, we used derivatives to cover approximately 64% of our natural gas consumption.

Foreign Currency Exchange Rates

In the fourth quarter of 2012, our Board of Directors authorized a project to construct new ammonia and urea/UAN plants at our Donaldsonville, Louisiana complex and new ammonia and urea plants at our Port Neal, Iowa complex. A portion of the capacity expansion project costs are euro-denominated. In order to manage our exposure to changes in the euro to U.S. dollar currency exchange rates, we have hedged our projected euro-denominated payments through the third quarter of 2016 using foreign currency forward contracts.

As of December 31, 2015 and 2014, the notional amount of our open foreign currency derivatives was €89.0 million and €209.0 million, respectively. None of these open foreign currency derivatives were designated as hedging instruments for accounting purposes.

During the year ended December 31, 2014, we reclassified a pre-tax gain of $2.8 million from accumulated other comprehensive income (AOCI) to income as a result of the discontinuance of certain foreign currency derivatives, which were originally designated as cash flow hedges. No reclassification from AOCI to income occurred in 2015 or 2013. As of December 31, 2015 and December 31, 2014, AOCI includes $7.4 million of pre-tax gains related to the foreign currency derivatives that were originally designated as cash flow hedges. The hedges were de-designated as of December 31, 2013, and the remaining balance in AOCI will be reclassified into income over the depreciable lives of the property, plant and equipment associated with the capacity expansion projects. We expect that the amounts to be reclassified within the next twelve months will be insignificant. See Note 18—Stockholders' Equity, for further information.

The effect of derivatives in our consolidated statements of operations is shown in the tables below:

	Gain (loss) recognized in OCI			Gain (loss) reclassified from AOCI into income			
	Year ended December 31,				Year ended December 31,		
Derivatives designated as cash flow hedges	2015	2014	2013	Location	2015	2014	2013
	(in millions)				(in millions)		
Foreign exchange contracts	$—	$—	$3.0	Other operating—net	$—	$2.8	$—

	Gain (loss) recognized in income			
		Year ended December 31,		
	Location	2015	2014	2013
		(in millions)		
Foreign exchange contracts	Other operating—net[1]	$—	$—	$(1.8)

(1) For foreign exchange contracts designated as cash flow hedges, the amount reported as loss recognized in income in 2013 represents the amount excluded from hedge effectiveness.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Derivatives not designated as hedges	Location	Unrealized gain (loss) recognized in income Year ended December 31, 2015	2014	2013
		(in millions)		
Natural gas derivatives	Cost of sales	$(176.3)	$(79.5)	$52.9
Foreign exchange contracts	Other operating—net	22.4	(43.6)	14.8
Unrealized (losses) gains recognized in income		$(153.9)	$(123.1)	$67.7

All Derivatives	Gain (loss) in income Year ended December 31, 2015	2014	2013
	(in millions)		
Unrealized (losses) gains			
Derivatives not designated as hedges	$(153.9)	$(123.1)	$67.7
Cash flow hedge ineffectiveness	—	—	(1.8)
Total unrealized (losses) gains	(153.9)	(123.1)	65.9
Realized (losses) gains	(114.2)	64.2	1.8
Net derivative (losses) gains	$(268.1)	$(58.9)	$67.7

The fair values of derivatives on our consolidated balance sheets are shown below. As of December 31, 2015 and 2014, none of our derivative instruments were designated as hedging instruments. For additional information on derivative fair values, see Note 9—Fair Value Measurements.

	Asset Derivatives Balance Sheet Location	December 31, 2015	2014	Liability Derivatives Balance Sheet Location	December 31, 2015	2014
		(in millions)			(in millions)	
Foreign exchange contracts	Other current assets	$0.5	$—	Other current liabilities	$(0.6)	$(22.4)
Foreign exchange contracts	Other assets	—	—	Other liabilities	—	—
Natural gas derivatives	Other current assets	0.1	0.5	Other current liabilities	(129.9)	(26.0)
Natural gas derivatives	Other assets	—	—	Other liabilities	(80.8)	—
Total derivatives		$0.6	$0.5		$(211.3)	$(48.4)
Current / Noncurrent totals						
	Other current assets	$0.6	$0.5	Other current liabilities	$(130.5)	$(48.4)
	Other assets	—	—	Other liabilities	(80.8)	—
Total derivatives		$0.6	$0.5		$(211.3)	$(48.4)

The counterparties to our derivative contracts are multinational commercial banks, major financial institutions and large energy companies. Our derivatives are executed with several counterparties, generally under International Swaps and Derivatives Association (ISDA) agreements. The ISDA agreements are master netting arrangements commonly used for OTC derivatives that mitigate exposure to counterparty credit risk, in part, by creating contractual rights of netting and setoff, the specifics of which vary from agreement to agreement. These rights are described further below:

- Settlement netting generally allows us and our counterparties to net, into a single net payable or receivable, ordinary settlement obligations arising between us under the ISDA agreement on the same day, in the same currency, for the same types of derivative instruments, and through the same pairing of offices.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

- Close-out netting rights are provided in the event of a default or other termination event (as defined in the ISDA agreements), including bankruptcy. Depending on the cause of early termination, the non-defaulting party may elect to terminate all or some transactions outstanding under the ISDA agreement. The values of all terminated transactions and certain other payments under the ISDA agreement are netted, resulting in a single net close-out amount payable to or by the non-defaulting party. Termination values may be determined using a mark-to-market approach or based on a party's good faith estimate of its loss. If the final net close-out amount is payable by the non-defaulting party, that party's obligation to make the payment may be conditioned on factors such as the termination of all derivative transactions between the parties or payment in full of all of the defaulting party's obligations to the non-defaulting party, in each case regardless of whether arising under the ISDA agreement or otherwise.
- Setoff rights are provided by certain of our ISDA agreements and generally allow a non-defaulting party to elect to set off, against the final net close-out payment, other matured and contingent amounts payable between us and our counterparties under the ISDA agreement or otherwise. Typically, these setoff rights arise upon the early termination of all transactions outstanding under an ISDA agreement following a default or specified termination event.

Most of our ISDA agreements contain credit-risk-related contingent features such as cross default provisions and credit support requirements. In the event of certain defaults or a credit ratings downgrade, our counterparty may request early termination and net settlement of certain derivative trades or may require us to collateralize derivatives in a net liability position. As of December 31, 2015 and 2014, the aggregate fair value of the derivative instruments with credit-risk-related contingent features in net liability positions was $211.3 million and $47.1 million, respectively, which also approximates the fair value of the maximum amount of additional collateral that would need to be posted or assets needed to settle the obligations if the credit-risk-related contingent features were triggered at the reporting dates. At both December 31, 2015 and 2014, we had no cash collateral on deposit with counterparties for derivative contracts. The credit support documents executed in connection with certain of our ISDA agreements generally provide us and our counterparties the right to set off collateral against amounts owing under the ISDA agreements upon the occurrence of a default or a specified termination event.

The following table presents amounts relevant to offsetting of our derivative assets and liabilities as of December 31, 2015 and 2014:

	Amounts presented in consolidated balance sheets[(1)]	Gross amounts not offset in consolidated balance sheets		
		Financial instruments	Cash collateral received (pledged)	Net amount
	(in millions)			
December 31, 2015				
Total derivative assets	$0.6	$0.6	$—	$—
Total derivative liabilities	211.3	0.6	—	210.7
Net derivative liabilities	$(210.7)	$—	$—	$(210.7)
December 31, 2014				
Total derivative assets	$0.5	$0.5	$—	$—
Total derivative liabilities	48.4	0.5	—	47.9
Net derivative liabilities	$(47.9)	$—	$—	$(47.9)

(1) We report the fair values of our derivative assets and liabilities on a gross basis on our consolidated balance sheets. As a result, the gross amounts recognized and net amounts presented are the same.

We do not believe the contractually allowed netting, close-out netting or setoff of amounts owed to, or due from, the counterparties to our ISDA agreements would have a material effect on our financial position.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

17. Supplemental Balance Sheet Data

Accounts Receivable—Net

Accounts receivable—net consist of the following:

	December 31,	
	2015	2014
	(in millions)	
Trade	$210.2	$185.7
Other	57.0	5.8
	$267.2	$191.5

Trade accounts receivable is net of an allowance for doubtful accounts of $2.9 million and $0.4 million as of December 31, 2015 and 2014, respectively.

Inventories

Inventories consist of the following:

	December 31,	
	2015	2014
	(in millions)	
Finished goods	$286.1	$179.5
Raw materials, spare parts and supplies	35.1	23.4
	$321.2	$202.9

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	December 31,	
	2015	2014
	(in millions)	
Accounts payable	$96.6	$65.8
Capacity expansion project costs	416.3	195.3
Accrued natural gas costs	70.0	96.9
Payroll and employee-related costs	48.8	47.3
Accrued interest	60.0	46.9
Accrued share repurchase	—	29.1
Other	226.0	108.6
	$917.7	$589.9

Capacity expansion project costs include the capital expenditures invested in the capacity expansion projects.

Payroll and employee-related costs include accrued salaries and wages, vacation, incentive plans and payroll taxes.

Accrued interest includes interest payable on our outstanding unsecured senior notes. For further details, see Note 12—Financing Agreements.

Other includes accrued utilities, property taxes, sales incentives and other credits, accrued litigation settlement costs, accrued transaction costs, maintenance and professional services.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Other Current Liabilities
Other current liabilities consist of unrealized losses on derivatives amounting to $130.5 million and $48.4 million as of December 31, 2015 and 2014, respectively. For further details, see Note 16—Derivative Financial Instruments.

Other Liabilities
Other liabilities consist of the following:

	December 31,	
	2015	2014
	(in millions)	
Benefit plans and deferred compensation	$343.4	$209.8
Tax-related liabilities	117.9	95.8
Unrealized losses on derivatives	80.8	—
Capacity expansion project costs	54.8	49.0
Environmental and related costs	6.6	3.6
Other	24.1	16.7
	$627.6	$374.9

Benefit plans and deferred compensation include liabilities for pensions, retiree medical benefits, and the noncurrent portion of incentive plans (see Note 11—Pension and Other Postretirement Benefits).
Capacity expansion project costs consist of amounts due to contractors that will be paid upon completion of the project in accordance with the related contract terms.

18. Stockholders' Equity

Common Stock

Our Board of Directors has authorized certain programs to repurchase shares of our common stock. Each of these programs is consistent in that repurchases may be made from time to time in the open market, through privately-negotiated transactions, through block transactions or otherwise. The manner, timing and amount of repurchases are determined by our management based on the evaluation of market conditions, stock price and other factors.

In the third quarter of 2012, our Board of Directors authorized a program to repurchase up to $3.0 billion of the common stock of CF Holdings through December 31, 2016 (the 2012 Program). The repurchases under the 2012 Program were completed in the second quarter of 2014. On August 6, 2014, our Board of Directors authorized a program to repurchase up to $1.0 billion of the common stock of CF Holdings through December 31, 2016 (the 2014 Program).

The number of shares in the share repurchases and changes in common shares outstanding tables below has been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company’s common stock effected in the form of a stock dividend that was distributed on June 17, 2015. See Note 1—Background and Basis of Presentation for further information.

The following table summarizes the share repurchases under the 2014 Program and the 2012 Program.

	2014 Program		2012 Program	
	Shares	Amounts	Shares	Amounts
	(in millions)			
Shares repurchased in 2013	—	$—	36.7	$1,449.3
Shares repurchased in 2014:				
First quarter	—	$—	16.0	$793.9
Second quarter	—	—	15.4	756.8
Third quarter	—	—	—	—
Fourth quarter	7.0	372.8	—	—
Total shares repurchased in 2014	7.0	372.8	31.4	1,550.7
Shares repurchased as of December 31, 2014	7.0	$372.8	68.1	$3,000.0
Shares repurchased in 2015:				
First quarter	4.1	$236.6		
Second quarter	4.5	268.1		
Third quarter	0.3	22.5		
Fourth quarter	—	—		
Total shares repurchased in 2015	8.9	527.2		
Shares repurchased as of December 31, 2015	15.9	$900.0		

As of December 31, 2015 and 2014, the amount of shares repurchased that was accrued but unpaid was zero and $29.1 million, respectively.

