

Phosphate Holdings, Inc.

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For Immediate Release

News Release

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Phosphate Holdings, Inc., Reports First Quarter 2008 Financial Results

Madison, Miss. (April 25, 2008) Phosphate Holdings, Inc., today reported first-quarter 2008 earnings of \$7.3 million or \$0.96 per basic share of common stock. During the same period last year, the Company recorded earnings of \$17.9 million or \$2.34 per basic share of common stock.

Net sales for the first quarter of 2008 were \$64.3 million, a 32 percent increase over net sales of \$48.7 million for the first quarter of 2007. Operating income for the first quarter of 2008 was \$8.9 million, a 147 percent increase over operating income of \$3.6 million for the prior year period. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the first quarter of 2008 were \$14.7 million, a 25 percent decrease from EBITDA of \$19.7 million for the first quarter of 2007. Net income and EBITDA for the first quarter of 2007 include hurricane-related insurance recoveries of \$14.3 million.

Robert Jones, president, said, "We are pleased to report solid results for our first quarter despite operational issues which significantly impacted production and sales volumes. These problems have been corrected and the plant is now producing well. We are optimistic about the balance of fiscal 2008."

The Company is a Delaware corporation and the sole stockholder of Mississippi Phosphates Corporation. Mississippi Phosphates Corporation is a Delaware corporation with its executive headquarters in Madison, Miss. Mississippi Phosphates Corporation owns and operates manufacturing facilities in Pascagoula, Miss., which produce diammonium phosphate, the most common form of phosphate fertilizer used as a source of phosphate on all major row crops.

Forward-looking Statements

This letter contains "forward-looking statements" within the meaning of the federal securities law, which are intended to qualify for the safe harbor from liability provided thereunder. All statements which are not historical statements of fact are "forward-looking statements" for purposes of these provisions and are subject to numerous risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Future events, risks and uncertainties that could cause a material difference in such results include, but are not limited to, (i) changes in matters which affect the global supply and demand of phosphate fertilizer products, phosphate rock, ammonia, sulfur and sulfuric acid, (ii) a variety of conditions in the agricultural industry such as grain prices, planted acreage, projected grain stocks, U.S. government policies, weather, and changes in agricultural production methods, (iii) changes in the availability and cost of phosphate rock and our other primary raw materials, (iv) changes in capital markets, (v) possible unscheduled plant outages and other operating difficulties, (vi) price competition and capacity expansions and reductions from both domestic and international competitors, (vii) foreign government agricultural policies (in particular, the policies of the governments of India and China), (viii) the relative unpredictability of international and local economic conditions, (ix) the relative value of the U.S. dollar, (x) regulations regarding the environment and the sale and transportation of fertilizer products, and (xi) impact of future storms. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

(Tables follow)

PHOSPHATE HOLDINGS, INC., AND SUBSIDIARY
Consolidated Balance Sheets

	March 31, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,057,918	\$ 43,576,164
Trade accounts receivable	17,198,768	9,041,860
Other receivables	2,573,784	2,396,073
Inventories		
Raw materials	29,297,264	5,103,871
Finished goods	7,967,131	7,740,211
Replacement parts	7,974,159	7,623,004
Total inventories	45,238,554	20,467,086
Prepaid expenses and other	4,436,116	4,844,095
Total current assets	77,505,140	80,325,278
Restricted investments in trust fund, at fair value	3,329,920	3,347,734
Property, plant and equipment, net	51,592,684	49,604,192
Other	111,337	120,096
	\$ 132,539,081	\$ 133,397,300
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 22,052,740	\$ 20,917,393
Income taxes payable	3,332,732	112,979
Notes payable	1,202,632	2,185,433
Deferred income taxes	316,000	622,000
Total current liabilities	26,904,104	23,837,805
Asset retirement obligation	6,322,339	6,174,983
Deferred income taxes	9,494,000	9,427,000
Total liabilities	42,720,443	39,439,788
Stockholders' equity		
Common stock (\$0.01 par; 11,000,000 shares authorized, 7,654,290 issued and outstanding)	76,543	76,543
Additional paid-in capital	25,552,428	25,552,428
Retained earnings	64,189,667	68,328,541
Total stockholders' equity	89,818,638	93,957,512
Total liabilities and stockholders' equity	\$ 132,539,081	\$ 133,397,300

PHOSPHATE HOLDINGS, INC., AND SUBSIDIARY

Consolidated Statements of Income

(Unaudited)

	Three Months Ended	
	March 31,	
	2008	2007
Net sales	\$ 64,284,385	\$ 48,742,405
Cost of goods sold	52,808,957	44,435,890
Gross profit	11,475,428	4,306,515
Selling, general and administrative expense	1,023,868	708,729
Impairment of assets	1,571,664	-
Operating income	8,879,896	3,597,786
Other income (expense)		
Interest, net	113,427	(276,409)
Hurricane-related recoveries	-	14,345,728
Other, net	2,479,991	266,934
	2,593,418	14,336,253
Income before income taxes	11,473,314	17,934,039
Income tax expense	4,130,753	-
Net income	\$ 7,342,561	\$ 17,934,039
Net income per share - basic	\$ 0.96	\$ 2.34
Net income per share - diluted	\$ 0.88	\$ 2.34
Weighted average common shares outstanding - basic	7,654,290	7,654,290
Weighted average common shares outstanding - diluted	8,352,345	7,654,290