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P R E S S S T A T E M E N T

U.S. SUGAR SALE CONTRACT FINALIZED

CLEWISTON — November 25, 2008 — U.S. Sugar announced that negotiations with the South Florida Water Management District have concluded in a final contract. The contract will be considered for approval by U.S. Sugar’s Board of Directors on December 8 and by the Governing Board of the South Florida Water Management District (SFWMD) on December 16, 2008.

“This has been a very long and intense process as both parties worked diligently to negotiate a deal within the parameters of the Statement of Principles set by Governor Crist,” said Robert Coker, senior vice president of public affairs for U.S. Sugar.

The original deal announced by Governor Crist on June 24 had involved the sale of all assets of U.S. Sugar – including land, railroad, sugar factory, refinery and the citrus processing facility– to the South Florida Water Management District for \$1.75 billion. The original proposal provided U.S. Sugar with the right to farm the land with no lease payments for seven crops.

“However, it became apparent during negotiations that the best interests of U.S. Sugar’s shareholders and the South Florida Water Management District’s environmental goals would be better served by the sale and purchase of real estate which is what the District needs for it’s long term restoration plans,” Coker said.

Highlights of the contract include \$1.34 billion paid by the South Florida Water Management District at closing for approximately 180,000 acres. U.S. Sugar will lease the land for a total of seven crops for \$50/per acre/year (\$9,050,000/year) with no lease payment in year seven. The Company will pay the District \$21.5 million for environmental remediation for conditions on the land pursuant to the District’s environmental assessment. Notably, 3000 acres can be conveyed to municipalities, or governmental entities if not currently being farmed.

“Our property has been the subject of the most comprehensive and intense environmental risk assessment in Florida history,” said Coker. “The South Florida Water Management District in partnership with the Florida Department of Environmental Protection left no stone unturned in addressing environmental issues.”

The environmental issues found were those typical of land farmed for 80 years, with concern focused on some fertilizers and pesticides legally applied while land was formerly in vegetable production. As is typical with a District land acquisition, remediation to commercial standards would be the responsibility of U.S. Sugar. The District will coordinate with FDEP and Florida Fish & Wildlife to achieve ecological standards on land slated for environmental purposes.

“Now that the contract is complete, we look forward to being in successful partnership with the South Florida Water Management District for at least the next seven years,” Coker said.

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