During 2015 and 2014, we retired 10.7 million shares and 38.6 million shares of repurchased stock, respectively. As of December 31, 2015 and 2014, we held in treasury approximately 2.4 million and 4.2 million shares of repurchased stock, respectively.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Changes in common shares outstanding are as follows:

	Year ended December 31,		
	2015	2014	2013
Beginning balance	241,673,050	279,240,970	314,753,440
Exercise of stock options	274,705	942,560	1,131,515
Issuance of restricted stock[(1)]	40,673	20,875	150,370
Forfeitures of restricted stock	—	(65,680)	(7,850)
Purchase of treasury shares[(2)]	(8,906,872)	(38,465,675)	(36,786,505)
Ending balance	233,081,556	241,673,050	279,240,970

(1) Includes shares issued from treasury.
(2) Includes shares withheld to pay employee tax obligations upon the vesting of restricted stock.

Stockholder Rights Plan

As of December 31, 2014, we had a stockholder rights plan intended to deter coercive or partial offers which may not provide fair value to all stockholders and to enhance our ability to represent all of our stockholders and thereby maximize stockholder value. The terms of the rights were set forth in a Rights Agreement dated as of July 21, 2005 and amended as of August 31, 2010 and March 16, 2015 between us and Computershare Inc., as successor rights agent. The rights expired on March 31, 2015 without having been exercised.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Preferred Stock

We are authorized to issue 50 million shares of $0.01 par value preferred stock, of which 500,000 have been designated Series A Junior Participating Preferred Stock. Our amended and restated certificate of incorporation authorizes our Board of Directors, without any further stockholder action or approval, to issue these shares in one or more classes or series, and (other than in the case of the Series A Junior Participating Preferred Stock, the terms of which are set forth in our amended and restated certificate of incorporation) to fix the rights, preferences and privileges of the shares of each wholly unissued class or series and any of its qualifications, limitations or restrictions. The 500,000 authorized shares of Series A Junior Participating Preferred Stock had been reserved for issuance upon the exercise of rights under the Rights Plan. The rights expired on March 31, 2015 without having been exercised. No shares of preferred stock have been issued.

Accumulated Other Comprehensive Income (Loss)

Changes to accumulated other comprehensive income (loss) and the impact on other comprehensive loss are as follows:

	Foreign Currency Translation Adjustment (in millions)	Unrealized Gain (Loss) on Securities	Unrealized Gain (Loss) on Derivatives	Defined Benefit Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2012	$61.4	$(0.4)	$4.6	$(115.2)	$ (49.6)
Unrealized gain	—	2.1	3.0	—	5.1
Reclassification to earnings	—	(0.6)	—	12.2	11.6
Gain arising during the period	—	—	—	46.2	46.2
Effect of exchange rate changes and deferred taxes	(29.5)	(0.5)	(1.1)	(24.8)	(55.9)
Balance as of December 31, 2013	31.9	0.6	6.5	(81.6)	(42.6)
Unrealized gain	—	0.7	—	—	0.7
Reclassification to earnings	—	(0.4)	(2.8)	33.1	29.9
Loss arising during the period	—	—	—	(106.2)	(106.2)
Effect of exchange rate changes and deferred taxes	(72.4)	(0.1)	1.0	29.9	(41.6)
Balance as of December 31, 2014	(40.5)	0.8	4.7	(124.8)	(159.8)
Unrealized loss	—	(0.2)	—	—	(0.2)
Reclassification to earnings	—	0.9	—	5.9	6.8
Impact of CF Fertilisers UK acquisition	9.0	—	—	38.2	47.2
Gain arising during the period	—	—	—	23.7	23.7
Effect of exchange rate changes and deferred taxes	(166.3)	(0.5)	—	(0.7)	(167.5)
Balance as of December 31, 2015	$(197.8)	$1.0	$4.7	$(57.7)	$ (249.8)

125

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Reclassifications out of AOCI to the consolidated statements of operations for the years ended December 31, 2015. 2014 and 2013 were as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Foreign Currency Translation Adjustment			
CF Fertilisers UK equity method investment remeasurement(1)	$9.0	$—	$—
Total before tax	9.0	—	—
Tax effect	—	—	—
Net of tax	$9.0	$—	$—
Unrealized Gain (Loss) on Securities			
Available-for-sale securities(2)	$0.9	$(0.4)	$(0.6)
Total before tax	0.9	(0.4)	(0.6)
Tax effect	(0.5)	0.1	0.2
Net of tax	$0.4	$(0.3)	$(0.4)
Unrealized Gain (Loss) on Derivatives			
Reclassification of de-designated hedges(3)	$—	$(2.8)	$—
Total before tax	—	(2.8)	—
Tax effect	—	1.0	—
Net of tax	$—	$(1.8)	$—
Defined Benefit Plans			
CF Fertilisers UK equity method investment remeasurement(1)	$38.2	$—	$—
Amortization of prior service cost(4)	(1.0)	(0.4)	0.3
Amortization of net loss(4)	6.9	33.5	11.9
Total before tax	44.1	33.1	12.2
Tax effect	(2.1)	(12.1)	(4.3)
Net of tax	$42.0	$21.0	$7.9
Total reclassifications for the period	$51.4	$18.9	$7.5

(1) Represents the amount that was reclassified from AOCI into equity in earnings of non-operating affiliates—net of taxes as a result of the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK.

(2) Represents the balance that was reclassified into interest income.

(3) Represents the portion of de-designated cash flow hedges that were reclassified into income as a result of the discontinuance of certain cash flow hedges.

(4) These components are included in the computation of net periodic pension cost and were reclassified from AOCI into cost of sales and selling, general and administrative expenses.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

19. Stock-Based Compensation

2014 Equity and Incentive Plan

On May 14, 2014, our shareholders approved the CF Industries Holdings, Inc. 2014 Equity and Incentive Plan (the Plan) which replaced the CF Industries Holdings, Inc. 2009 Equity and Incentive Plan. Under the Plan, we may grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards (payable in cash or stock) and other stock-based awards to our officers, employees, consultants and independent contractors (including non-employee directors). The purpose of the Plan is to provide an incentive for our employees, officers, consultants and non-employee directors that is aligned with the interests of our stockholders.

Five-for-One Stock Split

On June 17, 2015, stockholders of record as of the close of business on June 1, 2015 (Record Date) received four additional shares of common stock for each share of common stock held on the Record Date in the form of a stock dividend (five-for-one stock split). Share and per share amounts have been retroactively restated to reflect the five-for-one stock split. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the five-for-one stock split.

Share Reserve and Individual Award Limits

The maximum number of shares reserved for the grant of awards under the Plan is the sum of (i) 13.9 million and (ii) the number of shares subject to outstanding awards under our predecessor plans to the extent such awards terminate or expire without delivery of shares. For purposes of determining the number of shares of stock available for grant under the Plan, each option or stock appreciation right is counted against the reserve as one share. Each share of stock granted, other than an option or a stock appreciation right, is counted against the reserve as 1.61 shares. If any outstanding award expires or is settled in cash, any unissued shares subject to the award are again available for grant under the Plan. Shares tendered in payment of the exercise price of an option and shares withheld by the Company or otherwise received by the Company to satisfy tax withholding obligations are not available for future grant under the Plan. As of December 31, 2015, we had 13.1 million shares available for future awards under the Plan. The Plan provides that no more than 5.0 million underlying shares may be granted to a participant in any one calendar year.

Stock Options

Under the Plan and our predecessor plans, we granted to plan participants nonqualified stock options to purchase shares of our common stock. The exercise price of these options is equal to the market price of our common stock on the date of grant. The contractual life of each option is ten years and generally one-third of the options vest on each of the first three anniversaries of the date of grant.

The fair value of each stock option award is estimated using the Black-Scholes option valuation model. Key assumptions used and resulting grant date fair values are shown in the following table.

	2015	2014	2013
Weighted-average assumptions:			
Expected volatility	31%	33%	35%
Expected term of stock options	4.3 Years	4.3 Years	4.4 Years
Risk-free interest rate	1.5%	1.3%	1.4%
Expected dividend yield	1.9%	1.6%	0.8%
Weighted-average grant date fair value[1]	$13.99	$12.77	$10.76

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(1) The grant date fair values used to calculate the weighted-average grant date fair value have been retroactively restated for all prior periods presented to reflect the five-for-one stock split.

The expected volatility of our stock options is based on the combination of the historical volatility of our common stock and implied volatilities of exchange traded options on our common stock. The expected term of options is estimated based on our historical exercise experience, post-vesting employment termination behavior and the contractual term. The risk-free interest rate is based on the U.S. Treasury Strip yield curve in effect at the time of grant for the expected term of the options.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

A summary of stock option activity during the year ended December 31, 2015 is presented below:

	Shares[(1)]	Weighted-Average Exercise Price[(1)]
Outstanding as of December 31, 2014[(1)]	3,185,165	$35.92
Granted	784,928	61.98
Exercised	(274,705)	30.60
Forfeited	(41,070)	47.72
Outstanding as of December 31, 2015	3,654,318	41.79
Exercisable as of December 31, 2015	2,110,615	32.38

(1) Shares and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one stock split.

Selected amounts pertaining to stock option exercises are as follows:

	2015	2014	2013
	(in millions)		
Cash received from stock option exercises	$8.4	$17.6	$10.3
Actual tax benefit realized from stock option exercises	$1.9	$10.2	$11.9
Pre-tax intrinsic value of stock options exercised	$8.4	$31.1	$38.6

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2015:

	Options Outstanding				Options Exercisable			
Range of Exercise Prices	Shares	Weighted-Average Remaining Contractual Term (years)	Weighted-Average Exercise Price	Aggregate Intrinsic Value[(1)] (in millions)	Shares	Weighted-Average Remaining Contractual Term (years)	Weighted-Average Exercise Price	Aggregate Intrinsic Value[(1)] (in millions)
$ 3.30 - $ 4.00	5,000	0.3	$3.35	$0.2	5,000	0.3	$3.35	$0.2
$ 4.01 - $20.00	582,680	3.9	14.67	15.2	582,680	3.9	14.67	15.2
$20.01 - $62.25	3,066,638	7.7	47.00	6.0	1,522,935	6.7	39.26	5.4
	3,654,318	7.1	41.79	$21.4	2,110,615	5.9	32.38	$20.8

(1) The aggregate intrinsic value represents the total pre-tax intrinsic value, based on our closing stock price of $40.81 on December 31, 2015, which would have been received by the option holders had all option holders exercised their options as of that date.

Restricted Stock Awards, Restricted Stock Units and Performance Share Units

The fair value of a restricted stock award (RSA) or an award of restricted stock units (RSU) is equal to the number of shares subject to the award multiplied by the closing market price of our common stock on the date of grant. We estimated the fair value of each performance share unit (PSU) on the date of grant using a Monte Carlo simulation. Awards granted to key employees vest three years from the date of grant. The vesting of PSUs is also subject to the attainment of applicable performance goals during the performance period. The RSAs awarded to non-management members of our Board of Directors vest the earlier of one year from the date of the grant or the date of the next annual stockholder meeting. During the vesting period, the holders of the RSAs are entitled to dividends and voting rights. During the vesting period, the holders of the RSUs are paid dividend equivalents in cash to the extent the Company pays cash dividends. PSUs accrue dividend equivalents to the extent the Company pays cash dividends on our common stock during the performance vesting period. Upon vesting of the PSUs, holders are paid the accrued dividend equivalents based on the shares of common stock, if any, delivered in settlement of PSUs. Holders of RSUs and PSUs are not entitled to voting rights unless and until the awards have vested.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

A summary of restricted stock activity during the year ended December 31, 2015 is presented below:

	Restricted Stock Awards		Restricted Stock Units		Performance Share Units	
	Shares[(1)]	Weighted-Average Grant-Date Fair Value[(1)]	Shares[(1)]	Weighted-Average Grant-Date Fair Value[(1)]	Shares[(1)]	Weighted-Average Grant-Date Fair Value[(1)]
Outstanding as of December 31, 2014[(1)]	152,355	$39.76	40,850	$51.16	26,275	$ 77.65
Granted	18,843	61.54	34,073	61.60	21,940	91.13
Restrictions lapsed (vested)	(86,280)	42.82	—	—	—	—
Forfeited	—	—	(400)	62.25	(275)	91.13
Outstanding as of December 31, 2015	84,918	51.34	74,523	55.87	47,940	83.74

(1) Shares and per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one stock split.

