Bunge LTD
Form 10-K
March 02, 2015

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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, DC 20549**

# FORM 10-K

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2014**

**Or**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**
**Commission File Number 001-16625**

# BUNGE LIMITED

(Exact name of registrant as specified in its charter)

| **Bermuda** | **98-0231912** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| **50 Main Street**<br>**White Plains, New York USA** | **10606** |
| (Address of principal executive offices) | (Zip Code) |

**(914) 684-2800**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| **Title of each class** | **Name of each exchange on which registered** |
|---|---|

| | |
|---|---|
| Common Shares, par value $.01 per share | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

| Large Accelerated filer ý | Accelerated filer o | Non-accelerated filer o (do not check if a smaller reporting company) | Smaller reporting company o |
|---|---|---|---|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ý

The aggregate market value of registrant's common shares held by non-affiliates, based upon the closing price of our common shares on the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2014, as reported by the New York Stock Exchange, was approximately $10,928 million. Common shares held by executive officers and directors and persons who own 10% or more of the issued and outstanding common shares have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not a determination for any other purpose.

As of February 23, 2015, 145,508,764 Common Shares, par value $.01 per share, were issued and outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the proxy statement for the 2015 Annual General Meeting of Shareholders to be held on May 20, 2015 are incorporated by reference into Part III.

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**Cautionary Statement Regarding Forward Looking Statements**

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward looking statements to encourage companies to provide prospective information to investors. This Annual Report on Form 10-K includes forward looking statements that reflect our current expectations and projections about our future results, performance, prospects and opportunities. Forward looking statements include all statements that are not historical in nature. We have tried to identify these forward looking statements by using words including "may," "will," "should," "could," "expect," "anticipate," "believe," "plan," "intend," "estimate," "continue" and similar expressions. These forward looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. These factors include the risks, uncertainties, trends and other factors discussed under the headings "Item 1A. Risk Factors," as well as "Item 1. Business," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K, including:

- changes in governmental policies and laws affecting our business, including agricultural and trade policies, environmental regulations, as well as tax regulations and biofuels legislation;
- our funding needs and financing sources;
- changes in foreign exchange policy or rates;
- the outcome of pending regulatory and legal proceedings;
- our ability to complete, integrate and benefit from acquisitions, divestitures, joint ventures and strategic alliances;
- our ability to achieve the efficiencies, savings and other benefits anticipated from our cost reduction, margin improvement, operational excellence and other business optimization initiatives;
- industry conditions, including fluctuations in supply, demand and prices for agricultural commodities and other raw materials and products that we sell and use in our business, fluctuations in energy and freight costs and competitive developments in our industries;
- weather conditions and the impact of crop and animal disease on our business;
- global and regional agricultural, economic, financial and commodities market, political, social and health conditions;
- operational risks, including industrial accidents and natural disasters; and
- other factors affecting our business generally.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward looking statements contained in this Annual Report on Form 10-K. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward looking events discussed in this Annual Report on Form 10-K not to occur. Except as otherwise required by federal securities law, we undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Annual Report on Form 10-K.

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## PART I

### Item 1. *Business*

*References in this Annual Report on Form 10-K to "Bunge Limited," "Bunge," "the Company," "we," "us" and "our" refer to Bunge Limited and its consolidated subsidiaries, unless the context otherwise indicates.*

**Business Overview**

We are a leading global agribusiness and food company with integrated operations that stretch from the farm field to consumer foods. We believe we are a leading:

- global oilseed processor and producer of vegetable oils and protein meals, based on processing capacity;
- seller of packaged vegetable oils worldwide, based on sales;
- producer and seller of wheat flours and bakery mixes, dry milled corn products and milled rice products in North and South America based on volume; and
- producer of sugar and ethanol in Brazil and global trader and merchandiser of sugar, based on volume.

Our strategy is to profitably grow our core grain and oilseed value chains, capitalizing on our key origination, logistics, processing and risk management competencies while pursuing operational excellence. We also are focused on growing our downstream value added food and ingredient businesses so that in time they represent about 35% of our total EBIT contribution.

We conduct our operations in five segments: agribusiness, edible oil products, milling products, sugar and bioenergy and fertilizer. We refer to the edible oil and milling products segments collectively as our food and ingredients operations.

Our agribusiness segment is an integrated, global business principally involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products. Our agribusiness operations and assets are located in North and South America, Europe and Asia-Pacific, and we have merchandising and distribution offices throughout the world.

Our food and ingredients operations consist of two reportable business segments: edible oil products and milling products. These segments include businesses that produce and sell edible oil based products, including oils, shortenings, margarines and mayonnaise and milled grain products such as wheat flours, corn-based products and rice. The operations and assets of our edible oil products segment are located in North and South America, Europe and Asia-Pacific and the operations and assets of our milling products segment are located in North and South America.

Our sugar and bioenergy segment produces and sells sugar and ethanol derived from sugarcane, as well as energy derived from their production process, through our operations in Brazil. Our operations in this segment also include global merchandising of sugar and ethanol, and we have a minority investment in a corn-based ethanol producer in the United States, a 50% interest in a corn wet milling joint venture in Argentina and a 49.9% interest in a venture for production of renewable oils in Brazil.

Our fertilizer segment is involved in producing, blending and distributing fertilizer products for the agricultural industry in South America, with assets and operations primarily in Argentina and port facilities in Brazil and Argentina.

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**History and Corporate Information**

Bunge Limited is a limited liability company formed under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC20791. We trace our history back to 1818 when we were founded as a trading company in Amsterdam, The Netherlands. We are a holding company, and substantially all of our operations are conducted through our subsidiaries. Our principal executive offices and corporate headquarters are located at 50 Main Street, White Plains, New York, 10606, United States of America and our telephone number is (914) 684-2800. Our registered office is located at 2 Church Street, Hamilton, HM 11, Bermuda.

*2014 Summary Operating Highlights* In our agribusiness segment in 2014 we continued to expand our network of integrated assets, including the completion of new port terminals in Barcarena, northern Brazil and Bunbury, Western Australia. We also expanded and upgraded our existing port terminal in Nikolayev, Ukraine. We completed the expansion of our oilseed processing and refining facility in Altona, Canada and started construction of a multi-oilseed processing facility adjacent to our port terminal in Ukraine. In our food and ingredients operations, we completed the first full year of operations of an acquired wheat milling business in Mexico and commenced the construction of a new wheat mill in Rio de Janeiro state, Brazil. In our sugar and bioenergy segment, we completed the construction of a plant for the production of renewable oils in Brazil with our joint venture partner, Solazyme, Inc. and our corn wet milling facility, a joint venture in Argentina, became fully operational. In our Fertilizer segment, we acquired a 75% controlling interest in a single super phosphate production plant and a strategically located river port facility in Argentina.

**Agribusiness**

*Overview* Our agribusiness segment is an integrated global business involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products while managing risk across various product lines. The principal agricultural commodities that we handle in this segment are oilseeds, primarily soybeans, rapeseed, canola and sunflower seed, and grains, primarily wheat and corn. We process oilseeds into vegetable oils and protein meals, principally for the food, animal feed and biodiesel industries through a global network of facilities. Our footprint is well balanced, with approximately 36% of our processing capacity located in South America, 29% in North America, 20% in Europe and 15% in Asia-Pacific. We also participate in the biodiesel industry, generally as a minority investor in biodiesel producers, primarily in Europe and Argentina. In connection with these biodiesel investments, we typically seek to negotiate arrangements to supply the vegetable oils used as raw materials in the biodiesel production process.

*Customers* We sell agricultural commodities and processed commodity products to customers throughout the world. The principal purchasers of our oilseeds, grains and oilseed meal are animal feed manufacturers, livestock producers, wheat and corn millers and other oilseed processors. As a result, our agribusiness operations generally benefit from global demand for protein, primarily for poultry and pork products. The principal purchasers of the unrefined vegetable oils produced in this segment are our own food and ingredients businesses and third-party edible oil processing companies, which use these oils as raw materials in the production of edible oil products for the food service, food processor and retail markets. In addition, we sell oil products for various non-food uses, including industrial applications and the production of biodiesel.

*Distribution and Logistics* We have developed an extensive global logistics network to transport our products, including trucks, railcars, river barges and ocean freight vessels. Typically, we either lease the transportation assets or contract with third parties for these services. To better serve our customer base and develop our global distribution and logistics capabilities, we own or operate various port and storage facilities globally, including in Brazil, Argentina, the United States, Canada, Russia, Ukraine, Poland, Vietnam and Australia.

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*Financial Services and Activities* We also offer various financial services, principally trade structured finance and financial risk management services for customers and other third parties. Our trade structured finance operations leverage our international trade flows to generate trade finance derived liquidity in emerging markets for customers and other third parties. Our financial risk management services include structuring and marketing over-the-counter ("OTC") risk management products to enable agricultural producers and end users of commodities to manage their commodity price risk exposures. Through our financial services group we also engage in proprietary trading of foreign exchange and other financial instruments. Additionally, in Brazil, we provide financing services to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances. Our farmer financing activities are an integral part of our grain and oilseed origination activities as they help assure the annual supply of raw materials for our Brazilian agribusiness operations.

