

**STATEMENT OF ROBERT BUKER
PRESIDENT AND CEO
US SUGAR CORPORATION**

We at U.S. Sugar are just the latest in a long line of men and women who have farmed the land, and, in the process, provided for their families, contributed to their communities and built a company that is a pillar of the agricultural economy in Florida.

So, I stand here today with mixed feelings. On the one hand, I am sobered and not a little saddened by the prospect of the transition that lies before us...

...a transition that will see new beginnings for us individually and the end of the company six years from now.

But on the other hand, I am excited by what we are doing here today and by what it means for the future of Florida and its environment.

For three decades, four good Governors struggled with the complex environmental problems posed by Lake Okeechobee, the Everglades and agriculture.

The results of these struggles have been a series of partial fixes, sometimes effective, but invariably expensive. But this Governor had the vision to look more deeply into the problem and to see a more fundamental, systemic solution.

And, more importantly, he had the courage to act on that vision. That courage, plus the leadership and determination of his staff and the experience and professionalism of the District staff have brought us here today.

I am mindful that events like this lend themselves to rhetorical excess, a vice I normally resist. But I do not think the importance of what we are announcing today can be overstated.

This is a watershed event in national conservation history, and a paradigm shift for the Everglades and the environment in Florida, one that would have been inconceivable in years past.

Yet, here we are. On behalf of myself and the employees and stockholders of United States Sugar Corporation, I want to say I am honored to be here.

We look forward to continuing to work with the Governor and the District in the cooperative spirit with which we have begun in order to make the dream represented by the Statement of Principles that we sign here today a reality for Florida tomorrow.

**STATEMENT OF PRINCIPLES FOR THE ACQUISITION OF
UNITED STATES SUGAR CORPORATION PROPERTY FOR THE
RESTORATION OF THE EVERGLADES**

1. This Statement of Principles is entered into this 24th day of June 2008 by the South Florida Water Management District ("SFWMD") and the United States Sugar Corporation, a Delaware corporation ("USSC"). This Statement of Principles provides a framework for the acquisition of property for the protection of the coastal estuaries and the restoration of the northern and southern Everglades that include elements as set forth in paragraphs below.
2. USSC and its affiliates own interests in real property in Palm Beach, Hendry, Glades and Gilchrist Counties, including a sugar mill, a sugar refinery, an office building located in Hendry County, a citrus processing plant/tank farm, an internal railroad and an external short-line railroad, together with other fixtures, buildings, structures, and other improvements erected thereon, and permits, licenses, rights, privileges and appurtenances thereto as set forth on the attached map made a part hereof ("Lands"). The Lands consist of approximately 187,000 acres (or approximately 292 square miles) owned in fee simple.
3. USSC and its affiliates also own tangible personal property used in connection with the operation of USSC'S agricultural business, including furniture, equipment, tools, machinery, vehicles and railroad rolling stock, all to be more specifically described in the contemplated Purchase Agreement between SFWMD and USSC ("Personalty"). In no event shall Personalty be deemed to include planted or harvested crops (including sugarcane and citrus fruit), stubble cane and other consumables used or produced in USSC's business operations.
4. For consideration as set forth in Paragraph 8 to be paid by SFWMD to USSC, USSC will convey or cause to convey to SFWMD and/or third parties designated by SFWMD all of USSC and its affiliates rights, title and interests in and to the Lands and Personalty.
5. Lands owned in fee simple will be conveyed by the appropriate general warranty deeds. To the extent applicable, Lands leased or in which an easement interest is held will be transferred by assignment of lease or easement. Personalty will be conveyed by appropriate bill(s) of sale and applicable warranties or guarantees transferred. The SFWMD or USSC shall have the option of deferring closing on particular parcels pending completion of environmental remediation of pollutants on such parcels.