After adjusting for the five-for-one stock split, the 2015 and 2014 weighted-average grant date fair value for RSAs was $61.54 and $49.76, for RSUs was $61.60 and $51.16, and for PSUs was $91.13 and $77.65, respectively. The 2013 weighted-average grant date fair value of RSAs was $37.88, adjusted for the five-for-one stock split. No RSUs or PSUs were granted in 2013.

Selected amounts pertaining to restricted stock awards that vested are as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Actual tax benefit realized from restricted stock vested	$1.2	$3.0	$3.4
Fair value of restricted stock vested	$5.3	$8.6	$10.0

Compensation Cost

Compensation cost is recorded primarily in selling, general and administrative expenses. The following table summarizes stock-based compensation costs and related income tax benefits.

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Stock-based compensation expense[(1)(2)]	$16.5	$16.8	$12.6
Income tax benefit	(6.0)	(6.1)	(4.6)
Stock-based compensation expense, net of income taxes	$10.5	$10.7	$8.0

(1) In 2014, includes incremental compensation expense of $2.2 million related to the modification of 299,950 stock options and 80,495 RSAs, adjusted for the five-for-one stock split.

(2) In addition to stock-based compensation expense associated with the Plan and predecessor plans, TNCLP also recognizes stock-based compensation expense for phantom units provided to non-employee directors of TNGP. The expense (income) resulting from these market-based liability awards amounted to $0.3 million, $(0.1) million and zero for the years ended December 31, 2015, 2014 and 2013, respectively, and is included in stock-based compensation expense reported in our consolidated statements of operations and consolidated statements of cash flows.

As of December 31, 2015, pre-tax unrecognized compensation cost, net of estimated forfeitures, was $11.1 million for stock options, which will be recognized over a weighted-average period of 1.7 years, $3.0 million for RSAs and RSUs, which will be recognized over a weighted-average period of 1.4 years, and $1.9 million for PSUs, which will be recognized over 1.8 years.

An excess tax benefit is generated when the realized tax benefit from the vesting of RSAs, or a stock option exercise, exceeds the previously recognized deferred tax asset. Excess tax benefits are required to be reported as a financing cash inflow rather than a reduction of taxes paid. The excess tax benefits in 2015, 2014 and 2013 totaled $1.5 million, $8.7 million and $13.5 million, respectively.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

20. Contingencies

Litigation

West Fertilizer Co.

On April 17, 2013, there was a fire and explosion at the West Fertilizer Co. fertilizer storage and distribution facility in West, Texas. According to published reports, 15 people were killed and approximately 200 people were injured in the incident, and the fire and explosion damaged or destroyed a number of homes and buildings around the facility. Various subsidiaries of CF Industries Holdings, Inc. (the CF Entities) have been named as defendants along with other companies in lawsuits filed in 2013, 2014 and 2015 in the District Court of McLennan County, Texas by the City of West, individual residents of the County and other parties seeking recovery for damages allegedly sustained as a result of the explosion. The cases have been consolidated for discovery and pretrial proceedings in the District Court of McLennan County under the caption "In re: West Explosion Cases." The two-year statute of limitations expired on April 17, 2015. As of that date, over 400 plaintiffs had filed claims, including at least 9 entities, 325 individuals, and 80 insurance companies. Plaintiffs allege various theories of negligence, strict liability, and breach of warranty under Texas law. Although we do not own or operate the facility or directly sell our products to West Fertilizer Co., products that the CF Entities have manufactured and sold to others have been delivered to the facility and may have been stored at the West facility at the time of the incident.

The Court granted in part and denied in part the CF Entities' Motions for Summary Judgment in August 2015. Thirty-four cases, including the three cases scheduled to begin trial on October 12, 2015 and some of the ten cases scheduled to begin trial on February 1, 2016, were resolved pursuant to confidential settlements fully funded by insurance. The remaining cases are in various stages of discovery and pre-trial proceedings. These cases will be set for trial in the upcoming months at the discretion of the Court. We believe we have strong legal and factual defenses and intend to continue defending the CF Entities vigorously in the pending lawsuits.

Other Litigation

From time to time, we are subject to ordinary, routine legal proceedings related to the usual conduct of our business, including proceedings regarding public utility and transportation rates, environmental matters, taxes and permits relating to the operations of our various plants and facilities. Based on the information available as of the date of this filing, we believe that the ultimate outcome of these routine matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental

Louisiana Environmental Matters

Clean Air Act—Section 185 Fee

Our Donaldsonville nitrogen complex is located in a five-parish region near Baton Rouge, Louisiana that, as of 2005, was designated as being in "severe" nonattainment with respect to the national ambient air quality standard (NAAQS) for ozone (the 1-hour ozone standard) pursuant to the Federal Clean Air Act (the Act). Section 185 of the Act requires states, in their state implementation plans, to levy a fee (Section 185 fee) on major stationary sources (such as the Donaldsonville complex) located in a severe nonattainment area that did not meet the 1-hour ozone standard by November 30, 2005. The fee was to be assessed for each calendar year (beginning in 2006) until the area achieved compliance with the ozone NAAQS.

Prior to the imposition of Section 185 fees, the Environmental Protection Agency (EPA) adopted a new ozone standard (the 8-hour ozone standard) and rescinded the 1-hour ozone standard. The Baton Rouge area was designated as a "moderate" nonattainment area with respect to the 8-hour ozone standard. However, because Section 185 fees had never been assessed prior to the rescission of the 1-hour ozone standard (rescinded prior to the November 30, 2005 ozone attainment deadline), the EPA concluded in a 2004 rulemaking implementing the 8-hour ozone standard that the Act did not require states to assess Section 185 fees. As a result, Section 185 fees were not assessed against us and other companies located in the Baton Rouge area.

In 2006, the federal D.C. Circuit Court of Appeals rejected the EPA's position and held that Section 185 fees were controls that must be maintained and fees should have been assessed under the Act. In January 2008, the U.S.

Supreme Court declined to accept the case for review, making the appellate court's decision final.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

In July 2011, the EPA approved a revision to Louisiana's air pollution program that eliminated the requirement for Baton Rouge area companies to pay Section 185 fees, based on Baton Rouge's ultimate attainment of the 1-hour standard through permanent and enforceable emissions reductions. EPA's approval of the Louisiana air program revision became effective on August 8, 2011. However, a recent decision by the federal D.C. Circuit Court of Appeals struck down a similar, but perhaps distinguishable, EPA guidance document regarding alternatives to Section 185 fees. At this time, the viability of EPA's approval of Louisiana's elimination of Section 185 fees is uncertain. Regardless of the approach ultimately adopted by the EPA, we expect that it is likely to be challenged by the environmental community, the states, and/or affected industries. Therefore, the costs associated with compliance with the Act cannot be determined at this time, and we cannot reasonably estimate the impact on our consolidated financial position, results of operations or cash flows.

Furthermore, the area has seen significant reductions in ozone levels, attributable to federal and state regulations and community involvement. Ozone design values computed for the Baton Rouge nonattainment area suggest the area has achieved attainment with the 2008 8-hour ozone standard. On August 27, 2015, EPA proposed reclassifying the Baton Rouge nonattainment area for ozone as in attainment with the 2008 ozone standard based on 2012-2014 data. EPA has not yet finalized this reclassification. However, on October 26, 2015, EPA published a more stringent national ambient air quality standard for ozone that could cause Baton Rouge to again be classified as a nonattainment area.

Clean Air Act Information Request

On February 26, 2009, we received a letter from the EPA under Section 114 of the Act requesting information and copies of records relating to compliance with New Source Review and New Source Performance Standards at our Donaldsonville facility. We have completed the submittal of all requested information. There has been no further contact from the EPA regarding this matter.

Florida Environmental Matters

On March 17, 2014, we completed the sale of our phosphate mining and manufacturing business, which was located in Florida, to Mosaic. See Note 4—Acquisitions and Divestitures for additional information. Pursuant to the terms of the definitive agreement executed in October 2013, Mosaic has assumed the following environmental matters and we have agreed to indemnify Mosaic with respect to losses arising out of the matters below, subject to a maximum indemnification cap and the other terms of the definitive agreement.

Clean Air Act Notice of Violation

We received a Notice of Violation (NOV) from the EPA by letter dated June 16, 2010, alleging that we violated the Prevention of Significant Deterioration (PSD) Clean Air Act regulations relating to certain projects undertaken at the former Plant City, Florida facility's sulfuric acid plants. This NOV further alleges that the actions that are the basis for the alleged PSD violations also resulted in violations of Title V air operating permit regulations. Finally, the NOV alleges that we failed to comply with certain compliance dates established by hazardous air pollutant regulations for phosphoric acid manufacturing plants and phosphate fertilizer production plants. We had several meetings with the EPA with respect to this matter prior to our sale of the phosphate mining and manufacturing business in March 2014. We do not know at this time if this matter will be settled prior to initiation of formal legal action.

We cannot estimate the potential penalties, fines or other expenditures, if any, that may result from the Clean Air Act NOV and, therefore, we cannot determine if the ultimate outcome of this matter will have a material impact on our consolidated financial position, results of operations or cash flows.

EPCRA/CERCLA Notice of Violation

By letter dated July 6, 2010, the EPA issued a NOV to us alleging violations of Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA) in connection with the former Plant City facility. EPCRA requires annual reports to be submitted with respect to the use of certain toxic chemicals. The NOV also included an allegation that we violated Section 304 of EPCRA and Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) by failing to file a timely notification relating to the release of hydrogen fluoride above applicable reportable quantities. We do not know at this time if this matter will be settled prior to initiation of formal legal action.

We do not expect that penalties or fines, if any, that may arise out of the EPCRA/CERCLA matter will have a material impact on our consolidated financial position, results of operations or cash flows.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Other

CERCLA/Remediation Matters

From time to time, we receive notices from governmental agencies or third parties alleging that we are a potentially responsible party at certain cleanup sites under CERCLA or other environmental cleanup laws. In 2011, we received a notice from the Idaho Department of Environmental Quality (IDEQ) that alleged that we were a potentially responsible party for the cleanup of a former phosphate mine site we owned in the late 1950s and early 1960s located in Georgetown Canyon, Idaho. The current owner of the property and a former mining contractor received similar notices for the site. In 2014, we and the current property owner entered into a Consent Order with IDEQ and the U.S. Forest Service to conduct a remedial investigation and feasibility study of the site. In 2015, we and several other parties received a notice that the U.S. Department of the Interior and other trustees intend to undertake a natural resource damage assessment for a group of former phosphate mines in southeast Idaho, including the former Georgetown Canyon mine. We are not able to estimate at this time our potential liability, if any, with respect to the cleanup of the site or a possible claim for natural resource damages. However, based on currently available information, we do not expect that any remedial or financial obligations to which we may be subject involving this or other cleanup sites will have a material adverse effect on our business, financial condition, results of operations or cash flows.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

21. Segment Disclosures

On July 31, 2015, we acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by us. See Note 4—Acquisitions and Divestitures and Note 8—Equity Method Investments for additional information. CF Fertilisers UK has nitrogen manufacturing complexes located in Ince, United Kingdom, and Billingham, United Kingdom. The Ince complex produces ammonia, AN and NPKs while the Billingham complex produces ammonia and AN. Our reportable segment structure reflects how our CODM, as defined under U.S. GAAP, assesses the performance of our operating segments and makes decisions about resource allocation. In the third quarter of 2015, we changed our reportable segment structure to separate AN from our Other segment as our AN products increased in significance as a result of the CF Fertilisers UK acquisition. Our reportable segments now consist of ammonia, granular urea, UAN, AN, Other, and phosphate. These segments are differentiated by products. Historical financial results have been restated to reflect the new reportable segment structure on a comparable basis.

We sold our phosphate mining and manufacturing business on March 17, 2014. See Note 4—Acquisitions and Divestitures for additional information. The phosphate segment reflects the reported results of the phosphate business through March 17, 2014, plus the continuing sales of the phosphate inventory in the distribution network after March 17, 2014. The remaining phosphate inventory was sold in the second quarter of 2014; therefore, the phosphate segment does not have operating results subsequent to that quarter. The phosphate segment will continue to be included until the reporting of comparable period phosphate results ceases.