*Raw Materials* We purchase oilseeds and grains either directly from farmers or indirectly through intermediaries. Although the availability and price of agricultural commodities may, in any given year, be affected by unpredictable factors such as weather, government programs and policies and farmer planting decisions, our operations in major crop growing regions globally have enabled us to source adequate raw materials for our operational needs.

*Competition* Due to their commodity nature, markets for our products are highly competitive and subject to product substitution. Competition is principally based on price, quality, product and service offerings and geographic location. Major competitors include: The Archer Daniels Midland Co. ("ADM"), Cargill Incorporated ("Cargill"), Louis Dreyfus Group, Glencore International PLC, large regional companies such as Wilmar International Limited, Noble Agri Limited and Olam International in Asia-Pacific, and other companies in various countries.

**Food and Ingredients**

*Overview* Our food and ingredients operations include two reportable business segments: edible oil products and milling products. We primarily sell our products to three customer types or market channels: food processors, food service companies and retail outlets. The principal raw materials used in our food and ingredients businesses are various crude and further processed vegetable oils in our edible oil products segment, and wheat, corn and rice in our milling products segment. These raw materials are agricultural commodities that we either produce or purchase from third parties. We seek to realize synergies between our food and ingredients and agribusiness operations through our raw material procurement activities and co-location of industrial facilities, enabling us to benefit from being an integrated, global enterprise.

***Edible Oil Products***

*Products* Our edible oil products include packaged and bulk oils, shortenings, margarines, mayonnaise and other products derived from the vegetable oil refining process. We primarily use soybean, sunflower, rapeseed and canola oil that we produce in our agribusiness segment oilseed processing operations as raw materials in this business. We are a leading seller of packaged vegetable oils worldwide, based on sales. We have edible oil refining and packaging facilities in North America, South America, Europe and Asia-Pacific. We market our edible oil products under various brand names, depending on the region, and in several regions we also sell packaged edible oil products to grocery store chains for sale under their own private labels.

In Brazil, our retail brands include *Soya*, the leading packaged vegetable oil brand, as well as *Primor* and *Salada*. We are also a top player in the Brazilian margarine market with our brands *Delicia, Soya* and *Primor*, as well as in mayonnaise with our *Soya* and *Salada* brands. Our *Bunge Pro* product line is the leading food service shortening brand in Brazil. We also produce processed tomato and

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other staple food products, including sauces, pastes, condiments and seasonings in Brazil under established brand names, including *Etti*.

In the United States and Canada, our leading products include *Nutra-Clear NT Ultra*, a high oleic canola oil that is trans-fat free and low in saturated fats that is marketed as a frying solution for large food service and food processor customers. We have also introduced *Pro-Formance NT*, a high oleic soybean oil, thereby expanding our offerings of highly stable, trans-fat free edible oil solutions. Most recently, we have developed proprietary fiber addition processes that allow Bunge to offer bakery and food processor customers a reduction in saturated fats in both shortenings and margarines of up to 40%. We also produce margarines and buttery spreads, including our leading brand *Country Premium*, for food service, food processor and retail private label customers.

In Europe, we are a leader in consumer packaged vegetable oils, which are sold in various geographies under brand names including *Venusz, Floriol, Kujawski, Olek, Unisol, Ideal, Oleina, Maslenitsa, Oliwier, Salat* and *Rozumnitsa* and a leader in margarines, including brand names *Smakowita, Maslo Rosline, Masmix, Optima, Deli Reform, Keiju, Evesol, Linco, Gottgott, Suvela* and *Finuu.*

In India, our brands include *Dalda*, *Ginni* and *Chambal* in edible oils; *Dalda* and *Gagan* in vanaspati; and *Masterline* in professional bakery fats. In China, our edible oil brand is *Dou Wei Jia*.

*Customers* Our customers include many of the world's leading food processors and manufacturers who are leading brand owners. These include baked goods companies, snack food producers, restaurant chains, food service distributors and other food manufacturers who use vegetable oils and shortenings as ingredients in their operations, as well as grocery chains, wholesalers, distributors and other retailers who sell to consumers.

*Competition* Competition is based on a number of factors, including price, raw material procurement, brand recognition, product quality, innovation and technical support, new product introductions, composition and nutritional value and advertising and promotion. Our products may compete with widely advertised, well-known, branded products, as well as private label and customized products. In the United States and Canada, our principal competitors in the edible oil products business include ADM, Cargill, Stratas Foods LLC, Unilever NV/PLC ("Unilever") and Ventura Foods LLC. In addition, in Brazil our principal competitors also include BRF. In Europe, our principal competitors include ADM, Cargill, Unilever and various local companies in each country.

***Milling Products***

*Products* Our milling products segment activities include the production and sale of a variety of wheat flours and bakery mixes in Brazil and Mexico, corn-based products in the United States and Mexico derived from the corn dry milling process and milled rice products in the United States and Brazil. Our brands in Brazil include *Suprema, Soberana, Primor* and *Predileta* wheat flours and *Gradina,* and *Pre-Mescla* bakery premixes. Our corn milling products consist primarily of dry-milled corn meals, flours and flaking and brewer's grits, as well as soy-fortified corn meal, corn-soy blend and other similar products. We mill and sell bulk and packaged rice in the United States and also sell branded rice in Brazil under the *Primor* brand. Our wheat flour and bakery mix brands in Mexico include *Espiga, Esponja, Francesera, Chulita, Galletera* and *Pastelera.*

*Customers* The primary customers for our wheat milling products are food processing, bakery and food service companies. The primary customers for our corn milling products are companies in the food processing sector, such as cereal, snack, bakery and brewing companies, as well as the U.S. Government for humanitarian relief programs. Our rice milling business sells to customers in the food service and food processing channels, as well as for export markets.

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*Competition* In Brazil, our major competitors are Predileto Alimentos, M. Dias Branco, Moinho Pacifico and Moinho Anaconda, as well as many small regional producers. Our major competitors in North American corn milling include Cargill, Didion Milling Company, SEMO Milling, LLC and Life Line Foods, LLC. Our major competitors in our U.S. rice milling business include ADM and Farmers' Rice Cooperative. Our major competitors in Mexico include Grupo Elizondo, Molinera de México and Grupo Trimex.

**Sugar and Bioenergy**

*Overview* We are a leading, integrated producer of sugar and ethanol in Brazil, and a leading global trader and merchandiser of sugar. We own and operate eight sugarcane mills in Brazil, the world's largest producer and exporter of sugar. As of December 31, 2014, our mills had a total crushing capacity of approximately 21 million metric tons of sugarcane per year. Sugarcane, which is the raw material that we use to produce sugar and ethanol, is supplied by a combination of our own plantations and third-party farmers. Additionally, through cogeneration facilities at our sugarcane mills, we produce electricity from the burning of sugarcane bagasse (the fibrous portion of the sugarcane that remains after the extraction of sugarcane juice) in boilers, which enables our mills to meet their energy requirements and, for most mills, sell surplus electricity to the local grid or other large third-party users of electricity. Our trading and merchandising operations engage in marketing and selling sugar through regional marketing offices in various locations and management of sugar price risk for our business. We also participate in the corn-based ethanol industry, where we have a minority investment in a U.S. ethanol production facility and a 50% interest in a joint venture in Argentina. We have a 49.9% interest in a joint venture with Solazyme, Inc. for the production of renewable oils, which uses sugar supplied by one of our mills as a raw material.

In recent years our sugar milling business in Brazil has faced a number of significant challenges, including adverse weather conditions which negatively affected the supply and quality of the sugarcane supplied to our mills, as well as structural challenges stemming primarily from low global sugar prices, domestic cost inflation and the Brazilian government's fuel policy, which has capped ethanol prices. The combination of these and other factors resulted in our decision to reduce the capital allocated to this business beginning in 2014, with future investment dedicated to agricultural and industrial maintenance and efficiency projects. Additionally, we initiated a strategic review process in the second half of 2013 to explore all alternatives to reduce our exposure to the Brazilian sugarcane milling business; the process is ongoing.

*Raw Materials* Sugarcane is our principal raw material in this segment, and we both produce it and procure it through third-party supply contracts. The annual harvesting cycle in Brazil typically begins in late March/early April and ends in late November/early December. Once planted, sugarcane is harvested for five to six years, but the yield decreases with each harvest over the life cycle of the cane. As a result, after this period, old sugarcane plants are typically removed and the area is replanted. The quality and yield of the harvested cane are also affected by factors such as soil quality, topography, weather and agricultural practices. We have made significant investments in sugarcane planting over the past several years to provide a greater supply of raw material for our mills.

Our mills are supplied with sugarcane grown on approximately 338,000 hectares of land. This land represents approximately 19,000 hectares of land that we own, 230,000 hectares of land that we manage under agricultural partnership arrangements and 89,000 hectares of land farmed by third-party farmers. In 2014, approximately 67% of our total milled sugarcane came from our owned or managed plantations and 33% was purchased from third-party suppliers. Payments under the agricultural partnership agreements and third-party supply contracts are based on a formula which factors in the volume of sugarcane per hectare, sucrose content of the sugarcane and market prices for sugarcane, which are set by Consecana, the São Paulo state sugarcane and sugar and ethanol council.