6. The conveyances will be subject to USSC's retained use and possession of the Lands and Personalty to continue its existing operations for a period of time ending on the sixth (6th) anniversary after the closing date, unless extended by the agreement of the two parties. Up to 10,000 agricultural/crop acres of the Lands, as selected by the SFWMD, will be subject to release of USSC's retained use and possessory interest on the fifth (5th) anniversary of the closing date. USSC will pay all fees, costs and expenses arising from continued use and possession of the Lands and Personalty, including lease payments, applicable taxes, and applicable assessments. USSC will continue to implement generally applicable BMP requirements on the Lands during this period.

7. Following termination of USSC's retention of use and possession, USSC shall be responsible to deliver at its expense the Lands and Personalty in compliance with all federal, state and local statutes, ordinances, rules and regulations, including the environmental remediation of pollutants.

8. Subject to SFWMD's receipt of its own independent appraisal which must be satisfactory to SFWMD, USSC is willing to sell and SFWMD is willing to buy the Lands and Personalty for \$1,750,000,000.00, together with the retained use and possessory rights of the Lands and Personalty as described in Paragraph 6 hereof (which includes the right of USSC to retain the rents and revenues derived therefrom).

9. USSC and SFWMD will use best efforts to negotiate and execute a Purchase Agreement within seventy-five (75) days of the date hereof and to close by November 30, 2008. The Purchase Agreement may include third party exchanges and purchases of portions of the Lands and Personalty. The Purchase Agreement will also be subject to public and/or private financing of the purchase price and the limitations such financing imposes.


10. USSC and its affiliates will not transfer any right, title or interest in the Lands or otherwise encumber its interests in the Lands prior to the closing, unless such transfer or encumbrance is cured/satisfied prior thereto. USSC and its affiliates may sell Personalty in the ordinary course of conducting its business.

11. This Statement of Principles is non-binding and is subject to the negotiation and execution of the Purchase Agreement in form satisfactory to SFWMD and USSC. Until such Agreement is fully executed, no party has any financial or legal obligation with respect hereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned agree to the foregoing Statement of Principles as of the date first above written.


WITNESS:


CHARLIE CRIST,
Governor of the State of Florida

[As to USSC and SFWMD]


USSC:

UNITED STATES SUGAR
CORPORATION, a Delaware corporation

By: 
Name: Robert Bunker
Title: President

SFWMD:

SOUTH FLORIDA WATER
MANAGEMENT DISTRICT,
a public corporation created under
Chapter 373, Florida Statutes

By: 
Name: Shannon Estenoz
Title: Vice Chair



Frequently Asked Questions

DETAILS OF THE DEAL

How much land is involved? Approximately 187,000 acres.

What is the sale price? \$1.75 billion.

How was the purchase price determined? The price was negotiated with the South Florida Water Management District (SFWMD).

Where will the money come from? Refer to SFWMD.

Where is the land located? In Palm Beach, Hendry and Glades and Gilchrist counties

What assets are involved? The land and assets of United States Sugar Corporation including sugarcane land, sugar mill, refinery, citrus plant, citrus nursery, rock mines, railroad and railcars and all equipment.

What subsidiaries are involved? Southern Gardens Citrus and South Central Florida Express.

What will happen to the new mill and refinery? Refer to SFWMD.

What happens to the orange juice plant? Refer to SFWMD.

Will there be any trade of land between the current U.S. Sugar land and other owners in the area? Some land swaps are being negotiated.

HOW THE DEAL CAME TOGETHER

When did negotiations begin / end? Negotiations are now ongoing for the specific details to implement the Statement of Principles signed today.

How did the deal come to the table? A proposal came from the Governor Crist suggesting the SFWMD buy all of U.S. Sugar's assets.

When will the agreement go into effect? A contract will be signed within 75 days of the announcement and a closing is anticipated in November.

Frequently Asked Questions

Why did the company agree to this now? First and foremost, we never would have considered a sale if did not involve what appears to be a fair price for our shareholders. We have been farming this area for nearly 80 years and were prepared to continue those operations for decades to come.

We felt the Governor's unique proposal offers a tremendous benefit to both the State of Florida and to our shareholders. The state proposal was the first, serious, significant offer to buy everything -- lock, stock and barrel. Increased regulatory concerns and several consecutive years of hurricane and drought impacts played a role.

