



KOCH NITROGEN COMPANY

News Release

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**KOCH NITROGEN BUYING FERTILIZER ASSETS FROM FARMLAND**

**WICHITA, Kan.** – Koch Nitrogen Company’s purchase of selected fertilizer assets from Farmland Industries was approved today by a federal bankruptcy court in Kansas City, Mo.

The acquisition is subject to regulatory approval and is expected to close this spring.

The purchase, valued at \$293 million, includes a \$188 million cash purchase price for the assets. In an initial letter of interest to Farmland last fall, Koch Nitrogen had estimated a cash purchase price of \$180 million. The current deal value also includes approximately \$105 million in adjustments for working capital, debt and assumed liabilities.

“We’re excited about this acquisition, as it fits with our vision of identifying growth opportunities where we can apply our capabilities to enhance the business,” said Jeff Walker, president of Koch Nitrogen. “Both the domestic and international assets will improve our ability to serve customers in key fertilizer markets in the United States, including the Midwestern corn belt and the Gulf Coast. These assets also provide a hedge against volatile U.S. natural gas markets.”

Four fertilizer plants and 12 terminals are among the U.S. assets in the acquisition, which also includes Farmland’s 50 percent share of Farmland MissChem Limited, which owns an ammonia plant in the Republic of Trinidad and Tobago.

“We’ll work to position these assets to adapt to changing markets. The long-term success of any U.S. fertilizer producer is going to be driven by factors such as leadership in building supply diversity, operations efficiency, compliance and customer satisfaction,” said Walker.

The U.S. production facilities in the purchase are located in Beatrice, Neb.; Dodge City, Kan.; Enid, Okla.; and Fort Dodge, Iowa. The terminals are in Aurora and Greenwood, Neb.; Barnesville, Murdock and Vernon City, Minn.; Conway, Kan.; Farnsworth, Texas; Henry and Mattoon (Trilla Terminal), Ill.; and Garner, Sergeant Bluff and Keota (Washington Terminal), Iowa. Koch Nitrogen also retains an option on a UAN terminal located in Lawrence, Kan.

The facility in Trinidad, built in 1997, uses that country’s lower-cost natural gas to mitigate the volatility of the North American natural gas markets. Mississippi Chemical Corp. is the other shareholder in FMCL.

Koch Nitrogen Company and its affiliates produce, distribute and globally market nitrogen fertilizers, including anhydrous ammonia, urea and UAN. Koch Nitrogen is a subsidiary of privately held Koch Industries, Inc. ([www.kochind.com](http://www.kochind.com)), which owns a diverse group of companies engaged in trading, investment and operations around the world.

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