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Our sugarcane harvesting process is substantially mechanized. Mechanized harvesting does not require burning of the cane prior to harvesting, significantly reducing environmental impact when compared to manual harvesting and resulting in improved soil condition.

*Logistics* Harvested sugarcane is loaded onto trucks and trailers and transported to our mills. Since the sucrose content of the sugarcane begins to degrade rapidly after harvest, we seek to minimize the time and distance between the harvesting of the cane and its delivery to our mills for processing.

*Products* Our mills allow us to produce ethanol, sugar and electricity, as further described below. At mills that produce both sugar and ethanol, we are able to adjust our production mix within certain capacity limits between ethanol and sugar, as well as, for certain mills, between different types of ethanol (hydrous and anhydrous) and sugar (raw and crystal). The ability to adjust our production mix allows us to respond to changes in customer demand and market prices.

*Sugar* Our current maximum sugar production capacity is 5,900 metric tons per day which, in a season of 5,000 hours of milling, results in an annual maximum production capacity of approximately 1.2 million metric tons of sugar. We produce two types of sugar: very high polarity ("VHP") raw sugar and white crystal sugar. VHP sugar is similar to the raw sugar traded on major commodities exchanges, including the standard NY11 contract, and is sold almost exclusively for export. Crystal sugar is a non-refined white sugar and is principally sold domestically in Brazil.

*Ethanol* Our current maximum ethanol production capacity is 6,200 cubic meters per day which, in a season of 5,000 hours of milling, results in an annual maximum production capacity of over 1.3 million cubic meters of ethanol. We produce and sell two types of ethanol: hydrous and anhydrous. Hydrous ethanol is consumed directly as a transport fuel, while anhydrous ethanol is blended with gasoline in transport fuels.

*Electricity* We generate electricity from burning sugarcane bagasse in our mills. As of December 31, 2014, our total installed cogeneration capacity was approximately 314 megawatts, with 112 megawatts available for resale to third parties after supplying our mills' energy requirements, representing approximately 545,000 megawatt hours of electricity available for resale.

*Customers* The sugar we produce at our mills is sold in both the Brazilian domestic and export markets. Our domestic customers are primarily in the confectionary and food processing industries. The ethanol we produce is primarily sold to customers for use in the Brazilian domestic market to meet the growing demand for fuel. We also export ethanol in the international market. Our sugar trading and merchandising operations purchase and sell sugar and ethanol from our own operations as well as third parties to meet international demand.

*Competition* We face competition from both Brazilian and international participants in the sugar industry. Our major competitors in Brazil include Cosan Limited, São Martinho S.A., LDC-SEV Bioenergia and ED&F Man. Our major international competitors include British Sugar PLC, Südzucker AG, Cargill, Tereos Group, Sucden Group and Noble Agri Limited.

**Fertilizer**

*Overview* Through our operations in Argentina, we produce, blend and distribute a range of NPK fertilizers, including phosphate-based liquid and solid nitrogen fertilizers. NPK refers to nitrogen (N), phosphate (P) and potassium (K), the main components of chemical fertilizers, used for crop production primarily soybeans, corn and wheat. Our operations in Argentina are closely linked to our grain origination activities as it is customary to barter fertilizer for grains. In Brazil we supply fertilizer to farmers as part of our grain origination activities, and operate a fertilizer terminal in the Port of Santos.

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*Products and Services* We offer a complete fertilizer portfolio, including single super phosphate ("SSP"), ammonia, urea and ammonium thiosulfate that we produce, as well as monoammonium phosphate ("MAP"), diammonium phosphate, triple super phosphate, urea, UAN, ammonium sulfate and potassium chloride that we purchase from third parties and resell. We market our products under the *Bunge* brand, as well as the *Solmix* brand for liquid fertilizers.

*Raw Materials* Our principal raw materials in this segment are concentrated phosphate rock, sulfuric acid, natural gas, ammonium nitrate and sulphur. The prices of fertilizer raw materials are typically based on international prices that reflect global supply and demand factors and global transportation and other logistics costs. Each of these fertilizer raw materials is readily available in the international market from multiple sources.

*Competition* Competition is based on delivered price, product offering and quality, location, access to raw materials, production efficiency and customer service, including, in some cases, customer financing terms. Our main competitors in our fertilizer operations are ASP (Agrium), YPF, Profertil, Nidera, Yara International ("Yara") and Louis Dreyfus Commodities.

**Risk Management**

Risk management is a fundamental aspect of our business. Engaging in the hedging of risk exposures and anticipating market developments are critical to protect and enhance our return on assets. As such, we are active in derivative markets for agricultural commodities, energy, ocean freight, foreign currency and interest rates. We seek to leverage the market insights that we gain through our global operations across our businesses by actively managing our physical and financial positions on a daily basis. Our risk management decisions take place in various locations but exposure limits are centrally set and monitored. For commodity, foreign exchange, interest rate, energy and transportation risk, our risk management decisions are made in accordance with applicable regulations and company policies. Commodity exposure limits are designed to consider notional exposure to price and relative price (or "basis") volatility, as well as value-at-risk limits. Credit and counterparty risk is managed locally within our business units and monitored regionally and globally. We have a corporate risk management group, which oversees management of various risk exposures globally, as well as local risk managers and committees in our operating companies. The Finance and Risk Policy Committee of our Board of Directors oversees and periodically reviews our overall risk management policies and risk limits. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

**Insurance**

In each country where we conduct business, our operations and assets are subject to varying degrees of risk and uncertainty. Bunge insures its businesses and assets in each country in a manner that it deems appropriate for a company of our size and activities, based on an analysis of the relative risks and costs. We believe that our geographic dispersion of assets helps mitigate risk to our business from an adverse event affecting a specific facility; however, if we were to incur a significant loss or liability for which we were not fully insured, it could have a materially adverse effect on our business, financial condition and results of operations.

**Operating Segments and Geographic Areas**

We have included financial information about our reportable segments and our operations by geographic area in Note 27 of the notes to our consolidated financial statements.

**Research and Development, Innovation, Patents and Licenses**

Our research and development activities are focused on developing products and improving processes that will drive growth or otherwise add value to our core business operations. In our food

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and ingredients business area, we have research and development centers located in the United States, Brazil, Poland and Hungary to develop and enhance technology and processes associated with product development. Additionally, the evolution of biotechnology has created opportunities to develop and commercialize processes related to the transformation of oilseeds, grains and other commodities. To better take advantage of related opportunities, our global innovation activities involve scouting, developing, buying, selling and/or licensing next generation technologies in food, feed and fuel.

Our total research and development expenses were $20 million for the year 2014 and $19 million for the years 2013 and 2012, respectively. As of December 31, 2014, our research and development organization consisted of 168 employees worldwide.

We own trademarks on the majority of the brands we produce in our food and ingredients and fertilizer businesses. We typically obtain long-term licenses for the remainder. We have patents covering some of our products and manufacturing processes. However, we do not consider any of these patents to be material to our business. We believe we have taken appropriate steps to either own or license all intellectual property rights that are material to carrying out our business.

**Seasonality and Working Capital Needs**

In our agribusiness segment, while there is a degree of seasonality in the growing season and procurement of our principal raw materials, such as oilseeds and grains, we typically do not experience material fluctuations in volume between the first and second half of the year since we are geographically diversified between the northern and southern hemispheres, and we sell and distribute products throughout the year. However, the first fiscal quarter of the year has in several years been our weakest in terms of financial results due to the timing of the North and South American oilseed harvests as the North American harvest peaks in the third and fourth fiscal quarters and the South American harvest peaks in the second fiscal quarter, and thus our North and South American grain merchandising and oilseed processing activities are generally at lower levels during the first quarter.

In our food and ingredients segments, demand for certain of our food items may be influenced by holidays and other annual events.

We experience seasonality in our sugar and bioenergy segment as a result of the Brazilian sugarcane growing cycle. In the Center-South of Brazil, the sugarcane harvesting period typically begins in late March/early April and ends in late November/early December. This creates fluctuations in our sugar and ethanol inventories, which usually peak in December to cover sales between crop harvests. These factors result in earnings being weighted towards the second half of the year. This segment is also impacted by the yield development of the sugarcane crops over the course of the crop year with sugar content reaching its highest level in the middle of the crop. As a result of the above factors, there may be significant variations in our results of operations from one quarter to another.

In our fertilizer segment, we are subject to seasonal trends based on the South American agricultural growing cycle as farmers typically purchase the bulk of their fertilizer needs in the second half of the year.

Additionally, price fluctuations and availability of commodities may cause fluctuations in our financial results, inventories, accounts receivable and borrowings over the course of a given year. For example, increased availability of commodities at harvest times often causes fluctuations in our inventories and borrowings. Increases in agricultural commodity prices will also generally cause our cash flow requirements to increase as our operations require increased use of cash to acquire inventories and fund daily settlement requirements on exchange traded futures that we use to hedge our physical inventories.