This is indeed a bittersweet decision after four generations of farming this land and being an industry leader in South Florida. This agreement should allow remaining agriculture to be sustainable for the future.

Who has to approve the deal? On the Company's side, our Board of Directors and stockholders. Additionally, the Governing Board of the South Florida Water Management District will need to approve the deal.

EMPLOYEES

How many employees will be affected? The Company has 1,700 employees. A determination of whether any individual assets such as the sugar mill or the citrus plant continue to run will be determined at a later date by the South Florida Water Management District. Those decisions will determine the number of employees affected.

What kinds of jobs? Farm and factory jobs, administrative and professional jobs.

What kind of benefits will employees who stay with the Company until the end of operations receive? We must offer some type of incentive to retain our employees to operate our farms and our mill/refinery/citrus operations until our business obligations have been fulfilled. The hourly package must be negotiated with our Union and the salaried retention will be determined in conjunction with those negotiations. Each full-time employee will receive a compensation package. The precise details have not yet been determined.

Are there any kind of job placement / relocation / job training efforts being made? Governor Crist has ordered state agencies to assist with economic development and job creation in the region.

What is the time line for turning over business operations to the South Florida Water Management District? There is a six-year transitional period, unless extended by the agreement of the parties.

How much are senior executives making from this deal? Are they getting golden parachutes? We are a major agribusiness company with competitive executive compensation packages like any other major business. Contracts will be honored and compensation will be negotiated.

Frequently Asked Questions

EFFECTS ON LOCAL COMMUNITIES

What local communities are affected? Our employees live in a diverse area from West Palm Beach to Okeechobee to Ft. Myers and around the Glades. The impact will be spread out so that no one community is entirely affected. However, we hope that our local leaders will see this as an opportunity to help determine their future destiny and look at ways to take advantage of whatever new economic and environmental opportunities might arise from this partnership with the State. For instance, the remainder of farmers in the EAA will have improvements in their business because environmental issues will be solved with land from U.S. Sugar. There will be housing and recreational opportunities as well as the possibility that environment-enhancing businesses will come to the area (e.g. bio-fuels, eco-tourism).

How will this affect the local economy? State agencies have been asked to create a special initiative to boost economic activity and create new jobs in the region.

Is U.S. Sugar providing any assistance? We will work with state agencies as well as provide a six-year transition period and severance compensation for employees.

THE LAND

What is the condition of the land? Is it contaminated with nutrients and pesticides?