Upon selling the phosphate business, we began to supply Mosaic with ammonia produced by our PLNL joint venture. The contract to supply ammonia to Mosaic from our PLNL joint venture represents the continuation of a supply practice that previously existed between our former phosphate mining and manufacturing business and other operations of the Company. Prior to March 17, 2014, PLNL sold ammonia to us for use in the phosphate business and the cost was included in our production costs in our phosphate segment. Subsequent to the sale of the phosphate business, we now sell the PLNL-sourced ammonia to Mosaic. The revenue from these sales to Mosaic and costs to purchase the ammonia from PLNL are now included in our ammonia segment. Our 50% share of the operating results of our PLNL joint venture continues to be included in our equity in earnings of operating affiliates in our consolidated statements of operations. Because of the significance of this continuing supply practice, in accordance with U.S. GAAP, the phosphate mining and manufacturing business is not reported as discontinued operations in our consolidated statements of operations.

Our management uses gross margin to evaluate segment performance and allocate resources. Total other operating costs and expenses (consisting of selling, general and administrative expenses and other operating—net) and non-operating expenses (interest and income taxes) are centrally managed and are not included in the measurement of segment profitability reviewed by management.

Our assets, with the exception of goodwill, are not monitored by or reported to our CODM by segment; therefore, we do not present total assets by segment. Goodwill by segment is presented in Note 7—Goodwill and Other Intangible Assets.

The following is a description of our six reportable segments:

- Our ammonia segment produces anhydrous ammonia (ammonia), which is our most concentrated nitrogen fertilizer product as it contains 82% nitrogen. The results of our ammonia segment consist of sales of ammonia to external customers. In addition, ammonia is the “basic” nitrogen product that we upgrade into other nitrogen products such as granular urea, UAN and AN. We produce ammonia at all of our nitrogen manufacturing complexes.
- Our granular urea segment produces granular urea, which contains 46% nitrogen. Produced from ammonia and carbon dioxide, it has the highest nitrogen content of any of our solid nitrogen fertilizers. Granular urea is produced at our Courtright, Ontario; Donaldsonville, Louisiana; and Medicine Hat, Alberta nitrogen complexes.
- Our UAN segment produces urea ammonium nitrate solution (UAN). UAN, a liquid fertilizer product with a nitrogen content that typically ranges from 28% to 32%, is produced by combining urea and ammonium nitrate. UAN is produced at our nitrogen complexes in Courtright, Ontario; Donaldsonville, Louisiana; Port Neal, Iowa; Verdigris, Oklahoma; Woodward, Oklahoma; and Yazoo City, Mississippi.

- Our AN segment produces ammonium nitrate (AN). AN is a nitrogen-based product with a nitrogen content between 29% and 35%. AN is used as nitrogen fertilizer and is also used by industrial customers for commercial explosives and blasting systems. AN is produced at our nitrogen complexes in Yazoo City, Mississippi and Ince and Billingham, United Kingdom.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

- Our Other segment primarily includes diesel exhaust fluid (DEF), urea liquor, nitric acid and compound fertilizer products (NPKs). DEF is an aqueous urea solution typically made with 32.5% high-purity urea and 67.5% deionized water. Urea liquor is a liquid product that we sell in concentrations of 40%, 50% and 70% urea as a chemical intermediate. Nitric acid is a nitrogen-based product with a nitrogen content of 22.2%. NPKs are solid granular fertilizer products for which the nutrient content is a combination of nitrogen, phosphorus and potassium.
- Our phosphate segment principal products were diammonium phosphate (DAP) and monoammonium phosphate (MAP). Starting with the third quarter of 2014, the phosphate segment ceased to have reported results as we completed the sale of our phosphate mining and manufacturing business in the first quarter of 2014 and the remaining phosphate inventory was completely sold during the second quarter of 2014.

Segment data for sales, cost of sales and gross margin for 2015, 2014 and 2013 are presented in the tables below.

	Ammonia	Granular Urea(1)	UAN(1)	AN(1)	Other(1)	Phosphate	Consolidated
	(in millions)						
Year ended December 31, 2015							
Net sales	$1,523.1	$788.0	$1,479.7	$294.0	$223.5	$—	$ 4,308.3
Cost of sales	883.7	469.5	954.5	290.8	162.7	—	2,761.2
Gross margin	$639.4	$318.5	$525.2	$3.2	$60.8	$—	1,547.1
Total other operating costs and expenses							319.0
Equity in earnings of operating affiliates							(35.0)
Operating earnings							$ 1,193.1
Year ended December 31, 2014							
Net sales	$1,576.3	$914.5	$1,669.8	$242.7	$171.5	$ 168.4	$ 4,743.2
Cost of sales	983.2	516.6	997.4	189.1	120.1	158.3	2,964.7
Gross margin	$593.1	$397.9	$672.4	$53.6	$51.4	$ 10.1	1,778.5
Total other operating costs and expenses							205.2
Gain on sale of phosphate business							750.1
Equity in earnings of operating affiliates							43.1
Operating earnings							$ 2,366.5
Year ended December 31, 2013							
Net sales	$1,437.9	$924.6	$1,935.1	$215.1	$165.1	$ 796.9	$ 5,474.7
Cost of sales	656.5	410.1	895.6	155.9	114.4	722.0	2,954.5
Gross margin	$781.4	$514.5	$1,039.5	$59.2	$50.7	$ 74.9	2,520.2
Total other operating costs and expenses							150.2
Equity in earnings of operating affiliates							41.7
Operating earnings							$ 2,411.7

(1) The cost of ammonia that is upgraded into other products is transferred at cost into the upgraded product results.

	Ammonia	Granular Urea	UAN	AN	Other	Phosphate(1)	Corporate	Consolidated

	(in millions)							
Depreciation, depletion and amortization								
Year ended December 31, 2015	$95.4	$50.5	$191.6	$65.6	$35.2	$—	$41.3	$ 479.6
Year ended December 31, 2014	$69.0	$37.5	$179.3	$46.5	$20.4	$—	$39.8	$ 392.5
Year ended December 31, 2013	$58.2	$37.4	$172.6	$41.0	$19.2	$42.3	$39.9	$ 410.6

(1) The assets and liabilities of our phosphate business were classified as held for sale as of December 31, 2013; therefore, no depreciation, depletion or amortization was recorded in 2014 for the related property, plant and equipment.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Enterprise-wide data by geographic region is as follows:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Sales by geographic region (based on destination of shipments):			
United States	$3,484.9	$3,994.0	$4,497.8
Foreign:			
Canada	490.0	543.8	508.5
Other foreign	333.4	205.4	468.4
Total foreign	823.4	749.2	976.9
Consolidated	$4,308.3	$4,743.2	$5,474.7

	December 31,		
	2015	2014	2013
	(in millions)		
Property, plant and equipment—net by geographic region:			
United States	$7,201.5	$4,987.0	$3,528.8
Foreign:			
Canada	497.3	538.8	572.9
United Kingdom	840.2	—	—
Total foreign	1,337.5	538.8	572.9
Consolidated	$8,539.0	$5,525.8	$4,101.7

Our principal customers are cooperatives, independent fertilizer distributors and industrial users. None of our customers accounted for more than ten percent of our consolidated sales in 2015, 2014 or 2013.

22. Supplemental Cash Flow Information

The following provides additional information relating to cash flow activities:

	Year ended December 31,		
	2015	2014	2013
	(in millions)		
Cash paid during the year for			
Interest—net of interest capitalized	$99.8	$141.2	$135.3
Income taxes—net of refunds	435.1	781.2	847.4
Supplemental disclosure of noncash investing and financing activities:			
Change in capitalized expenditures in accounts payable and accrued expenses	258.5	71.6	134.4
Change in capitalized expenditures in other liabilities	5.8	(21.5)	70.5
Change in accrued share repurchases	(29.1)	(11.2)	40.3

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

23. Asset Retirement Obligations

Asset retirement obligations (AROs) are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal operation of such assets. AROs are initially recognized as incurred when sufficient information exists to estimate fair value. We have AROs at our nitrogen fertilizer manufacturing complexes and at our distribution and storage facilities that are conditional upon cessation of operations. These AROs include certain decommissioning activities as well as the removal and disposal of certain chemicals, waste materials, structures, equipment, vessels, piping and storage tanks. Also included are reclamation of land and the closure of certain effluent ponds. A liability has not been recorded for these conditional AROs. The most recent estimate of the aggregate cost of these AROs expressed in 2015 dollars is $66.4 million. We have not recorded a liability for these conditional AROs as of December 31, 2015 because we do not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of operations at our nitrogen fertilizer manufacturing facilities or our distribution and storage facilities, which is necessary in order to estimate fair value. In reaching this conclusion, we considered the historical performance of each complex or facility and have taken into account factors such as planned maintenance, asset replacements and upgrades of plant and equipment, which if conducted as in the past, can extend the physical lives of our nitrogen manufacturing facilities and our distribution and storage facilities indefinitely. We also considered the possibility of changes in technology, risk of obsolescence, and availability of raw materials in arriving at our conclusion.

24. Leases

We have operating leases for certain property and equipment under various noncancelable agreements, the most significant of which are rail car leases and barge tow charters for the distribution of fertilizer. The rail car leases currently have minimum terms ranging from one to eleven years and the barge charter commitments range from approximately two to seven years. We also have terminal and warehouse storage agreements for our distribution system, some of which contain minimum throughput requirements. The storage agreements contain minimum terms generally ranging from one to five years and commonly contain automatic annual renewal provisions thereafter unless canceled by either party.

Future minimum payments under noncancelable operating leases with initial or remaining noncancelable lease terms in excess of one year as of December 31, 2015 are shown below.

	Operating Lease Payments (in millions)
2016	$82.2
2017	87.9
2018	70.8
2019	58.3
2020	46.3
Thereafter	115.6
	$461.1

Total rent expense for cancelable and noncancelable operating leases was $99.6 million for 2015, $92.9 million for 2014 and $98.9 million for 2013.

CF INDUSTRIES HOLDINGS, INC.

25. Quarterly Data—Unaudited

The following tables present the unaudited quarterly results of operations for the eight quarters ended December 31, 2015. This quarterly information has been prepared on the same basis as the consolidated financial statements and, in the opinion of management, reflects all adjustments necessary for the fair representation of the information for the periods presented. This data should be read in conjunction with the audited consolidated financial statements and related disclosures. Operating results for any quarter apply to that quarter only and are not necessarily indicative of results for any future period.

	Three months ended,				
	March 31	June 30	September 30	December 31	Full Year
	(in millions, except per share amounts)				
2015					
Net sales	$953.6	$1,311.5	$927.4	$1,115.8	$4,308.3
Gross margin	415.8	685.9	165.0	280.4	1,547.1
Unrealized gains (losses) on natural gas derivatives[1]	28.7	18.4	(125.9)	(97.5)	(176.3)
Net earnings attributable to common stockholders[2]	230.6	351.9	90.9	26.5	699.9
Net earnings per share attributable to common stockholders[2][3]					
Basic[4]	0.96	1.50	0.39	0.11	2.97
Diluted[4]	0.96	1.49	0.39	0.11	2.96
2014					
Net sales	$1,132.6	$1,472.7	$921.4	$1,216.5	$4,743.2
Gross margin	442.8	590.3	301.1	444.3	1,778.5
Unrealized (losses) gains on natural gas derivatives[1]	(22.6)	(28.6)	12.1	(40.4)	(79.5)
Net earnings attributable to common stockholders[5]	708.5	312.6	130.9	238.3	1,390.3
Net earnings per share attributable to common stockholders[3][5]					
Basic[4]	2.59	1.22	0.53	0.97	5.43
Diluted[4]	2.58	1.22	0.52	0.96	5.42

(1) Amounts represent pre-tax unrealized gains (losses) on natural gas derivatives included in gross margin. See Note 16—Derivative Financial Instruments, for additional information.