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**Government Regulation**

We are subject to a variety of laws in each of the countries in which we operate which govern various aspects of our business, including the processing, handling, storage, transport and sale of our products; risk management activities; land-use and ownership of land, including laws regulating the acquisition or leasing of rural properties by certain entities and individuals; and environmental, health and safety matters. To operate our facilities, we must obtain and maintain numerous permits, licenses and approvals from governmental agencies and our facilities are subject to periodic inspection by governmental agencies. In addition, we are subject to other laws and government policies affecting the food and agriculture industries, including food and feed safety, nutritional and labeling requirements and food security policies. From time to time, agricultural production shortfalls in certain regions and growing demand for agricultural commodities for feed, food and fuel use have caused prices for relevant agricultural commodities to rise. High commodity prices and regional crop shortfalls have led, and in the future may lead, governments to impose price controls, tariffs, export restrictions and other measures designed to assure adequate domestic supplies and/or mitigate price increases in their domestic markets, as well as increase the scrutiny of competitive conditions in their markets.

In recent years, there has been increased interest globally in the production of biofuels as alternatives to traditional fossil fuels and as a means of promoting energy independence in certain countries. Biofuels convert crops, such as sugarcane, corn, soybeans, palm, rapeseed or canola and other oilseeds, into ethanol or biodiesel to extend, enhance or substitute for fossil fuels. Production of biofuels has increased significantly in recent years in response to high fossil fuel prices coupled with government incentives for the production of biofuels that are being offered in many countries, including the United States, Brazil, Argentina and many European countries. Furthermore, in certain countries, governmental authorities are mandating biofuels use in transport fuel at specified levels. As such, the markets for agricultural commodities used in the production of biofuels have become increasingly affected by the growth of the biofuel industry and related legislation.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") of 2010, the European Market Infrastructure Regulation (EMIR) of 2013, as well as anticipated revisions to Europe's Markets in Financial Instruments Directive (MiFID 2) and Market Abuse Regulation (MAR) have generated, and will continue to generate, numerous new rules and regulations that will have a significant impact on the derivatives market. While it remains difficult to predict the collective impact these regulations may have on us, they could impose significant additional costs on us relating to derivatives transactions, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain derivatives transactions.

**Environmental Matters**

We are subject to various environmental protection and occupational health and safety laws and regulations in the countries in which we operate. Our operations may emit or release certain substances, which may be regulated or limited by applicable laws and regulations. In addition, we handle and dispose of materials and wastes classified as hazardous or toxic by one or more regulatory agencies. Our operations are also subject to laws relating to environmental licensing of facilities, restrictions on land use in certain protected areas, forestry reserve requirements, limitations on the burning of sugarcane and water use. We incur costs to comply with health, safety and environmental regulations applicable to our activities and have made and expect to make substantial capital expenditures on an ongoing basis to continue to ensure our compliance with environmental laws and regulations. However, due to our extensive operations across multiple industries and jurisdictions globally, we are exposed to the risk of claims and liabilities under environmental regulations. Violation of these laws and regulations can result in substantial fines, administrative sanctions, criminal penalties, revocations of operating permits and/or shutdowns of our facilities.

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Additionally, our business could be affected in the future by regulation or taxation of greenhouse gas emissions. It is difficult to assess the potential impact of any resulting regulation of greenhouse gas emissions. Potential consequences could include increased energy, transportation and raw material costs, and we may be required to make additional investments to modify our facilities, equipment and processes. As a result, the effects of additional climate change regulatory initiatives could have adverse impacts on our business and results of operations. Compliance with environmental laws and regulations did not materially affect our earnings or competitive position in 2014.

**Employees**

As of December 31, 2014, we had approximately 35,000 employees. Many of our employees are represented by labor unions, and their employment is governed by collective bargaining agreements. In general, we consider our employee relations to be good.

**Available Information**

Our website address is www.bunge.com. Through the "Investors: SEC Filings" section of our website, it is possible to access our periodic report filings with the Securities and Exchange Commission ("SEC") pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports. These reports are made available free of charge. Also, filings made pursuant to Section 16 of the Exchange Act with the SEC by our executive officers, directors and other reporting persons with respect to our common shares are made available, free of charge, through our website. Our periodic reports and amendments and the Section 16 filings are available through our website as soon as reasonably practicable after such report, amendment or filing is electronically filed with or furnished to the SEC.

Through the "Investors: Corporate Governance" section of our website, it is possible to access copies of the charters for our Audit Committee, Compensation Committee, Finance and Risk Policy Committee, Corporate Governance and Nominations Committee and Sustainability and Corporate Responsibility Committee. Our corporate governance guidelines and our code of conduct are also available in this section of our website. Each of these documents is made available, free of charge, through our website.

The foregoing information regarding our website and its content is for your convenience only. The information contained in or connected to our website is not deemed to be incorporated by reference in this report or filed with the SEC.

In addition, you may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically. The SEC website address is www.sec.gov.

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**Executive Officers and Key Employees of the Company**

Set forth below is certain information concerning the executive officers and key employees of the company.

| Name | Position |
|---|---|
| Soren Schroder | Chief Executive Officer |
| Todd Bastean | Chief Executive Officer, Bunge North America |
| Andrew Burke | Chief Financial Officer |
| Michael Goettl | Chief Executive Officer, Bunge Asia-Pacific |
| Gordon Hardie | Managing Director, Food & Ingredients |
| Enrique Humanes | Chief Executive Officer, Bunge Southern Cone |
| Tommy Jensen | Chief Executive Officer, Bunge Europe, Middle East & Africa |
| David G. Kabbes | General Counsel and Managing Director, Corporate Affairs |
| Pierre Mauger | Chief Development Officer |
| Raul Padilla | Chief Executive Officer, Bunge Brazil and Managing Director, Sugar & Bioenergy, Bunge Limited |
| Vicente Teixeira | Chief Personnel Officer |
| Brian Thomsen | Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines |

*Soren Schroder, 53* Mr. Schroder has been our Chief Executive Officer since June 1, 2013. Prior to his current position, he was the Chief Executive Officer of Bunge North America since April 2010. Previously, he served as Vice President of Agribusiness for Bunge Europe since June 2006 and in a variety of agribusiness leadership roles at the company in the United States and Europe since joining Bunge in 2000. Prior to joining Bunge, he worked for over 15 years at Continental Grain and Cargill. Mr. Schroder is a member of Rabobank International's North American Agribusiness Advisory Board. He holds a bachelor's degree in Economics from Connecticut College.

*Todd Bastean, 48* Mr. Bastean became Chief Executive Officer, Bunge North America, in June 2013. He started his career at Bunge in 1994 and became Chief Financial Officer of Bunge North America in 2010. Before assuming that role, he served as Vice President and General Manager of Bunge North America's milling and biofuels business units, and as Vice President and Chief Administrative Officer of its grain and milling business units. He also held positions in strategic planning and auditing. Prior to joining Bunge, he worked for KPMG Peat Marwick. Mr. Bastean holds a B.S. in Accounting from Western Illinois University.

*Andrew Burke, 59* Mr. Burke has been our Chief Financial Officer since February 2011, having served as interim Chief Financial Officer since September 2010. In addition, Mr. Burke served as our Global Operational Excellence Officer, from July 2010 to October 2013. Prior to July 2010, Mr. Burke served as Co-Chief Executive Officer of Bunge Global Agribusiness and Bunge Product Lines since November 2006. Mr. Burke joined Bunge in January 2002 as Managing Director, Soy Ingredients and New Business Development and later served as Managing Director of New Business. Mr. Burke also previously served as our interim Chief Financial Officer from April to July 2007. Prior to joining Bunge, Mr. Burke served as Chief Executive Officer of the U.S. subsidiary of Degussa AG. He joined Degussa in 1983, where he held a variety of finance and marketing positions, including Chief Financial Officer and Executive Vice President of the U.S. chemical group. Prior to joining Degussa, Mr. Burke worked for Beecham Pharmaceuticals and was an auditor with Price Waterhouse & Company. Mr. Burke is a graduate of Villanova University and earned an M.B.A. from Manhattan College.

*Michael Goettl, 51* Mr. Goettl has been Chief Executive Officer, Bunge Asia-Pacific, since January 2014. Mr. Goettl joined Bunge as Business Development Director, Asia-Pacific in 2005 and served in various capacities including Co-Managing Director, China, Agribusiness Director, Asia-Pacific and most

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recently as Chief Operating Officer, Asia-Pacific. Before joining Bunge, he served as President of China Food & Agricultural Services and Vice President of Asia/Latin American Marketing at Louis Dreyfus. He holds an M.S. in Agricultural Economics from the University of Minnesota and a B.A. in International Studies from the University of St. Thomas-Minnesota.