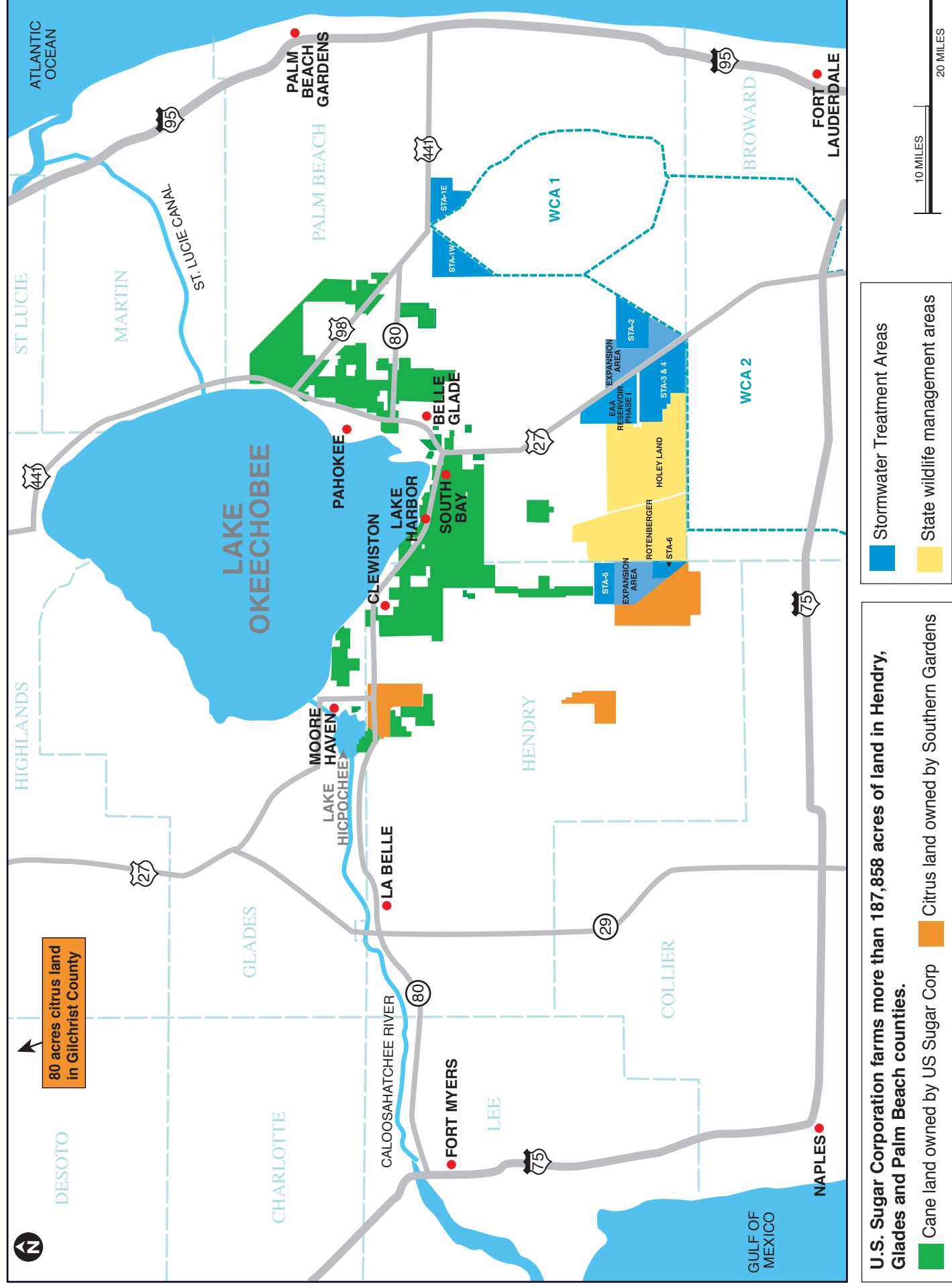
While most of this land has been actively farmed for 50-75 years, all of our operations meet all state and federal regulations and requirements.

Will other infrastructure be affected (e.g. roads, rail, airport)? Refer to SFWMD.

Who will manage the land in the interim? U.S. Sugar will continue to farm and manage the land consistent with its previous business practices.

How will the land be used for environmental projects? How do you reconcile this sale with many earlier statements that a flow-way won't work? It will be up to the SFWMD to evaluate how the land is best utilized for the myriad of restoration projects on the board.

U.S. SUGAR CORPORATION LAND HOLDINGS



U.S. Sugar Corporation farms more than 187,858 acres of land in Hendry, Glades and Palm Beach counties.



Company History

The United States Sugar Corporation came into being during the Great Depression, at a time when the little southern town of Clewiston was little more than a dot on the map near the southern tip of Lake Okeechobee.

1930s

On April 28, 1931, automotive pioneer, industrialist, and philanthropist Charles Stewart Mott transformed the bankrupt old Southern Sugar Company into United States Sugar Corporation, acquiring all its lands, sugar mill, and other assets. With much of his own money, Mott revived the company and convinced other investors and creditors that the dream of growing sugar in the rich muck soils around Lake Okeechobee was not only possible, but profitable.