(2) For the three months ended June 30, 2015, net earnings attributable to common stockholders includes an after-tax loss of $29.2 million (pre-tax loss of $40.1 million) resulting from the sale of our interests in Keytrade that is included in equity in earnings of operating affiliates, and net earnings per share attributable to common stockholders, basic and diluted, include the per share impact of $0.12. See Note 4—Acquisitions and Divestitures and Note 8—Equity Method Investments, for additional information.

For the three months ended September 30, 2015, net earnings attributable to common stockholders includes an after-tax gain of $94.4 million on the remeasurement to fair value of our initial 50% equity interest in CF Fertilisers UK that is included in equity in earnings of non-operating affiliates—net of taxes, and net earnings per share attributable to common stockholders, basic and diluted, include the per share impact of $0.40. See Note 4—Acquisitions and Divestitures and Note 8—Equity Method Investments, for additional information.

For the three months ended December 31, 2015, net earnings attributable to common stockholders includes an after-tax impairment charge of $61.9 million on our equity method investment in PLNL that is included in equity in earnings of operating affiliates, and net earnings per share attributable to common stockholders, basic and diluted, include the per share impact of $0.26. See Note 4—Acquisitions and Divestitures and Note 8—Equity Method Investments, for additional information.

(3) Per share amounts have been retroactively restated for all prior periods presented to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

(4) The sum of the four quarters is not necessarily the same as the total for the year.

(5) For the three months ended March 31, 2014, net earnings attributable to common stockholders includes an after-tax gain of $461.0 million from the sale of the phosphate business, and net earnings per share attributable to common stockholders, basic and diluted, include the per share impact of $1.68. During the fourth quarter of 2014, the purchase price was finalized which increased the after-tax gain to $462.8 million for the year ended December 31, 2014, which also increased the per share impact on net earnings attributable to common stockholders, basic and diluted, to $1.80. See Note 4—Acquisitions and Divestitures, for additional information.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

26. Condensed Consolidating Financial Statements

The following condensed consolidating financial information is presented in accordance with SEC Regulation S-X Rule 3-10, Financial statements of guarantors and issuers of guaranteed securities registered or being registered, and relates to the Public Senior Notes issued by CF Industries, Inc. (CF Industries), a 100% owned subsidiary of CF Industries Holdings, Inc. (Parent), described in Note 12—Financing Agreements, and the full and unconditional guarantee of the Public Senior Notes by Parent and to debt securities of CF Industries, and the full and unconditional guarantee thereof by Parent, that may be offered and sold from time to time under registration statements that have been or may be filed by Parent and CF Industries with the SEC. In the event that a subsidiary of Parent, other than CF Industries, becomes a borrower or a guarantor under the Revolving Credit Agreement (or any renewal, replacement or refinancing thereof), such subsidiary would be required to become a guarantor of the Public Senior Notes, provided that such requirement will no longer apply with respect to the Public Senior Notes due in 2023, 2034, 2043 and 2044 following the repayment of the Public Senior Notes due in 2018 and 2020 or the subsidiaries of Parent, other than CF Industries, otherwise becoming no longer subject to such a requirement to guarantee the Public Senior Notes due in 2018 and 2020. As of December 31, 2015, none of such subsidiaries of Parent was, or was required to be, a guarantor of the Public Senior Notes. For purposes of the presentation of condensed consolidating financial information, the subsidiaries of Parent other than CF Industries are referred to as the Other Subsidiaries.

Presented below are condensed consolidating statements of operations and statements of cash flows for Parent, CF Industries and the Other Subsidiaries for the years ended December 31, 2015, 2014 and 2013 and condensed consolidating balance sheets for Parent, CF Industries and the Other Subsidiaries as of December 31, 2015 and 2014. The condensed consolidating financial information presented below is not necessarily indicative of the financial position, results of operations, comprehensive income or cash flows of Parent, CF Industries or the Other Subsidiaries on a stand-alone basis.

In these condensed consolidating financial statements, investments in subsidiaries are presented under the equity method, in which our investments are recorded at cost and adjusted for our ownership share of a subsidiary's cumulative results of operations, distributions and other equity changes, and the eliminating entries reflect primarily intercompany transactions such as sales, accounts receivable and accounts payable and the elimination of equity investments and earnings of subsidiaries.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Operations

	Year ended December 31, 2015				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net sales	$—	$462.2	$4,542.8	$(696.7)	$4,308.3
Cost of sales	—	361.6	3,096.3	(696.7)	2,761.2
Gross margin	—	100.6	1,446.5	—	1,547.1
Selling, general and administrative expenses	4.4	7.7	157.7	—	169.8
Transaction costs	45.8	—	11.1	—	56.9
Other operating—net	—	(8.5)	100.8	—	92.3
Total other operating costs and expenses	50.2	(0.8)	269.6	—	319.0
Equity in earnings of operating affiliates	—	—	(35.0)	—	(35.0)
Operating (losses) earnings	(50.2)	101.4	1,141.9	—	1,193.1
Interest expense	—	285.1	(81.7)	(70.2)	133.2
Interest income	—	(69.0)	(2.8)	70.2	(1.6)
Net earnings of wholly-owned subsidiaries	(731.2)	(801.5)	—	1,532.7	—
Other non-operating—net	(0.1)	—	4.0	—	3.9
Earnings before income taxes and equity in earnings of non-operating affiliates	681.1	686.8	1,222.4	(1,532.7)	1,057.6
Income tax (benefit) provision	(18.8)	(44.3)	458.9	—	395.8
Equity in earnings of non-operating affiliates—net of taxes	—	—	72.3	—	72.3
Net earnings	699.9	731.1	835.8	(1,532.7)	734.1
Less: Net earnings attributable to noncontrolling interest	—	—	34.2	—	34.2
Net earnings attributable to common stockholders	$699.9	$731.1	$801.6	$(1,532.7)	$699.9

Condensed Consolidating Statement of Comprehensive Income

	Year ended December 31, 2015				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net earnings	$699.9	$731.1	$835.8	$(1,532.7)	$734.1
Other comprehensive income (losses)	(90.0)	(90.0)	(89.5)	179.5	(90.0)
Comprehensive income	609.9	641.1	746.3	(1,353.2)	644.1
Less: Comprehensive income attributable to noncontrolling interest	—	—	34.2	—	34.2
Comprehensive income attributable to common stockholders	$609.9	$641.1	$712.1	$(1,353.2)	$609.9

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Operations

	Year ended December 31, 2014				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net sales	$—	$712.2	$5,073.4	$(1,042.4)	$4,743.2
Cost of sales	—	528.6	3,478.5	(1,042.4)	2,964.7
Gross margin	—	183.6	1,594.9	—	1,778.5
Selling, general and administrative expenses	2.8	13.5	135.6	—	151.9
Other operating—net	—	(5.0)	58.3	—	53.3
Total other operating costs and expenses	2.8	8.5	193.9	—	205.2
Gain on sale of phosphate business	—	764.5	(14.4)	—	750.1
Equity in earnings of operating affiliates	—	—	43.1	—	43.1
Operating (losses) earnings	(2.8)	939.6	1,429.7	—	2,366.5
Interest expense	—	246.9	(68.5)	(0.2)	178.2
Interest income	—	(0.2)	(0.9)	0.2	(0.9)
Net earnings of wholly-owned subsidiaries	(1,392.0)	(969.2)	—	2,361.2	—
Other non-operating—net	(0.1)	—	2.0	—	1.9
Earnings before income taxes and equity in (losses) earnings of non-operating affiliates	1,389.3	1,662.1	1,497.1	(2,361.2)	2,187.3
Income tax (benefit) provision	(1.0)	270.0	504.0	—	773.0
Equity in (losses) earnings of non-operating affiliates—net of taxes	—	(0.1)	22.6	—	22.5
Net earnings	1,390.3	1,392.0	1,015.7	(2,361.2)	1,436.8
Less: Net earnings attributable to noncontrolling interest	—	—	46.5	—	46.5
Net earnings attributable to common stockholders	$1,390.3	$1,392.0	$969.2	$(2,361.2)	$1,390.3

Condensed Consolidating Statement of Comprehensive Income

	Year ended December 31, 2014				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net earnings	$1,390.3	$1,392.0	$1,015.7	$(2,361.2)	$1,436.8
Other comprehensive income (losses)	(117.2)	(117.2)	(117.2)	234.4	(117.2)
Comprehensive income	1,273.1	1,274.8	898.5	(2,126.8)	1,319.6
Less: Comprehensive income attributable to noncontrolling interest	—	—	46.5	—	46.5
Comprehensive income attributable to common stockholders	$1,273.1	$1,274.8	$852.0	$(2,126.8)	$1,273.1

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Operations

	Year ended December 31, 2013				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net sales	$—	$1,105.8	$5,767.5	$(1,398.6)	$5,474.7
Cost of sales	—	886.0	3,463.0	(1,394.5)	2,954.5
Gross margin	—	219.8	2,304.5	(4.1)	2,520.2
Selling, general and administrative expenses	2.7	11.8	151.5	—	166.0
Other operating—net	—	7.6	(23.4)	—	(15.8)
Total other operating costs and expenses	2.7	19.4	128.1	—	150.2
Equity in earnings of operating affiliates	—	—	41.7	—	41.7
Operating (losses) earnings	(2.7)	200.4	2,218.1	(4.1)	2,411.7
Interest expense	—	155.1	(1.8)	(1.1)	152.2
Interest income	—	(0.9)	(4.9)	1.1	(4.7)
Net earnings of wholly-owned subsidiaries	(1,466.4)	(1,423.0)	—	2,889.4	—
Other non-operating—net	—	(0.4)	54.9	—	54.5
Earnings before income taxes and equity in (losses) earnings of non-operating affiliates	1,463.7	1,469.6	2,169.9	(2,893.5)	2,209.7
Income tax (benefit) provision	(0.9)	3.0	684.4	—	686.5
Equity in (losses) earnings of non-operating affiliates—net of taxes	—	(0.2)	9.8	—	9.6
Net earnings	1,464.6	1,466.4	1,495.3	(2,893.5)	1,532.8
Less: Net earnings attributable to noncontrolling interest	—	—	72.3	(4.1)	68.2
Net earnings attributable to common stockholders	$1,464.6	$1,466.4	$1,423.0	$(2,889.4)	$1,464.6

Condensed Consolidating Statement of Comprehensive Income

	Year ended December 31, 2013				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Net earnings	$1,464.6	$1,466.4	$1,495.3	$(2,893.5)	$1,532.8
Other comprehensive income (losses)	7.0	7.0	(40.1)	32.4	6.3
Comprehensive income	1,471.6	1,473.4	1,455.2	(2,861.1)	1,539.1
Less: Comprehensive income attributable to noncontrolling interest	—	—	72.3	(4.8)	67.5
Comprehensive income attributable to common stockholders	$1,471.6	$1,473.4	$1,382.9	$(2,856.3)	$1,471.6

141

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Balance Sheet

	December 31, 2015				
	Parent	CF Industries	Other Subsidiaries	Eliminations and Reclassifications	Consolidated
	(in millions)				
Assets					
Current assets:					
Cash and cash equivalents	$1.3	$0.2	$284.5	$ —	$286.0
Restricted cash	—	—	22.8	—	22.8
Accounts and notes receivable—net	0.9	2,987.3	1,565.0	(4,286.0)	267.2
Inventories	—	—	321.2	—	321.2
Prepaid income taxes	—	—	184.6	—	184.6
Other current assets	—	23.7	21.6	—	45.3
Total current assets	2.2	3,011.2	2,399.7	(4,286.0)	1,127.1
Property, plant and equipment—net	—	—	8,539.0	—	8,539.0
Investments in and advances to affiliates	4,302.9	8,148.4	297.8	(12,451.3)	297.8
Due from affiliates	570.7	—	2.2	(572.9)	—
Goodwill	—	—	2,390.1	—	2,390.1
Other assets	—	74.5	310.4	—	384.9
Total assets	$4,875.8	$11,234.1	$13,939.2	$ (17,310.2)	$12,738.9
Liabilities and Equity					
Current liabilities:					
Accounts and notes payable and accrued expenses	$840.7	$648.1	$3,714.9	$ (4,286.0)	$917.7
Income taxes payable	—	—	5.5	—	5.5
Customer advances	—	—	161.5	—	161.5
Other current liabilities	—	—	130.5	—	130.5
Total current liabilities	840.7	648.1	4,012.4	(4,286.0)	1,215.2
Long-term debt	—	5,592.7	—	—	5,592.7
Deferred income taxes	—	51.8	864.4	—	916.2
Due to affiliates	—	572.9	—	(572.9)	—
Other liabilities	—	65.8	561.8	—	627.6
Equity:					
Stockholders' equity:					
Preferred stock	—	—	16.4	(16.4)	—
Common stock	2.4	—	1.1	(1.1)	2.4
Paid-in capital	1,377.5	(12.6)	8,364.9	(8,352.4)	1,377.4
Retained earnings	3,057.7	4,565.2	15.9	(4,580.9)	3,057.9
Treasury stock	(152.7)	—	—	—	(152.7)
Accumulated other comprehensive income (loss)	(249.8)	(249.8)	(249.7)	499.5	(249.8)
Total stockholders' equity	4,035.1	4,302.8	8,148.6	(12,451.3)	4,035.2
Noncontrolling interest	—	—	352.0	—	352.0
Total equity	4,035.1	4,302.8	8,500.6	(12,451.3)	4,387.2
Total liabilities and equity	$4,875.8	$11,234.1	$13,939.2	$ (17,310.2)	$12,738.9