*Gordon Hardie, 51* Mr. Hardie has served as Managing Director, Food & Ingredients since July 2011. Prior to joining Bunge, Mr. Hardie founded Morningside Partners, a corporate strategy and M&A advisory firm focused on the food and beverage industries in 2009. Prior to that, from 2003 to 2009, he led the Fresh Baking Division of Goodman Fielder Ltd, the leading producer of bakery brands in Australia and New Zealand, and held leadership roles at companies in a variety of international markets, including as Group General Manager, Marketing at Southcorp Wines; Vice President, Asia-Pacific, Middle East and Africa at Fosters Group International; and Regional Director, Americas & Asia-Pacific at Pernod Ricard. He holds a Bachelor's degree in European Language and Psychology from the National University of Ireland, University College Cork and an M.B.A. from the University College Dublin, Michael Smurfit Graduate School of Business.

*Enrique Humanes, 55* Mr. Humanes has served as Chief Executive Officer of Bunge Argentina since February 2011 and previously served as interim Chief Executive Officer of Bunge Argentina since July 2010. He started his career at the company in 2000 as the Operations Director of Bunge Argentina. Prior to joining Bunge, he served in industrial roles at Unilever and Dow Chemical. He holds an undergraduate degree in chemical engineering from the Technology University of Rosario, a postgraduate degree in Process Management Administration from Rice University and an MBA from IDEA in Argentina.

*Tommy Jensen, 53* Mr. Jensen has served as Chief Executive Officer of Bunge Europe, Middle East and Africa ("Bunge EMEA") since May 2012 and previously served as Bunge EMEA's Chief Operating Officer, Vice President, Northern and Central Europe and Managing Director, Poland. Prior to joining Bunge in 2003, he held leadership positions at Animex S.A. in Poland, a subsidiary of Smithfield Foods, Continental Grain in Poland and Germany, and Jyske Bank A/S in Denmark. He has a Bachelor's degree in Finance from Aarhus School of Business at Aarhus University, Denmark, and has completed the Advanced Management Program at Harvard Business School.

*David G. Kabbes, 52* Mr. Kabbes became General Counsel and Managing Director, Corporate Affairs in February 2015 after serving as Senior Vice President, Corporate and Legal Affairs for Bunge North America since 2000, where he oversaw the legal, government and industry affairs, communications, foreign trade support and environmental functions. Prior to joining Bunge in 2000, he was Executive Vice President, Secretary and General Counsel at Purina Mills, a corporate attorney at Koch Industries, Inc., a partner at Schiff Hardin & Waite and an associate at Thompson Coburn. He received a bachelor's degree in business from Quincy University and a law degree from the University of Illinois.

*Pierre Mauger, 42* Mr. Mauger has served as Chief Development Officer since September 2013. Prior to joining Bunge, Mr. Mauger was a partner at McKinsey & Company, where he led the firm's agriculture service line in Europe, the Middle East and Africa from 2009 to 2013, overseeing client relationships with leading global companies in the commodity processing and trading, agrochemicals and fertilizer sectors, as well as with governments. Prior to that, he served as a partner in the firm's consumer goods practice. He joined McKinsey as an associate in 2000. Mr. Mauger previously worked as an auditor at Nestlé and KPMG. He holds a B.Sc. in Economics and Business Finance from Brunel University in the United Kingdom and an M.B.A. from INSEAD.

*Raul Padilla, 59* Mr. Padilla became Chief Executive Officer of Bunge Brazil in May 2014. He has also served as Managing Director, Sugar and Bioenergy, since September 2014. Prior to that, he served as Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines

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since July 2010. Prior to that, he was Chief Executive Officer of Bunge Argentina since 1999, having joined the company in 1997 as Commercial Director. Mr. Padilla has over 30 years of experience in the oilseed processing and grain handling industries in Argentina, beginning his career with La Plata Cereal in 1977. He has served as President of the Argentine National Oilseed Crushers Association, Vice President of the International Association of Seed Crushers and Director of the Buenos Aires Cereal Exchange and the Rosario Futures Exchange. Mr. Padilla is a graduate of the University of Buenos Aires.

*Vicente Teixeira, 62* Mr. Teixeira has been our Chief Personnel Officer since February 2008. Prior to joining Bunge, Mr. Teixeira served as Director of Human Resources for Latin America at Dow Chemical and Dow Agrosciences in Brazil since 2001. He joined Dow from Union Carbide, where he served as Director of Human Resources and Administration for Latin America and South Africa, starting in 1995. Previously, he had worked at Citibank in Brazil for 21 years, where he ultimately served as Human Resources Vice President for Brazil. Mr. Teixeira has an undergraduate degree in Business Communication and Publicity from Faculdade Integrada Alcantara Machado (FMU/FIAM), a Master of Business Administration from Faculdade Tancredo Neves and an Executive M.B.A. from PDG/EXEC in Brazil.

*Brian Thomsen, 48* Mr. Thomsen became Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines in May 2014. Previously, he served as Managing Director, Global Grains and Oilseeds Product Lines. He joined the company in 2004 as Director, Grains Product Line. Prior to Bunge, Mr. Thomsen was Managing Director, Dry Commodity Trading at Nidera, and previously served in global trading and management roles at Cargill. He started his career in 1988 at Aarhus Oil, a Danish crush and refining company, and is a graduate of the International Academy of Business in Aarhus, Denmark.

## Item 1A. *Risk Factors*

### Risk Factors

*Our business, financial condition or results of operations could be materially adversely affected by any of the risks and uncertainties described below. Additional risks not presently known to us, or that we currently deem immaterial, may also impair our financial condition and business operations. See "Cautionary Statement Regarding Forward Looking Statements."*

### Risks Relating to Our Business and Industries

***Adverse weather conditions, including as a result of future climate change, may adversely affect the availability, quality and price of agricultural commodities and agricultural commodity products, as well as our operations and operating results.***

Adverse weather conditions have historically caused volatility in the agricultural commodity industry and consequently in our operating results by causing crop failures or significantly reduced harvests, which may affect the supply and pricing of the agricultural commodities that we sell and use in our business, reduce demand for our fertilizer products and negatively affect the creditworthiness of agricultural producers who do business with us.

Our sugar production depends on the volume and sucrose content of the sugarcane that we cultivate or that is supplied to us by third-party growers. Both sugarcane crop yields and sucrose content depend significantly on weather conditions, such as rainfall and prevailing temperatures, which can vary substantially. For example, droughts and other adverse weather conditions in the Center-South of Brazil have resulted in reduced crop yields across the region in recent years. This has reduced the supply of sugarcane available to us for processing. In addition, the sucrose content in the sugarcane ultimately harvested has also been lower, further contributing to decreased productivity and greater

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production costs. As such, unfavorable weather conditions have had and could in the future have a material adverse effect on our sugar operations.

Severe adverse weather conditions, such as hurricanes or severe storms, may also result in extensive property damage, extended business interruption, personal injuries and other loss and damage to us. Our operations also rely on dependable and efficient transportation services. A disruption in transportation services, as a result of weather conditions or otherwise, may also significantly adversely impact our operations.

Additionally, the potential physical impacts of climate change are uncertain and may vary by region. These potential effects could include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, and changing temperature levels that could adversely impact our costs and business operations, the location and costs of global agricultural commodity production and the supply and demand for agricultural commodities. These effects could be material to our results of operations, liquidity or capital resources.

***We may be adversely affected by a shortage of sugarcane or by high sugarcane costs.***

Sugarcane is our principal raw material used in the production of ethanol and sugar. Our ability to secure an adequate supply of sugarcane depends on our ability to negotiate and maintain satisfactory land rights and supply contracts with third parties. Currently, approximately 94% of the land we use for sugarcane supply is not owned by us, with such land typically managed through agricultural partnership agreements having an average remaining term of six years. We cannot guarantee that these agreements will be renewed after their respective terms or that any such renewals will be on terms and conditions satisfactory to us. A significant shortage of sugarcane supply or increase in the cost of available sugarcane, including as a result of the termination of our partnership or supply contracts or the inability to enter into alternative arrangements on economic terms, would likely have an adverse effect on our business and financial performance, and such effect could be material.

***We are subject to fluctuations in agricultural commodity and other raw material prices caused by other factors outside of our control that could adversely affect our operating results.***

Prices for agricultural commodities and their by-products, including, among others, soybeans, corn, wheat, sugar and ethanol, like those of other commodities, are often volatile and sensitive to local and international changes in supply and demand caused by factors outside of our control, including farmer planting decisions, government agriculture programs and policies, global inventory levels, demand for biofuels, weather and crop conditions and demand for and supply of, competing commodities and substitutes. These factors may cause volatility in our operating results.

Our fertilizer business may also be adversely affected by fluctuations in the prices of agricultural commodities and fertilizer raw materials that are caused by market factors beyond our control. Increases in fertilizer prices due to higher raw material costs have in the past and could in the future adversely affect demand for our fertilizer products. Additionally, as a result of competitive conditions in our food and ingredients and fertilizer businesses, we may not be able to recoup increases in raw material costs through increases in sales prices for our products, which may adversely affect our profitability.

***Fluctuations in energy prices could adversely affect our operating results.***

Our operating costs and selling prices of certain of our products are sensitive to changes in energy prices. Our industrial operations utilize significant amounts of electricity, natural gas and coal, and our transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items could adversely affect our operating costs and results.