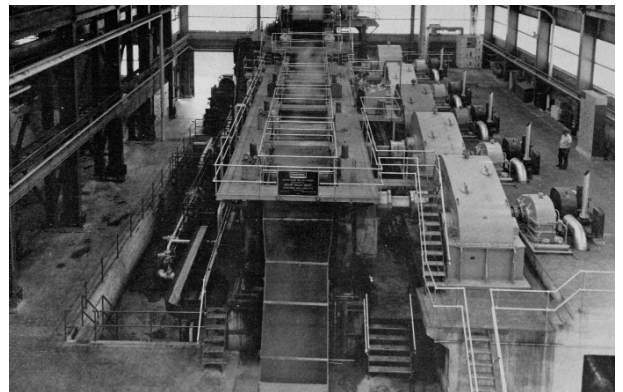
Mott had already earned a reputation as one of the top industrial executives and most astute businessmen in the United States. He had taken a small family business that produced wire bicycle wheels and parlayed it into major stock ownership of General Motors. Although a successful businessman, he maintained a keen interest in the land and farming, a throwback to his farming ancestors who came to this country in 1645 and settled on the soil. Charles Stewart Mott, with a unique blend of experience, knowledge, and drive, was to lead U.S. Sugar Corporation to its position as one of the country's most successful agricultural operations.



1940s

Overcoming drainage problems and developing suitable varieties of sugarcane for Florida were the top priorities. The Company brought in experts in cane growing and production from Louisiana, Cuba, and the West Indies. Sugar production increased, the Company grew, and by 1941, there was indeed a profitable Florida sugar industry.

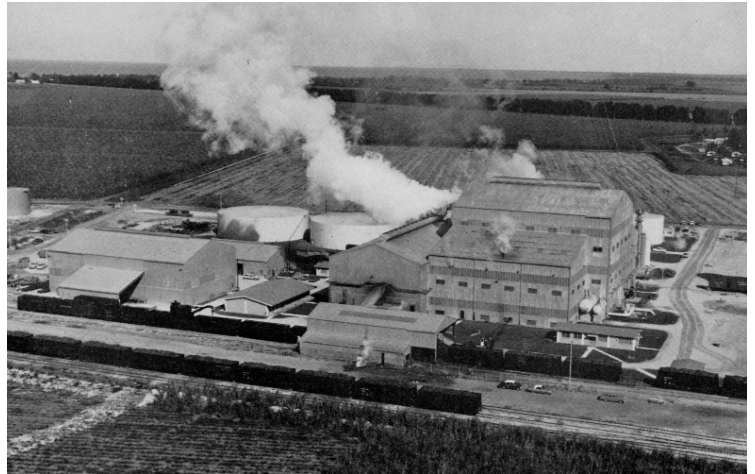
The key to the continued growth and future of the Company was the Clewiston Sugar House. When Southern Sugar opened it in 1929, it could process 1500 tons of cane per day – with future expansion built into the design. Over the years, it was altered, adapted and enlarged. Time and time again, it established records as the most efficient single-tandem mill in the world, far superior to many newer mills. And although there were many changes, the fundamental process remained the same.



1960s

In 1959, the Company increased its milling operations with the construction of an additional facility on the southeastern rim of Lake Okeechobee. The Bryant Sugar House, opened in 1962, would be the world's most modern. Like its sister mill at Clewiston, Bryant was built with expansion in mind. Its 5,000 tons per day capacity would be increased again and again.

As others recognized the potential of the Lake area, new sugarcane operations began to arrive. The industry pioneered by Charles Stewart Mott was on the verge of dramatic growth. As Florida's sugar industry expanded in order to replace sugar once imported from Cuba, the Company's research and technology helped make this greatly increased production and milling possible.



1980s

By the early 80s, Florida had become the largest sugar-producing state in the country. U.S. Sugar Corporation was the largest sugar producer in the state. Setting the Company apart from other area sugar operations were its internal transportation system, a railroad with over 120 miles of track and 1100 railcars linking the sugarcane fields with the mills, and its extensive research facility that bred more than 125,000 new varieties each year. Today, its research department ranks among industry leaders in integrated pest management, global positioning technology, and cellular biology research.

As the Company grew, it diversified into cattle, vegetables, corn, and other crops, but sugar would remain the heart of the Company's current and future plans.