142

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Balance Sheet

	December 31, 2014				
	Parent	CF Industries	Other Subsidiaries	Eliminations and Reclassifications	Consolidated
	(in millions)				
Assets					
Current assets:					
Cash and cash equivalents	$—	$105.7	$1,890.9	$ —	$1,996.6
Restricted cash	—	—	86.1	—	86.1
Accounts and notes receivable—net	—	2,286.5	651.9	(2,746.9)	191.5
Inventories	—	—	202.9	—	202.9
Prepaid income taxes	1.9	—	34.8	(1.9)	34.8
Other current assets	—	—	18.6	—	18.6
Total current assets	1.9	2,392.2	2,885.2	(2,748.8)	2,530.5
Property, plant and equipment—net	—	—	5,525.8	—	5,525.8
Investments in and advances to affiliates	6,212.5	9,208.7	861.5	(15,421.2)	861.5
Due from affiliates	570.7	—	1.7	(572.4)	—
Goodwill	—	—	2,092.8	—	2,092.8
Other assets	—	65.1	178.5	—	243.6
Total assets	$6,785.1	$11,666.0	$11,545.5	$ (18,742.4)	$11,254.2
Liabilities and Equity					
Current liabilities:					
Accounts and notes payable and accrued expenses	$2,575.4	$207.7	$553.8	$ (2,747.0)	$589.9
Income taxes payable	—	10.8	7.1	(1.9)	16.0
Customer advances	—	—	325.4	—	325.4
Other current liabilities	—	—	48.4	—	48.4
Total current liabilities	2,575.4	218.5	934.7	(2,748.9)	979.7
Long-term debt	—	4,592.5	—	—	4,592.5
Deferred income taxes	—	34.8	699.8	—	734.6
Due to affiliates	—	572.4	—	(572.4)	—
Other liabilities	—	35.3	339.6	—	374.9
Equity:					
Stockholders' equity:					
Preferred stock	—	—	16.4	(16.4)	—
Common stock(1)	2.5	—	1.1	(1.1)	2.5
Paid-in capital(1)	1,413.9	(12.6)	8,283.5	(8,270.9)	1,413.9
Retained earnings	3,175.3	6,384.9	1,067.8	(7,452.7)	3,175.3
Treasury stock(1)	(222.2)	—	—	—	(222.2)
Accumulated other comprehensive income (loss)	(159.8)	(159.8)	(160.2)	320.0	(159.8)
Total stockholders' equity	4,209.7	6,212.5	9,208.6	(15,421.1)	4,209.7
Noncontrolling interest	—	—	362.8	—	362.8
Total equity	4,209.7	6,212.5	9,571.4	(15,421.1)	4,572.5
Total liabilities and equity	$6,785.1	$11,666.0	$11,545.5	$ (18,742.4)	$11,254.2

(1)December 31, 2014 amounts have been retroactively restated to reflect the five-for-one split of the Company's common stock effected in the form of a stock dividend that was distributed on June 17, 2015.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2015				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Operating Activities:					
Net earnings	$699.9	$731.1	$835.8	$(1,532.7)	$734.1
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:					
Depreciation and amortization	—	13.7	465.9	—	479.6
Deferred income taxes	—	17.2	60.7	—	77.9
Stock-based compensation expense	16.5	—	0.3	—	16.8
Excess tax benefit from stock-based compensation	(1.5)	—	—	—	(1.5)
Unrealized loss on derivatives	—	—	162.8	—	162.8
Gain on remeasurement of CF Fertilisers UK investment	—	—	(94.4)	—	(94.4)
Impairment of equity method investment in PLNL	—	—	61.9	—	61.9
Loss on sale of equity method investments	—	—	42.8	—	42.8
Loss on disposal of property, plant and equipment	—	—	21.4	—	21.4
Undistributed (earnings) loss of affiliates—net	(731.2)	(801.4)	(3.4)	1,532.7	(3.3)
Due to/from affiliates—net	1.6	0.5	(2.1)	—	—
Changes in:					
Accounts and notes receivable—net	(0.9)	0.2	97.3	(101.4)	(4.8)
Inventories	—	—	(71.0)	—	(71.0)
Accrued and prepaid income taxes	1.9	(10.8)	(138.9)	—	(147.8)
Accounts and notes payable and accrued expenses	7.7	(42.6)	(24.8)	101.4	41.7
Customer advances	—	—	(163.9)	—	(163.9)
Other—net	—	30.7	20.7	—	51.4
Net cash (used in) provided by operating activities	(6.0)	(61.4)	1,271.1	—	1,203.7
Investing Activities:					
Additions to property, plant and equipment	—	—	(2,469.3)	—	(2,469.3)
Proceeds from sale of property, plant and equipment	—	—	12.4	—	12.4
Proceeds from sale of equity method investment	—	—	12.8	—	12.8
Purchase of CF Fertilisers UK, net of cash acquired	—	—	(551.6)	—	(551.6)
Withdrawals from restricted cash funds	—	—	63.3	—	63.3

Other—net	—	(81.5)	(43.5)	81.5	(43.5)
Net cash (used in) provided by investing activities	—	(81.5)	(2,975.9)	81.5	(2,975.9)
Financing Activities:					
Proceeds from long-term borrowings	—	1,000.0	—	—	1,000.0
Short-term debt—net	553.6	(916.2)	362.6	—	—
Financing fees	—	(46.4)	—	—	(46.4)
Purchases of treasury stock	(556.3)	—	—	—	(556.3)
Dividends paid on common stock	(282.3)	(282.4)	(282.4)	564.8	(282.3)
Distributions to noncontrolling interest	—	—	(45.0)	—	(45.0)
Issuances of common stock under employee stock plans	8.4	—	—	—	8.4
Excess tax benefit from stock-based compensation	1.5	—	—	—	1.5
Dividends to/from affiliates	282.4	282.4	—	(564.8)	—
Other—net	—	—	81.5	(81.5)	—
Net cash provided by (used in) financing activities	7.3	37.4	116.7	(81.5)	79.9
Effect of exchange rate changes on cash and cash equivalents	—	—	(18.3)	—	(18.3)
Increase (decrease) in cash and cash equivalents	1.3	(105.5)	(1,606.4)	—	(1,710.6)
Cash and cash equivalents at beginning of period	—	105.7	1,890.9	—	1,996.6
Cash and cash equivalents at end of period	$1.3	$0.2	$284.5	$—	$286.0

144

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2014				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Operating Activities:					
Net earnings	$1,390.3	$1,392.0	$1,015.7	$(2,361.2)	$1,436.8
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	6.8	385.7	—	392.5
Deferred income taxes	—	136.0	(117.5)	—	18.5
Stock-based compensation expense	16.6	—	—	—	16.6
Excess tax benefit from stock-based compensation	(8.7)	—	—	—	(8.7)
Unrealized loss on derivatives	—	—	119.2	—	119.2
Gain on sale of phosphate business	—	(764.5)	14.4	—	(750.1)
Loss on disposal of property, plant and equipment	—	—	3.7	—	3.7
Undistributed loss (earnings) of affiliates—net	(1,391.9)	(969.2)	(11.6)	2,361.2	(11.5)
Due to/from affiliates—net	8.8	1.7	(10.5)	—	—
Changes in:					
Accounts and notes receivable—net	—	(285.3)	658.2	(336.8)	36.1
Inventories	—	4.3	59.5	—	63.8
Accrued and prepaid income taxes	(1.0)	(18.3)	(37.5)	—	(56.8)
Accounts and notes payable and accrued expenses	(3.3)	376.8	(763.5)	336.8	(53.2)
Customer advances	—	—	204.8	—	204.8
Other—net	—	5.4	(8.5)	—	(3.1)
Net cash provided by (used in) operating activities	10.8	(114.3)	1,512.1	—	1,408.6
Investing Activities:					
Additions to property, plant and equipment	—	(18.3)	(1,790.2)	—	(1,808.5)
Proceeds from sale of property, plant and equipment	—	—	11.0	—	11.0
Proceeds from sale of phosphate business	—	911.5	460.5	—	1,372.0
Sales and maturities of short-term and auction rate securities	—	5.0	—	—	5.0
Deposits to restricted cash funds	—	—	(505.0)	—	(505.0)
Withdrawals from restricted cash funds	—	—	573.0	—	573.0
Other—net	—	—	9.0	—	9.0
Net cash provided by (used in) investing activities	—	898.2	(1,241.7)	—	(343.5)
Financing Activities:					
Proceeds from long-term borrowings	—	1,494.2	—	—	1,494.2

Short-term debt—net	1,897.7	(2,176.0)	278.3	—	—
Financing fees	—	(16.0)	—	—	(16.0)
Purchases of treasury stock	(1,934.9)	—	—	—	(1,934.9)
Dividends paid on common stock	(255.7)	(255.7)	(255.9)	511.6	(255.7)
Distributions to noncontrolling interest	—	—	(46.0)	—	(46.0)
Issuances of common stock under employee stock plans	17.6	—	—	—	17.6
Excess tax benefit from stock-based compensation	8.7	—	—	—	8.7
Dividends to/from affiliates	255.7	255.9	—	(511.6)	—
Other—net	—	(1.0)	(42.0)	—	(43.0)
Net cash used in financing activities	(10.9)	(698.6)	(65.6)	—	(775.1)
Effect of exchange rate changes on cash and cash equivalents	—	—	(4.2)	—	(4.2)
(Decrease) increase in cash and cash equivalents	(0.1)	85.3	200.6	—	285.8
Cash and cash equivalents at beginning of period	0.1	20.4	1,690.3	—	1,710.8
Cash and cash equivalents at end of period	$—	$105.7	$1,890.9	$—	$1,996.6

145

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2013				
	Parent	CF Industries	Other Subsidiaries	Eliminations	Consolidated
	(in millions)				
Operating Activities:					
Net earnings	$1,464.6	$1,466.4	$1,495.3	$(2,893.5)	$1,532.8
Adjustments to reconcile net earnings to net cash provided by operating activities:					
Depreciation, depletion and amortization	—	47.8	362.8	—	410.6
Deferred income taxes	—	(21.3)	(13.0)	—	(34.3)
Stock-based compensation expense	12.6	—	—	—	12.6
Excess tax benefit from stock-based compensation	(13.5)	—	—	—	(13.5)
Unrealized gain on derivatives	—	—	(59.3)	—	(59.3)
Loss on disposal of property, plant and equipment	—	—	5.6	—	5.6
Undistributed loss (earnings) of affiliates—net	(1,466.4)	(1,427.0)	(11.4)	2,893.5	(11.3)
Due to / from affiliates—net	13.5	—	(13.5)	—	—
Changes in:					
Accounts and notes receivable—net	—	(220.8)	(293.4)	514.6	0.4
Inventories	—	(11.8)	(68.5)	—	(80.3)
Accrued and prepaid income taxes	(0.9)	23.6	(176.1)	—	(153.4)
Accounts and notes payable and accrued expenses	(2.8)	305.4	261.5	(514.6)	49.5
Customer advances	—	—	(260.1)	—	(260.1)
Other—net	—	3.9	63.6	—	67.5
Net cash provided by operating activities	7.1	166.2	1,293.5	—	1,466.8
Investing Activities:					
Additions to property, plant and equipment	—	(58.9)	(764.9)	—	(823.8)
Proceeds from sale of property, plant and equipment	—	—	12.6	—	12.6
Sales and maturities of short-term and auction rate securities	—	13.5	—	—	13.5
Canadian terminal acquisition	—	—	(72.5)	—	(72.5)
Deposits to restricted cash funds	—	—	(154.0)	—	(154.0)
Deposits to asset retirement obligation funds	—	(2.9)	—	—	(2.9)
Other—net	—	—	7.8	—	7.8
Net cash used in investing activities	—	(48.3)	(971.0)	—	(1,019.3)
Financing Activities:					
Proceeds from long-term borrowings	—	1,498.0	—	—	1,498.0
Financing fees	—	(14.5)	—	—	(14.5)
Dividends paid on common stock	(129.1)	(859.0)	(129.0)	988.0	(129.1)
Dividends to/from affiliates	859.0	129.0	—	(988.0)	—