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We also sell certain biofuel products, such as ethanol and biodiesel, which are closely related to, or may be substituted for, petroleum products. As a result, the selling prices of ethanol and biodiesel can be impacted by the selling prices of oil, gasoline and diesel fuel. In turn, the selling prices of the agricultural commodities and commodity products that we sell, such as corn and vegetable oils that are used as feedstocks for biofuels, are also sensitive to changes in the market price for biofuels, and consequently world petroleum prices as well. Prices for petroleum products and biofuels are affected by market factors and government fuel policies, over which we have no control. Lower prices for oil, gasoline or diesel fuel could result in decreased selling prices for ethanol, biodiesel and their raw materials, which could adversely affect our revenues and operating results. Additionally, the prices of sugar and sugarcane-based ethanol are also correlated, and, therefore, a decline in world sugar prices may also adversely affect the selling price of the ethanol we produce in Brazil.

***We are subject to global and regional economic downturns and related risks.***

The level of demand for our products is affected by global and regional demographic and macroeconomic conditions, including population growth rates and changes in standards of living. A significant downturn in global economic growth, or recessionary conditions in major geographic regions, may lead to reduced demand for agricultural commodities, which could adversely affect our business and results of operations.

Additionally, weak global economic conditions and adverse conditions in global financial and capital markets, including constraints on the availability of credit, have in the past adversely affected, and may in the future adversely affect, the financial condition and creditworthiness of some of our customers, suppliers and other counterparties, which in turn may negatively impact our financial condition and results of operations. See "Item 7A. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 7. Quantitative and Qualitative Disclosures About Market Risk" for more information.

Over the last several years, a financial and economic crisis in Europe, triggered by a combination of factors, including high budget deficits and concerns over the sovereign creditworthiness of several European countries, has caused significant turmoil in financial and commodity markets. Despite financial assistance packages and other mitigating actions taken by European and other policymakers, uncertainty over the future of the *euro*, and worries about sovereign creditworthiness persist. Risks and ongoing concerns about the crisis in Europe have had or could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European corporations and financial institutions. They may also adversely affect consumer confidence levels and spending, which may lead to reduced demand for the products that we sell. There can be no assurance that these conditions and related market turmoil will not deteriorate. To the extent uncertainty regarding the European financial crisis and its effect on the global economic recovery continues to negatively impact consumer and business confidence, our business and results of operations could be significantly and adversely affected.

***We are vulnerable to the effects of supply and demand imbalances in our industries.***

Historically, the market for some of our agricultural commodities and fertilizer products has been cyclical, with periods of high demand and capacity utilization stimulating new plant investment and the addition of incremental processing or production capacity by industry participants to meet the demand. The timing and extent of this expansion may then produce excess supply conditions in the market, which, until the supply/demand balance is again restored, negatively impacts product prices and operating results. During times of reduced market demand, we may suspend or reduce production at some of our facilities. The extent to which we efficiently manage available capacity at our facilities will affect our profitability.

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***We are subject to economic, political and other risks of doing business globally and in emerging markets.***

We are a global business with substantial assets and operations outside the United States. In addition, part of our strategy involves expanding our business in several emerging market regions, including Eastern Europe, Asia-Pacific, the Middle East and Africa. Volatile international economic, political and market conditions may have a negative impact on our operating results and our ability to achieve our business strategies.

Due to the international nature of our business, we are exposed to currency exchange rate fluctuations. Changes in exchange rates between the U.S. dollar and other currencies, particularly the Brazilian *real*, the Argentine *peso*, the *euro* and certain Eastern European currencies affect our revenues and expenses that are denominated in local currencies, affect farm economics in those regions and may also have a negative impact on the value of our assets located outside of the United States.

We are also exposed to other risks of international operations, including:

- adverse trade policies or trade barriers on agricultural commodities and commodity products;
- inflation and adverse economic conditions resulting from governmental attempts to control inflation, such as imposition of wage and price controls and higher interest rates;
- changes in laws and regulations or their interpretation or enforcement in the countries where we operate, such as tax laws, including the risk of future adverse tax regulation in the United States relating to our status as a Bermuda company;
- difficulties in enforcing agreements or judgments and collecting receivables in foreign jurisdictions;
- sovereign risk;
- exchange controls or other currency restrictions and limitations on the movement of funds, such as on the remittance of dividends by subsidiaries;
- inadequate infrastructure;
- government intervention, including through expropriation, or regulation of the economy or natural resources, including restrictions on foreign ownership of land or other assets;
- the requirement to comply with a wide variety of foreign and United States laws and regulations that apply to international operations, including, without limitation, economic sanctions regulations, labor laws, import and export regulations, anti-corruption and anti-bribery laws, as well as other laws or regulations discussed in this "Item 1A. Risk Factors" section;
- challenges in maintaining an effective internal control environment with operations in multiple international locations, including language differences, varying levels of U.S. Generally Accepted Accounting Principles ("U.S. GAAP") expertise in international locations and multiple financial information systems; and
- labor disruptions, civil unrest, significant political instability, wars or other armed conflict or acts of terrorism.

These risks could adversely affect our operations, business strategies and operating results.

***Government policies and regulations, particularly those affecting the agricultural sector and related industries, could adversely affect our operations and profitability.***

Agricultural commodity production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products

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and energy policies (including biofuels mandates), can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions.

Increases in prices for, among other things, food, fuel and crop inputs, such as fertilizers, have become the subject of significant discussion by governmental bodies and the public throughout the world in recent years. In some countries, this has led to the imposition of policies such as price controls, tariffs and export restrictions on agricultural commodities. Additionally, efforts to change the regulation of financial markets, including the U.S. Dodd-Frank Act, may subject large users of derivatives, such as Bunge, to extensive new oversight and regulation. Such initiatives could impose significant additional costs on us, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain transactions. Future governmental policies, regulations or actions affecting our industries may adversely affect the supply of, demand for and prices of our products, restrict our ability to do business and cause our financial results to suffer.

***Increases in commodity prices can increase the scrutiny to which we are subject under antitrust laws.***

We are subject to antitrust and competition laws in various countries throughout the world. We cannot predict how these laws or their interpretation, administration and enforcement will change over time, particularly in periods of significant price increases in our industries. Changes or developments in antitrust laws globally, or in their interpretation, administration or enforcement, may limit our existing or future operations and growth. Increases in food and crop nutrient prices have in the past resulted in increased scrutiny of our industries under antitrust and competition laws in Europe, Brazil and other jurisdictions and increase the risk that these laws could be interpreted, administered or enforced in a manner that could affect our operations or impose liability on us in a manner that could have a material adverse effect on our operating results and financial condition.

***We may not realize the anticipated benefits of acquisitions, divestitures or joint ventures.***

We have been an active acquirer of other companies, and we have joint ventures with several partners. Part of our strategy involves acquisitions, alliances and joint ventures designed to expand and enhance our business. Our ability to benefit from acquisitions, joint ventures and alliances depends on many factors, including our ability to identify suitable prospects, access funding sources on acceptable terms, negotiate favorable transaction terms and successfully consummate and integrate any businesses we acquire. In addition, we may decide, from time to time, to divest certain of our assets or businesses. Our ability to successfully complete a divestiture will depend on, among other things, our ability to identify buyers that are prepared to acquire such assets or businesses on acceptable terms and to adjust and optimize our retained businesses following the divestiture.

Our acquisition or divestiture activities may involve unanticipated delays, costs and other problems. If we encounter unexpected problems with one of our acquisitions, alliances or divestitures, our senior management may be required to divert attention away from other aspects of our businesses to address these problems. Additionally, we may fail to consummate proposed acquisitions or divestitures, after incurring expenses and devoting substantial resources, including management time, to such transactions.

Acquisitions also pose the risk that we may be exposed to successor liability relating to actions by an acquired company and its management before the acquisition. The due diligence we conduct in connection with an acquisition, and any contractual guarantees or indemnities that we receive from the sellers of acquired companies, may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition could adversely affect our reputation and results of operations and reduce the benefits of the acquisition. Additionally, acquisitions involve other

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risks, such as differing levels of management and internal control effectiveness at the acquired entities, systems integration risks, the risk of impairment charges relating to goodwill and intangible assets recorded in connection with acquisitions, the risk of significant accounting charges resulting from the completion and integration of a sizeable acquisition, the need to fund increased capital expenditures and working capital requirements, our ability to retain and motivate employees of acquired entities and other unanticipated problems and liabilities.

Divestitures may also expose us to potential liabilities or claims for indemnification, as we may be required to retain certain liabilities or indemnify buyers for certain matters, including environmental or litigation matters, associated with the assets or businesses that we sell. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction, and its cost to us could ultimately exceed the proceeds we receive for the divested assets or businesses. Divestitures also have other inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses and unexpected costs or other difficulties associated with the separation of the businesses to be sold from our information technology and other systems and management processes, including the loss of key personnel. Additionally, expected cost savings or other anticipated efficiencies or benefits from divestitures may also be difficult to achieve or maximize.

