



CENTRAL AZUCARERA DE TARLAC

24 July 2014

MS. JANET A. ENCARNACION

Head, Disclosure Department
The Philippine Stock Exchange, Inc.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1226

Dear Ms. Encarnacion

This is to clarify the news article under Spybids column entitled "New owners for Luisita sugar mill" posted in philSTAR.com on July 24, 2014. The article reported that:

"Spy Bits sources informed us that Hacienda Luisita's sugar mill facility Central Azucarera de Tarlac (CAT) has been sold for P3.6 billion to the group of Martin Lorenzo and Fernando Cojuangco, son of Don Pedro who is the older brother of President Aquino's late mother Mrs. Cory Aquino. In december last year, Martin received a windfall after selling Pancake House to fried chicken company Max's Group for a little below P4 billion.

Located inside a 50-hectare property within the Hacienda Luisita complex, the sugar mill has a capacity of 7,200 tons of cane per day while its refinery can produce up to 8,000 50-kilogram bags per day. The group of Manny Pangilinan actually made a bid of P4.1 billion for the sugar mill located inside the Hacienda Luisita plantation in Tarlac. MVP has been eyeing investments into the agricultural sector and a sugar mill would fit right into expansion plans particularly with PT Indofood, a unit of Hong Kong-based First Pacific with MVP as managing director.

The same source told us that the Cojuangcos, in a family meeting, decided to give CAT to Don Pedro's son Fernando since he has been running the facility as its chief operating officer and vice president for several years now. A portion of the proceeds of the windfall will pay off Hacienda Luisita's loan from San Miguel Corp. estimated at P1.4 billion (excluding interest) – leaving some P2.2 billion to be divided among the heirs of Jose Cojuangco Sr."

The Central Azucarera de Tarlac has not been sold to the group of Mr. Martin Lorenzo and/or Mr. Fernando C. Cojuangco. As a matter of fact CAT is not involved in any transaction, negotiation or discussion between the group of Mr. Lorenzo and Mr. Cojuangco on one hand and the Cojuangcofamily or any of the stockholders of CAT on the other hand. Hence, CAT has no material information about the alleged sale as reported in the subject news article. In the event any sale takes place, then CAT and the parties concerned will make the necessary disclosure.

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Allow me also to clarify that CAT and HLL (Hacienda Luisita, Inc.) are two separate and distinct corporations. CAT is neither an affiliate nor subsidiary of HLL, and vice-versa. Further, CAT is not Hacienda Luisita's sugar mill facility. Majority of the cane supply being milled at CAT are sourced from sugar cane farms outside of Hacienda Luisita. Furthermore, HLL has no existing debt to San Miguel Corporation.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Addison B. Castro". The signature is fluid and cursive, with a prominent initial "A" and a long, sweeping tail.

ADDISON B. CASTRO
Corporate Secretary