Distributions to/from noncontrolling interest	—	14.3	(88.0)	—	(73.7)
Purchases of treasury stock	(1,409.1)	—	—	—	(1,409.1)
Acquisitions of noncontrolling interests in CFL	—	(364.9)	(553.8)	—	(918.7)
Issuances of common stock under employee stock plans	10.3	—	—	—	10.3
Excess tax benefit from stock-based compensation	13.5	—	—	—	13.5
Other—net	648.4	(941.2)	335.8	—	43.0
Net cash used in financing activities	(7.0)	(538.3)	(435.0)	—	(980.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	(31.3)	—	(31.3)
Increase (decrease) in cash and cash equivalents	0.1	(420.4)	(143.8)	—	(564.1)
Cash and cash equivalents at beginning of period	—	440.8	1,834.1	—	2,274.9
Cash and cash equivalents at end of period	$0.1	$20.4	$1,690.3	$—	$1,710.8

146

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

27. Subsequent Event (Unaudited)

On August 12, 2015, we announced that we agreed to enter into a strategic venture with CHS Inc. (CHS). The strategic venture commenced on February 1, 2016, at which time CHS purchased a minority equity interest in CF Industries Nitrogen, LLC (CFN), a subsidiary of CF Holdings, for $2.8 billion. CHS also began receiving deliveries from us pursuant to a supply agreement under which CHS has the right to purchase annually from us up to approximately 1.1 million tons of granular urea and 580,000 tons of UAN at market prices. CHS is entitled to semi-annual profit distributions from CFN as a result of its minority equity interest in CFN based generally on the volume of granular urea and UAN purchased by CHS pursuant to the supply agreement.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the Company's principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in (i) ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by the Company on July 31, 2015. CF Fertilisers UK accounted for 11% of the Company’s total assets as of December 31, 2015 and 5% of the Company’s total net sales for the year ended December 31, 2015. As permitted by SEC guidance for newly acquired businesses, the Company's management elected to exclude CF Fertilisers UK from its evaluation of disclosure controls and procedures to the extent subsumed by internal control over financial reporting. The Company's management is in the process of reviewing the operations of CF Fertilisers UK and implementing the Company's internal control structure over the operations of CF Fertilisers UK.

(b) Management's Report on Internal Control over Financial Reporting.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for the Company. Under the supervision and with the participation of our senior management, including our principal executive officer and principal financial officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2015, using the criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has concluded that our internal control over financial reporting is effective as of December 31, 2015. KPMG LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2015, which appears on page 149.

The Company acquired the remaining 50% equity interest in CF Fertilisers UK not previously owned by the Company on July 31, 2015. CF Fertilisers UK accounted for 11% of the Company’s total assets as of December 31, 2015 and 5% of the Company’s total net sales for the year ended December 31, 2015. As permitted by SEC guidance for newly acquired businesses, the Company's management elected to exclude CF Fertilisers UK from its assessment of the effectiveness of our internal control over financial reporting as of December 31, 2015. The Company's management is in the process of reviewing the operations of CF Fertilisers UK and implementing the Company's internal control structure over the operations of CF Fertilisers UK.

(c) Changes in Internal Control over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CF Industries Holdings, Inc.:

We have audited CF industries Holdings, Inc.'s (the Company) internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, CF Industries Holdings, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company acquired the remaining 50% equity interest in CF Fertilisers UK during 2015, and management excluded from its assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2015, CF Fertilisers UK internal control over financial reporting associated with total assets of 11% and total revenues of 5% included in the consolidated financial statements of CF Industries Holdings, Inc. and subsidiaries as of and for the year ended December 31, 2015. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of CF Fertilisers UK.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CF Industries Holdings, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2015, and our report dated February 25, 2016 expressed an unqualified opinion on those consolidated financial statements.

(signed) KPMG LLP

Chicago, Illinois
February 25, 2016

CF INDUSTRIES HOLDINGS, INC.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Information appearing in the Proxy Statement under the headings "Director Nominees"; "Executive Officers"; "Corporate Governance—Committees of the Board—Audit Committee"; and "Common Stock Ownership—Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

We have adopted a Code of Corporate Conduct that applies to our employees, directors and officers, including our principal executive officer, principal financial officer and principal accounting officer. The Code of Corporate Conduct is posted on our Internet website, www.cfindustries.com. We will provide an electronic or paper copy of this document free of charge upon request. We intend to disclose on our Internet website any amendment to any provision of the Code of Corporate Conduct that relates to any element of the definition of “code of ethics” enumerated in Item 406(b) of Regulation S-K under the Exchange Act and any waiver from any such provision granted to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

ITEM 11. EXECUTIVE COMPENSATION.

Robert C. Arzbaecher, Stephen A. Furbacher, Stephen J. Hagge, John D. Johnson, Anne P. Noonan, Edward A. Schmitt and Theresa E. Wagler currently serve as the members of the Compensation Committee of the Company's Board of Directors.

Information appearing under the following headings of the Proxy Statement is incorporated herein by reference: "Compensation Discussion and Analysis," "Compensation and Benefits Risk Analysis," "Compensation Committee Report," "Executive Compensation" and "Director Compensation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Information appearing under the following headings of the Proxy Statement is incorporated herein by reference: "Common Stock Ownership—Common Stock Ownership of Certain Beneficial Owners" and "Common Stock Ownership—Common Stock Ownership of Directors and Management."

We currently issue stock-based compensation under our 2014 Equity and Incentive Plan (Plan). Under the Plan, we may grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards (payable in cash or stock) and other stock-based compensation.

Equity Compensation Plan Information as of December 31, 2015

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	3,456,933	$43.21	13,090,350
Equity compensation plans not approved by security holders	197,385	$16.83	—
Total	3,654,318	$41.79	13,090,350

For additional information on our equity compensation plan, see Note 19—Stock-Based Compensation.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Information appearing in the Proxy Statement under the headings "Corporate Governance—Director Independence" and "Policy Regarding Related Person Transactions" is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Information appearing in the Proxy Statement under the headings "Audit and Non-audit Fees" and "Pre-approval of Audit and Non-audit Services" is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Documents filed as part of this report:

(1) All financial statements:

The following financial statements are included in Part II, Item 8. Financial Statements and Supplementary Data.

Financial statement schedules are omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

(2) Exhibits

A list of exhibits filed with this report on Form 10-K (or incorporated by reference to exhibits previously filed or furnished) is provided in the Exhibit Index on page 153 of this report.

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	CF INDUSTRIES HOLDINGS, INC.
Date: February 25, 2016	By: /s/ W. ANTHONY WILL
	W. Anthony Will
	President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ W. ANTHONY WILL W. Anthony Will	President and Chief Executive Officer, Director (Principal Executive Officer)	February 25, 2016
/s/ DENNIS P. KELLEHER Dennis P. Kelleher	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 25, 2016
/s/ RICHARD A. HOKER Richard A. Hoker	Vice President and Corporate Controller (Principal Accounting Officer)	February 25, 2016
/s/ STEPHEN A. FURBACHER Stephen A. Furbacher	Chairman of the Board	February 25, 2016
/s/ ROBERT C. ARZBAECHER Robert C. Arzbaecher	Director	February 25, 2016
/s/ WILLIAM DAVISSON William Davisson	Director	February 25, 2016
/s/ STEPHEN J. HAGGE Stephen J. Hagge	Director	February 25, 2016
/s/ JOHN D. JOHNSON John D. Johnson	Director	February 25, 2016
/s/ ROBERT G. KUHBACH Robert G. Kuhbach	Director	February 25, 2016
/s/ ANNE P. NOONAN Anne P. Noonan	Director	February 25, 2016
/s/ EDWARD A SCHMITT Edward A. Schmitt	Director	February 25, 2016

/s/ THERESA E. WAGLER Theresa E. Wagler	Director	February 25, 2016

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
2.1	Agreement and Plan of Merger, dated as of July 21, 2005, by and among CF Industries Holdings, Inc., CF Merger Corp. and CF Industries, Inc. (incorporated by reference to Exhibit 2.1 to Amendment No. 3 to CF Industries Holdings, Inc.'s Registration Statement on Form S-1 filed with the SEC on July 26, 2005, File No. 333-124949)
2.2	Agreement and Plan of Merger, dated as of March 12, 2010, by and among CF Industries Holdings, Inc., Composite Merger Corporation and Terra Industries Inc. (incorporated by reference to Exhibit 2.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on March 12, 2010, File No. 001-32597)
2.3	Purchase and Sale Agreement, dated August 2, 2012, between CF Industries Holdings, Inc. and Glencore International plc (incorporated by reference to Exhibit 2.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on August 6, 2012, File No. 001-32597)
2.4	Asset Purchase Agreement, dated October 28, 2013, among CF Industries Holdings, Inc., CF Industries, Inc. and The Mosaic Company (incorporated by reference to Exhibit 2.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on November 1, 2013, File No. 001-32597)
2.5	Combination Agreement, dated August 6, 2015, by and among CF Industries Holdings, Inc., Darwin Holdings Limited, Beagle Merger Company LLC and OCI N.V. (incorporated by reference to Exhibit 2.1 to CF Industries Holdings, Inc.’s Current Report on Form 8-K filed with the SEC on August 12, 2015, File No. 001-32597)
2.6	Amendment No. 1 to the Combination Agreement, dated November 6, 2015, by and among CF Industries Holdings, Inc., Darwin Holdings Limited, Beagle Merger Company LLC and OCI N.V. (incorporated by reference to Exhibit 2.2 to CF B.V.’s Registration Statement on Form S-4 filed with the SEC on November 6, 2015, File No. 333-207847)
2.7	Second Amendment to the Combination Agreement, dated December 20, 2015, by and among CF Industries Holdings, Inc., Darwin Holdings Limited, Beagle Merger Company LLC, OCI N.V., CF B.V. and Finch Merger Company LLC (incorporated by reference to Exhibit 2.1 to CF Holdings' Current Report on Form 8-K filed with the SEC on December 23, 2015, File No. 001-32597)
2.8	Second Amendment to the Shareholders' Agreement, dated December 20, 2015, by and among Darwin Holdings Limited, OCI N.V., CF B.V., Capricorn Capital B.V., Leo Capital B.V., and Aquarius Investments B.V. (incorporated by reference to Exhibit 2.2 to CF Holdings' Current Report on Form 8-K filed with the SEC on December 23, 2015, File No. 001-32597)

2.9	Irrevocable Undertaking, dated August 6, 2015, by and among CF Industries Holdings, Inc., OCI N.V. and Capricorn Capital B.V. (incorporated by reference to Exhibit 2.3 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on August 12, 2015, File No. 001-32597)
2.10	Amendment No. 1 to the Irrevocable Undertaking, dated November 6, 2015, by and among CF Industries Holdings, Inc., OCI N.V. and Capricorn Capital B.V. (incorporated by reference to Exhibit 2.6 to CF B.V.'s Registration Statement on Form S-4 filed with the SEC on November 6, 2015, File No. 333-207847)
2.11	Irrevocable Undertaking, dated August 6, 2015, by and among CF Industries Holdings, Inc., OCI N.V. and Leo Capital B.V. (incorporated by reference to Exhibit 2.4 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on August 12, 2015, File No. 001-32597)
2.12	Irrevocable Undertaking, dated August 6, 2015, by and among CF Industries Holdings, Inc., OCI N.V. and Aquarius Investments B.V. (incorporated by reference to Exhibit 2.5 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on August 12, 2015, File No. 001-32597)