Another new and exciting era for U.S. Sugar was beginning. In the mid 80s, employees became the largest shareholders in the Company through an ESOP (Employee Stock Ownership Plan). Today the Company is primarily owned by its employees and charitable foundations set up by Mr. Mott -- The C.S. Mott Foundation and The Mott Children's Health Center.

In 1985, the decision was made to convert the Company's cattle operation into citrus groves. Over



29,000 acres were planted in orange trees and designs for the first new citrus processing plant built in Florida in over two decades were drawn. In 2002, Southern Gardens purchased the 3762-acre Alcoma Groves adjacent to its own Dunwody Grove, bringing total citrus acreage to over 32,000 grove acres.

1990s

Through the dedication and hard work of management and its employee-owners, U.S. Sugar Corporation continued to expand and progress. In January 1994, Southern Gardens Citrus Processing began operations. The \$100+ million facility is one of the most efficient and environmentally-friendly juice processing plants in the world. Following Company tradition, the plant was built with the infrastructure to triple its capacity. In fact, Phase II construction was completed in 1996 and enabled the plant to process more than 19 million boxes of fruit per season. The citrus plant now has 56 one-million-gallon aseptic storage tanks for not-from-concentrate orange juice. Ultimately, the plant will process over 30 million boxes of fruit, producing 180 million gallons of juice annually.



In October 1998, U.S. Sugar Corporation officially opened its new cane sugar refinery. This facility is the first fully-integrated cane sugar refinery in the nation. The refinery had an initial capacity to produce 540,000 tons per year. As tradition dictates, the refinery was built with the infrastructure to expand rapidly and efficiently. The first incremental expansion was completed in 2002, taking capacity to over 600,000 tons a year. Also, the decision was made to add liquid sugar production to the refinery, and this \$2.5 million addition was completed in November, 2002. Additional expansion currently underway will allow U.S. Sugar to refine its total sugar production. The 5.5-acre, 300,000 sq. ft. facility includes processing, packaging, and warehousing, servicing both consumer /retail markets and bulk industrial customers. The refinery enables U.S. Sugar to take the sugar process full circle, from cane field to consumer.



Today

U.S. Sugar Corporation is one of the country's largest privately held agricultural firms. The Company farms nearly 187,858 acres of the most productive farmland in the United States. Its mills at Clewiston can process nearly 45,000 tons of sugarcane per day, producing over 700,000 tons of sugar per year. In addition to sugar and citrus, the Company also owns a short-line railroad – the South Central Florida Express.

As stewards of the land, U.S. Sugar has pioneered and encouraged the implementation of special land and water management systems, called Best Management Practices, which help the environment while increasing crop production. For years, the research department has been geared



toward integrated pest management as an alternative to pesticides, and intensive soil testing to control the application of fertilizers. We are proud partners in ongoing Everglades restoration efforts.

At U.S. Sugar, the traditional farming values are successfully combined with modern technology so that the result is farming that is compatible with the environment and with the economic realities of the next century.





United States Sugar Corporation: A Family of Agribusinesses

- Headquarters in Clewiston, Florida.
- Farms more than 187,858 acres in Hendry, Glades, and Palm Beach counties.
- Approximately 1700 employees.
- The country's largest producer of sugar cane and refined cane sugar and is one of Florida's major producers of oranges and orange juice products.
- U.S. Sugar also owns a short line railroad, the South Central Florida Express.
- U.S. Sugar produces approximately 700,000 tons of cane sugar a year, providing nearly 10% of the sugar produced in America.
- The Clewiston Mill has the capacity to grind up to 40,000 tons of sugarcane each day during the October-April harvest season.
- The Clewiston Refinery adjacent to the Clewiston Mill, is the newest cane sugar refinery in the U.S. and the first fully integrated cane sugar refinery in the country. Refining operations include the production and packaging of a full spectrum of refined sugar products—from small retail bags to railcars of bulk sugar.