Additionally, we have several joint ventures and investments where we may have limited control over governance and operations. As a result, we face certain operating, financial and other risks relating to these investments, including risks related to the financial strength of our joint venture partners or their willingness to provide adequate funding for the joint venture, having differing objectives from our partners, the inability to implement some actions with respect to the joint venture's activities that we may believe are favorable if the joint venture partner does not agree, compliance risks relating to actions of the joint venture or our partners and the risk that we will be unable to resolve disputes with the joint venture partner. As a result, these investments may contribute significantly less than anticipated to our earnings and cash flows.

***We are subject to food and feed industry risks.***

We are subject to food and feed industry risks which include, but are not limited to, spoilage, contamination, tampering or other adulteration of products, product recalls, government regulation, including regulations regarding food and feed safety, nutritional standards and genetically modified organisms, shifting customer and consumer preferences and concerns, and potential product liability claims. These matters could adversely affect our business and operating results.

In addition, certain of our products are used as, or as ingredients in, livestock and poultry feed, and as such, we are subject to demand risks relating to the outbreak of disease associated with livestock and poultry, including avian or swine influenza. A severe or prolonged decline in demand for our products as a result of the outbreak of disease could have a material adverse effect on our business and operating results.

***We face intense competition in each of our businesses.***

We face significant competition in each of our businesses and we have numerous competitors, some of which are larger and have greater financial resources than we have. As many of the products we sell are global commodities, the markets for our products are highly price competitive and in many cases sensitive to product substitution. In addition, to compete effectively, we must continuously focus on improving efficiency in our production and distribution operations, as well as developing and maintaining appropriate market share, and customer relationships. We also compete for talent in our industries, particularly commercial personnel. Competition could cause us to lose market share and

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talented employees, exit certain lines of business, increase marketing or other expenditures or reduce pricing, each of which could have an adverse effect on our business and profitability.

***We are subject to environmental, health and safety regulation in numerous jurisdictions. We may be subject to substantial costs, liabilities and other adverse effects on our business relating to these matters.***

Our operations are regulated by environmental, health and safety laws and regulations in the countries where we operate, including those governing the labeling, use, storage, discharge and disposal of hazardous materials. These laws and regulations require us to implement procedures for the handling of hazardous materials and for operating in potentially hazardous conditions and they impose liability on us for the cleanup of environmental contamination. In addition to liabilities arising out of our current and future operations for which we have ongoing processes to manage compliance with regulatory obligations, we may be subject to liabilities for past operations at current facilities and in some cases to liabilities for past operations at facilities that we no longer own or operate. We may also be subject to liabilities for operations of acquired companies. We may incur material costs or liabilities to comply with environmental, health and safety requirements. In addition, our industrial activities can result in serious accidents that could result in personal injuries, facility shutdowns, reputational harm to our business and/or the expenditure of significant amounts to remediate safety issues or repair damaged facilities.

In addition, continued government and public emphasis in countries where we operate on environmental issues, including climate change, conservation and natural resource management, have resulted in and could result in new or more stringent forms of regulatory oversight of our industries, including increased environmental controls, land-use restrictions affecting us or our suppliers and other conditions that could have a material adverse effect on our business, financial condition and results of operations. For example, certain aspects of Bunge's business and the larger food production chain generate carbon emissions. The imposition of regulatory restrictions on greenhouse gas emissions, which may include limitations on greenhouse gas emissions, other restrictions on industrial operations, taxes or fees on greenhouse gas emissions and other measures, could affect land-use decisions, the cost of agricultural production and the cost and means of processing and transporting of our products, which could adversely affect our business, cash flows and results of operations.

***We are exposed to credit and counterparty risk relating to our customers in the ordinary course of business. In particular, we advance capital and provide other financing arrangements to farmers in Brazil and, as a result, our business and financial results may be adversely affected if these farmers are unable to repay the capital advanced to them.***

We have various credit terms with customers, and our customers have varying degrees of creditworthiness, which exposes us to the risk of non-payment or other default under our contracts and other arrangements with them. In the event that we experience significant defaults on their payment obligations to us, our financial condition, results of operations or cash flows could be materially and adversely affected.

In Brazil, where there are limited third-party financing sources available to farmers for their annual production of crops, we provide financing services to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances, which are generally intended to be short-term in nature and are typically secured by the farmer's crop and a mortgage on the farmer's land and other assets to provide a means of repayment in the potential event of crop failure or shortfall. At December 31, 2014 and 2013, respectively, we had approximately $806 million and $955 million in outstanding prepaid commodity purchase contracts and advances to farmers. We are exposed to the risk that the underlying crop will be insufficient to satisfy a farmer's obligation under the financing arrangements as a result of weather and crop growing conditions, and other factors that influence the price, supply and demand for agricultural commodities. In addition, any

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collateral held by us as part of these financing transactions may not be sufficient to fully protect us from loss.

***We are a capital intensive business and depend on cash provided by our operations as well as access to external financing to operate and expand our business.***

We require significant amounts of capital to operate our business and fund capital expenditures. In addition, our working capital needs are directly affected by the prices of agricultural commodities, with increases in commodity prices generally causing increases in our borrowing levels. We are also required to make substantial capital expenditures to maintain, upgrade and expand our extensive network of storage facilities, processing plants, refineries, mills, logistics assets and other facilities to keep pace with competitive developments, technological advances and safety and environmental standards. Furthermore, the expansion of our business and pursuit of acquisitions or other business opportunities may require us to have access to significant amounts of capital. If we are unable to generate sufficient cash flows or raise sufficient external financing on attractive terms to fund these activities, including as a result of a tightening in the global credit markets, we may be forced to limit our operations and growth plans, which may adversely impact our competitiveness and, therefore, our results of operations.

As of December 31, 2014, we had $4,477 million unused and available borrowing capacity under various committed long-term credit facilities and $3,857 million in total debt. Our debt could limit our ability to obtain additional financing, limit our flexibility in planning for, or reacting to, changes in the markets in which we compete, place us at a competitive disadvantage compared to our competitors that are less leveraged than we are and require us to dedicate more cash on a relative basis to servicing our debt and less to developing our business. This may limit our ability to run our business and use our resources in the manner in which we would like. Furthermore, difficult conditions in global credit or financial markets generally could adversely impact our ability to refinance maturing debt or the cost or other terms of such refinancing, as well as adversely affect the financial position of the lenders with whom we do business, which may reduce our ability to obtain financing for our operations. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations  Liquidity and Capital Resources."

Our credit ratings are important to our liquidity. While our debt agreements do not have any credit rating downgrade triggers that would accelerate the maturity of our debt, a reduction in our credit ratings would increase our borrowing costs and, depending on their severity, could impede our ability to obtain credit facilities or access the capital markets in the future on favorable terms. We may also be required to post collateral or provide third-party credit support under certain agreements as a result of such downgrades. A significant increase in our borrowing costs could impair our ability to compete effectively in our business relative to competitors with higher credit ratings.

***Our risk management strategies may not be effective.***

Our business is affected by fluctuations in agricultural commodity prices, transportation costs, energy prices, interest rates and foreign currency exchange rates. We engage in hedging transactions to manage these risks. However, our exposures may not always be fully hedged and our hedging strategies may not be successful in minimizing our exposure to these fluctuations. In addition, our risk management strategies may seek to position our overall portfolio relative to expected market movements. While we have implemented a broad range of control procedures and policies to mitigate potential losses, they may not in all cases successfully protect us from losses that have the potential to impair our financial position. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

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***We may not be able to achieve the efficiencies, savings and other benefits anticipated from our cost reduction, margin improvement and other business optimization initiatives.***

We are continually implementing programs throughout the company to reduce costs, increase efficiencies and enhance our business. Initiatives currently in process or implemented in the past several years include the outsourcing of certain administrative activities in several regions the rationalization of manufacturing operations globally, including the closing of facilities and the implementation of a food and ingredients operational improvement plan. Unexpected delays, increased costs, adverse effects on our internal control environment, inability to retain and motivate employees or other challenges arising from these initiatives could adversely affect our ability to realize the anticipated savings or other intended benefits of these activities.

***The loss of or a disruption in our manufacturing and distribution operations or other operations and systems could adversely affect our business.***

We are engaged in manufacturing and distribution activities on a global scale, and our business depends on our ability to execute and monitor, on a daily basis, a significant number of transactions across numerous markets or geographies. As a result, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, fires, explosions, strikes and other labor or industrial disputes and disruptions in logistics or information systems, as well as natural disasters, pandemics, acts of terrorism and other external factors over which we have no control. While we insure ourselves against many of these types of risks in accordance with industry standards, our level of insurance may not cover all losses. The loss of, or damage to, any of our facilities could have a material adverse effect on our business, results of operations and financial condition.