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT NO.	DESCRIPTION
2.13	Second Amended and Restated Limited Liability Company Agreement of CF Industries Nitrogen, LLC, dated as of December 18, 2015, by and between CF Industries Sales, LLC and CHS Inc. (incorporated by reference to Exhibit 2.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on December 21, 2015, File No. 001-32597) *
3.1	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 4.1 to CF Industries Holdings, Inc.'s Registration Statement on Form S-8 filed with the SEC on May 14, 2014, File No. 333-195936)
3.2	Fourth Amended and Restated Bylaws of CF Industries Holdings, Inc., effective October 14, 2015 (incorporated by reference to Exhibit 3.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on October 16, 2015, File No. 001-32597)
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2015, File No. 001-32597)
4.2	Indenture, dated as of April 23, 2010, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on April 27, 2010, File No. 001-32597)
4.3	First Supplemental Indenture, dated as of April 23, 2010, among CF Industries, Inc., CF Industries Holdings, Inc. and the other guarantors named therein and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s 6.875% Senior Notes due 2018 (includes form of note) (incorporated by reference to Exhibit 4.2 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on April 27, 2010, File No. 001-32597)
4.4	Second Supplemental Indenture, dated as of April 23, 2010, among CF Industries, Inc., CF Industries Holdings, Inc. and the other guarantors named therein and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s 7.125% Senior Notes due 2020 (includes form of note) (includes form of note) (incorporated by reference to Exhibit 4.3 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on April 27, 2010, File No. 001-32597)
4.5	Indenture, dated as of May 23, 2013, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2013, File No. 001-32597)
4.6	First Supplemental Indenture, dated as of May 23, 2013, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s

	3.450% Senior Notes due 2023 (includes form of note) (incorporated by reference to Exhibit 4.2 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2013, File No. 001-32597)
4.7	Second Supplemental Indenture, dated as of May 23, 2013, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s 4.950% Senior Notes due 2043 (includes form of note) (incorporated by reference to Exhibit 4.3 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2013, File No. 001-32597)
4.8	Third Supplemental Indenture, dated as of March 11, 2014, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s 5.150% Senior Notes due 2034 (includes form of note) (incorporated by reference to Exhibit 4.2 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on March 11, 2014, File No. 001-32597)
4.9	Fourth Supplemental Indenture, dated as of March 11, 2014, among CF Industries, Inc., CF Industries Holdings, Inc. and Wells Fargo Bank, National Association, as trustee, relating to CF Industries, Inc.'s 5.375% Senior Notes due 2044 (includes form of note) (incorporated by reference to Exhibit 4.3 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on March 11, 2014, File No. 001-32597)
4.10	Note Purchase Agreement, dated September 24, 2015, among CF Industries Holdings, Inc., CF Industries, Inc. and the Purchasers party thereto (incorporated by reference to Exhibit 4.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on September 30, 2015, File No. 001-32597)

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT NO.	DESCRIPTION
4.11	First Amendment, dated as of December 20, 2015, to the Note Purchase Agreement dated September 24, 2015, among CF Industries Holdings, Inc., CF Industries, Inc. and the noteholders party thereto (incorporated by reference to Exhibit 4.1 to CF Industries Holdings, Inc.’s Current Report on Form 8-K filed with the SEC on December 21, 2015, File No. 001-32597)
10.1	Change in Control Severance Agreement, effective as of April 29, 2005, and amended and restated as of July 24, 2007, by and among CF Industries, Inc., CF Industries Holdings, Inc. and Douglas C. Barnard (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 5, 2007, File No. 001-32597)**
10.2	Change in Control Severance Agreement, effective as of September 1, 2009, amended as of October 20, 2010, and amended further and restated as of February 17, 2014, by and between CF Industries Holdings, Inc. and Christopher D. Bohn (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2014, File No. 001-32597)**
10.3	Change in Control Severance Agreement, effective as of November 21, 2008, by and between CF Industries Holdings, Inc. and Bert A. Frost (incorporated by reference to Exhibit 10.11 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 26, 2009, File No. 001-32597)**
10.4	Change in Control Severance Agreement, effective as of November 19, 2007 and amended and restated as of March 6, 2009, by and between CF Industries Holdings, Inc. and Richard A. Hoker (incorporated by reference to Exhibit (e)(9) to CF Industries Holdings, Inc.'s Solicitation/Recommendation Statement on Schedule 14D-9 filed with the SEC on March 23, 2009, File No. 005-80934)**
10.5	Change in Control Severance Agreement, effective as of August 22, 2011, amended as of April 27, 2012, and amended further and restated as of February 17, 2014, by and between CF Industries Holdings, Inc. and Dennis P. Kelleher (incorporated by reference to Exhibit 99.2 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on February 20, 2014, File No. 001-32597**
10.6	Change in Control Severance Agreement, effective as of August 1, 2007 and amended and restated as of March 6, 2009, by and between CF Industries Holdings, Inc. and Wendy S. Jablow Spertus (incorporated by reference to Exhibit (e)(8) to CF Industries Holdings, Inc.'s Solicitation/Recommendation Statement on Schedule 14D-9 filed with the SEC on March 23, 2009, File No. 005-80934)**
10.7	Change in Control Severance Agreement, effective as of April 29, 2005 and amended and restated as of July 24, 2007, by and among CF Industries, Inc., CF Industries Holdings, Inc. and Philipp P. Koch (incorporated by reference to Exhibit 10.5 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 5, 2007, File No. 001-32597)**

10.8	Change in Control Severance Agreement, effective as of April 24, 2007, amended as of July 24, 2007, and amended further and restated as of February 17, 2014, by and between CF Industries Holdings, Inc. and W. Anthony Will (incorporated by reference to Exhibit 99.1 to CF Industries Holding, Inc.'s Current Report on Form 8-K filed with the SEC on February 20, 2014, File No. 001-32597)**
10.9	Change in Control Severance Agreement, effective as of July 25, 2013, by and between CF Industries Holdings, Inc. and Adam L. Hall (incorporated by reference to Exhibit 10.10 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2014, File No. 001-32597)**
10.10	Form of Amendment to Change in Control Severance Agreement (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on December 24, 2015, File No. 001-32597)**
10.11	Form of Indemnification Agreement with Officers and Directors (incorporated by reference to Exhibit 10.10 to Amendment No. 2 to CF Industries Holdings, Inc.'s Registration Statement on Form S-1 filed with the SEC on July 20, 2005, File No. 333-124949)**
10.12	CF Industries Holdings, Inc. 2005 Equity and Incentive Plan, amended as of December 13, 2007 (incorporated by reference to Exhibit 10.15 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2008, File No. 001-32597)**
10.13	CF Industries Holdings, Inc. 2009 Equity and Incentive Plan (incorporated by reference to Appendix A to CF Industries Holdings, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the SEC on March 16, 2009, File No. 001-32597)**

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT NO.	DESCRIPTION
10.14	CF Industries Holdings, Inc. 2014 Equity and Incentive Plan (incorporated by reference to Appendix C to CF Industries Holdings, Inc.’s Definitive Proxy Statement on Schedule 14A filed with the SEC on April 3, 2014, File No. 001-32597)**
10.15	CF Industries Holdings, Inc. Supplemental Benefit and Deferral Plan (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.’s Current Report on Form 8-K filed with the SEC on October 20, 2014, File No. 001-32597)**
10.16	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.12 to Amendment No. 3 to CF Industries Holdings, Inc.'s Registration Statement on Form S-1 filed with the SEC on July 26, 2005, File No. 333-124949)**
10.17	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.19 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2008, File No. 001-32597)**
10.18	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.6 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 3, 2009, File No. 001-32597)**
10.19	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.17 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2014, File No. 001-32597)**
10.20	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 6, 2014, File No. 001-32597)**
10.21	Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2015, File No. 001-32597)**
10.22	Form of Amendment to Non-Qualified Stock Option Award Agreements (incorporated by reference to Exhibit 10.5 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2015, File No. 001-32597)**
10.23	Form of Non-Qualified Stock Option Award Agreement**
10.24	Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.7 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 3, 2009, File No. 001-32597)**

10.25	Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.19 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2014, File No. 001-32597)**
10.26	Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 6, 2014, File No. 001-32597)**
10.27	Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2015, File No. 001-32597)**
10.28	Form of Restricted Stock Unit Award Agreement**

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT NO.	DESCRIPTION
10.29	Form of Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.20 to CF Industries Holdings, Inc.'s Annual Report on Form 10-K filed with the SEC on February 27, 2014, File No. 001-32597)**
10.30	Form of Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 6, 2014, File No. 001-32597)**
10.31	Form of Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2015, File No. 001-32597)**
10.32	Form of Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 6, 2015, File No. 001-32597)**
10.33	Form of Performance Restricted Stock Unit Award Agreement**
10.34	Form of Non-Employee Director Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 to CF Industries Holdings, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 7, 2014, File No. 001-32597)**
10.35	Form of Executive Excise Tax and Waiver Agreement (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on December 24, 2015, File No. 001-32597)**
10.36	Letter Agreement between Philipp P. Koch and CF Industries Holdings, Inc. (incorporated by reference to Exhibit 10.2 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on December 24, 2015, File No. 001-32597)**
10.37	Commitment Letter, dated August 6, 2015, by and among Morgan Stanley Senior Funding, Inc., Goldman Sachs Bank USA and CF Industries Holdings, Inc. (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.’s Current Report on Form 8-K filed with the SEC on August 12, 2015, File No. 001-32597)
10.38	Third Amended and Restated Revolving Credit Agreement, dated as of September 18, 2015, among CF Industries Holdings, Inc., the borrowers from time to time party thereto, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and Morgan Stanley Bank,

	N.A., Goldman Sachs Bank USA, Bank of Montreal, Royal Bank of Canada, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Wells Fargo Bank, National Association, as issuing banks (incorporated by reference to Exhibit 10.2 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on September 23, 2015, File No. 001-32597)
10.39	Amendment No. 1, dated as of December 20, 2015, to the Third Amended and Restated Revolving Credit Agreement among CF Industries Holdings, Inc., CF Industries, Inc., the lenders party thereto, the issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.2 to CF Holdings' Current Report on Form 8-K filed with the SEC on December 21, 2015, File No. 001-32597)
10.40	364-Day Bridge Credit Agreement, dated as of September 18, 2015, among CF Industries Holdings, Inc., the borrowers from time to time party thereto, the lenders from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on September 23, 2015, File No. 001-32597)

Table of Contents

CF INDUSTRIES HOLDINGS, INC.

EXHIBIT NO.	DESCRIPTION
10.41	Amendment No. 1, dated as of December 20, 2015, to the 364-Day Bridge Credit Agreement among CF Industries Holdings, Inc., CF Industries, Inc., the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.1 to CF Holdings' Current Report on Form 8-K filed with the SEC on December 21, 2015, File No. 001-32597)
10.42	Amended and Restated Nitrogen Fertilizer Purchase Agreement, dated December 18, 2015, by and between CF Industries Nitrogen, LLC and CHS Inc. (incorporated by reference to Exhibit 10.1 to CF Industries Holdings, Inc.'s Current Report on Form 8-K filed with the SEC on December 18, 2015, File No. 001-32597) *
12	Ratio of earnings to fixed charges
21	Subsidiaries of the registrant
23	Consent of KPMG LLP, independent registered public accounting firm
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from CF Industries Holdings, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (1) Consolidated Statements of Operations, (2) Consolidated Statements of Comprehensive Income, (3) Consolidated Balance Sheets, (4) Consolidated Statements of Equity, (5) Consolidated Statements of Cash Flows and (6) the Notes to Consolidated Financial Statements

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* Portions omitted pursuant to an order granting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

** Management contract or compensatory plan or arrangement required to be filed (and/or incorporated by reference) as an exhibit to this Annual Report on Form 10-K pursuant to Item 15(a)(3) of Form 10-K.