Southern Gardens Citrus

- One of the largest citrus groves under single ownership in the country.
- Over 30,000 acres of orange groves contain well over three million trees, which provide fruit to the Southern Gardens Citrus Processing Plant.
- The juice plant, which opened in 1994, has already been expanded several times and can process 20 million boxes of oranges a season, producing over 120 million gallons of orange juice.
- Southern Gardens is the largest bulk supplier of premium, not-from-concentrate (NFC) orange juice in the country. It is also the largest supplier of NFC juice to Tropicana.



Environmental Stewardship / Renewable Energy

- Long considered an industry leader in environmental issues, U.S. Sugar has established many on-farm soil and water management techniques that have become models for the industry.
- Such practices have led to an average 50% reduction in phosphorous, easily surpassing the Everglades Forever Act's 25% requirements.
- U.S. Sugar runs its raw sugar mill and Clewiston refinery on bagasse, the residual cane fiber from the milling process, making them energy self-sufficient. Sugarcane is a clean, green and renewable energy source.
- Sugarcane is considered one of nature's most environmentally friendly crops because it requires little fertilizer or pesticides—particularly as compared to other land uses.





ROBERT H. BUKER, JR.



Robert H. Buker, Jr. was named President and CEO in May 2005. He has over 21 years of sugar management experience. He has presided over U.S. Sugar's major re-engineering project that will result in the largest raw sugar milling operations in the world and make U.S. Sugar the most cost efficient sugar producer in the United States.

Buker was promoted to his previous position of Executive Vice President, Sugar in 2003. In that position he led sugar operations, including agriculture, raw sugar manufacturing and white sugar refining. He also participated in the Company's sales, hedging, political and public relations activities. Prior to that time he had

numerous other positions in U.S. Sugar management including President of Southern Gardens Citrus, the Company's citrus subsidiary. Buker joined U. S. Sugar in 1986 as Vice President, Legal Affairs transitioning to operational management. Before joining U.S. Sugar he had a five-year association with the Miami law firm of Mershon, Sawyer, Johnston, Dunwody & Cole. There, 90 percent of his practice was representing agricultural clients in business matters.

A native of Bangor, Maine, Buker spent his childhood living abroad while his father served as a medical missionary and later as a physician for the U. S. Army. He lived in Panama, Pakistan and Canada during this period. He received a BA in Psychology in 1973 from Wheaton College, Illinois.

From 1973 to 1979 Buker served as an officer in the U. S. Army, rising to the rank of captain. He was a pilot in command of a platoon of an attack helicopter company. After his discharge, he entered law school at the University of Florida at Gainesville and graduated in 1981 with high honors.

Buker and his wife, Barbara, have three children and four grandchildren.



ROBERT E. COKER



Robert Coker is Senior Vice President, Public Affairs, of United States Sugar Corporation. He is responsible for managing the company's federal, state and local government affairs department and the company's corporate and charitable giving programs that encompass numerous community and employee relations activities.

Prior to joining U.S. Sugar, Mr. Coker spent three years as executive assistant to the executive director of the Florida League of Cities. Before that, he worked for State Representative Ted Ewing, District 74. Mr. Coker holds a bachelor's degree in political science from Florida State University and has completed graduate work in public administration at Florida State University.

He is a former Chairman of the Board of regents for Leadership Florida. He serves on the board of directors for the Florida Council on Economic Education, the board of trustees of United Way of Palm Beach County and is Vice Chairman of the board of directors of the Southwest Florida Work Force Development Board. He is a member of the Florida Agriculture Advisory Council and a member of the Florida Self-Insurers Guaranty Association Board of Directors.

Coker is Vice Chairman of the Hendry County Industrial Development Authority and a director of the Hendry County Farm Bureau. He is also a member and past president of the Clewiston Chamber of Commerce, a member of the Executive Board of the Gulf Stream Council Boy Scouts of America and serves on the FSU National Seminole Boosters Board of Directors.

Raised in Gainesville, Florida, Mr. Coker currently resides in Wellington with his wife and three children.