***Our information technology systems and processes may suffer a significant breach or disruption that may adversely affect our ability to conduct our business.***

Our information technology systems, some of which are dependent on services provided by third parties, provide critical data and services for internal and external users, including procurement and inventory management, transaction processing, financial, commercial and operational data, human resources management, legal and tax compliance information and other information and processes necessary to operate and manage our business. Our information technology and infrastructure may experience attacks by hackers, breaches or other failures or disruptions that could compromise our systems and the information stored there. While we have implemented security measures and disaster recovery plans designed to protect the security and continuity of our networks and critical systems, these measures may not adequately prevent adverse events such as breaches or failures from occurring or mitigate their severity if they do occur. If our information technology systems are breached, damaged or fail to function properly due to any number of causes, such as security breaches or cyber based attacks, systems implementation difficulties, catastrophic events or power outages, and our security, contingency or disaster recovery plans do not effectively mitigate these occurrences on a timely basis, we may experience a material disruption in our ability to manage our business operations. We may also be subject to legal claims or proceedings, liability under laws that protect the privacy of personal information, potential regulatory penalties and damage to our reputation. These impacts may adversely impact our business, results of operations and financial condition, as well as our competitive position.

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**Risks Relating to Our Common Shares**

***We are a Bermuda company, and it may be difficult for you to enforce judgments against us and our directors and executive officers.***

We are a Bermuda exempted company. As a result, the rights of holders of our common shares will be governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies or corporations incorporated in other jurisdictions, including the United States. Several of our directors and some of our officers are non-residents of the United States, and a substantial portion of our assets and the assets of those directors and officers are located outside the United States. As a result, it may be difficult for you to effect service of process on those persons in the United States or to enforce in the U.S. judgments obtained in U.S. courts against us or those persons based on civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

***Our bye-laws restrict shareholders from bringing legal action against our officers and directors.***

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act, or failure to act, involves fraud or dishonesty.

***We have anti-takeover provisions in our bye-laws that may discourage a change of control.***

Our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions provide for:

- a classified board of directors with staggered three-year terms;
- directors to be removed without cause at any special general meeting only upon the affirmative vote of at least 66% of all votes attaching to all shares then in issue entitling the holder to attend and vote on the resolution;
- restrictions on the time period in which directors may be nominated;
- our Board of Directors to determine the powers, preferences and rights of our preference shares and to issue the preference shares without shareholder approval; and
- an affirmative vote of at least 66% of all votes attaching to all shares then in issue entitling the holder to attend and vote on the resolution for some business combination transactions, which have not been approved by our Board of Directors.

These provisions, as well as any additional anti-takeover measures our Board of Directors could adopt in the future, could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

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***While we do not believe that we are or will become a passive foreign investment company (a "PFIC"), if we are or become a PFIC, there could be adverse U.S. tax consequences to U.S. investors.***

We will be classified as a PFIC for U.S. federal income tax purposes if 50% or more of our assets are passive assets, or 75% or more of our annual gross income is derived from passive assets. We do not believe that we are currently a PFIC and do not expect to become a PFIC in future taxable years. However, there can be no assurance that we will not be considered a PFIC in any taxable year as PFIC status is determined annually and will depend on our income, assets and activities. If we are treated as a PFIC for any taxable year, (i) a U.S. investor would be subject to U.S. federal income tax at ordinary income tax rates, plus a possible interest charge, in respect of gain derived from a disposition of our common shares, as well as certain distributions by us, and (ii) the preferential U.S. federal income tax rates generally applicable to dividends on our common shares held by certain U.S. investors would not apply. U.S. investors should consult their own tax advisors regarding the application of the PFIC rules, including the availability of any elections that may mitigate adverse U.S. tax consequences in the event that we are or become a PFIC.

## Item 1B. *Unresolved Staff Comments*

Not applicable.

## Item 2. *Properties*

The following tables provide information on our principal operating facilities as of December 31, 2014.

**Facilities by Business Area**

| (metric tons) | Aggregate Daily Production Capacity | Aggregate Storage Capacity |
|---|---|---|
| ***Business Area*** | | |
| Agribusiness | 147,115 | 18,634,343 |
| Food and Ingredients | 71,318 | 1,746,640 |
| Sugar and Bioenergy | 113,024 | 788,848 |
| Fertilizer | 6,428 | 994,343 |

**Facilities by Geographic Region**

| (metric tons) | Aggregate Daily Production Capacity | Aggregate Storage Capacity |
|---|---|---|
| ***Region*** | | |
| North America | 77,755 | 7,419,199 |
| South America | 186,224 | 11,425,780 |
| Europe | 43,722 | 2,505,364 |
| Asia-Pacific | 30,184 | 813,831 |

Our corporate headquarters in White Plains, New York, occupies approximately 66,300 square feet of space under a lease that expires in March 2020. We also lease other office space for our operations worldwide.

We have 66 merchandising and distribution offices throughout the world.

We believe that our facilities are adequate to address our operational requirements.

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***Agribusiness***

In our agribusiness segment, we have 194 commodity storage facilities globally that are located close to agricultural production areas or export locations. We also have 50 oilseed processing plants globally.

***Food and Ingredients***

In our food and ingredients businesses, we have 94 refining, packaging and milling facilities throughout the world. In addition, to facilitate distribution in Brazil, we operate 22 distribution centers.

***Sugar and Bioenergy***

In our sugar and bioenergy segment, we have eight sugarcane mills, all of which are located in Brazil within close proximity to sugarcane production areas. We also manage land through agricultural partnership agreements for the cultivation of sugarcane as described under "Item 1. Business Sugar and Bioenergy."

***Fertilizer***

In our fertilizer segment, we operate five fertilizer processing and blending plants in Argentina and fertilizer ports in Brazil and Argentina.

**Item 3.** ***Legal Proceedings***

We are party to various legal proceedings in the ordinary course of our business. Although we cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, we make provisions for potential liabilities when we deem them probable and reasonably estimable. These provisions are based on current information and legal advice and are adjusted from time to time according to developments. We do not expect the outcome of these proceedings, net of established reserves, to have a material adverse effect on our financial condition or results of operations. Due to their inherent uncertainty, however, there can be no assurance as to the ultimate outcome of current or future litigation, proceedings, investigations or claims.

We are subject to income and other taxes in both the United States and foreign jurisdictions and we are regularly under audit by tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation or other proceedings could be materially different than that which is reflected in our tax provisions and accruals, which could have a material effect on our income tax provision and net income in the period or periods for which that determination is made. For example, our Brazilian subsidiaries are regularly audited and subject to numerous pending tax claims by Brazilian federal, state and local tax authorities. We have reserved an aggregate $218 million as of December 31, 2014 in respect of these claims and other tax contingencies in Brazil. The Brazilian tax claims relate to income tax claims, value-added tax claims and sales tax claims. The determination of the manner in which various Brazilian federal, state and municipal taxes apply to our operations is subject to varying interpretations arising from the complex nature of Brazilian tax laws and changes in those laws. In addition, we have numerous claims pending against Brazilian federal, state and local tax authorities to recover taxes previously paid by us. For more information, see Notes 14 and 22 to our consolidated financial statements included as part of this Annual Report on Form 10-K.

The Argentine tax authorities have been conducting a review of income and other taxes paid by exporters and processors of cereals and other agricultural commodities in the country. In that regard, in October 2010, the Argentine tax authorities carried out inspections at several of our locations in Argentina relating to allegations of income tax evasion covering the periods from 2007 to 2009. In

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December 2012, our Argentine subsidiary received an income tax assessment relating to fiscal years 2006 and 2007 with a claim of approximately 436 million Argentine *pesos* (approximately $51 million as of December 31, 2014), plus accrued interest in the amount of approximately 907 million Argentine *pesos* (approximately $106 million as of December 31, 2014). Our Argentine subsidiary has appealed this assessment before the National Tax Court. Fiscal years 2008 and 2009 are currently being audited by the tax authorities and it is likely that the tax authorities will also audit fiscal years 2010-2013, although no audit notice has yet been issued to our Argentine subsidiary in respect of those years. Additionally, in April 2011, the Argentine tax authorities conducted inspections of our locations and those of several other grain exporters with respect to allegations of evasion of liability for value-added taxes and an inquest proceeding was initiated in the first quarter of 2012 to determine whether there is any potential criminal culpability relating to these matters. Also during 2011, we paid $112 million of accrued export tax obligations in Argentina under protest while reserving all of our rights in respect of such payment. In the first quarter of 2012, the Argentine tax authorities assessed interest on these paid export taxes, which as of December 31, 2014, totaled approximately $176 million. In April 2012, the Argentine government suspended our Argentine subsidiary from a registry of grain traders and, in October 2012, the government excluded our subsidiary from this registry in connection with the income tax allegations discussed above. While the suspension and exclusion have not had a material adverse effect on our business in Argentina, these actions have resulted in additional administrative requirements and increased logistical costs on domestic grain shipments within Argentina. We are challenging these actions in the Argentine courts. Management believes that these tax-related allegations and claims are without merit and intends to continue to vigorously defend against them. However, management is, at this time, unable to predict their outcome.

We are a party to a large number of labor claims relating to our Brazilian operations. We have reserved an aggregate of $80 million as of December 31, 2014 in respect of these claims. The labor claims primarily relate to dismissals, severance, health and safety, salary adjustments and supplementary retirement benefits.

We are also a party to a large number of civil and other claims relating to our Brazilian operations. We have reserved an aggregate of $77 million as of December 31, 2014 in respect of these claims. These claims relate to various disputes with third parties including suppliers and customers and include $27 million related to a legacy environmental claim in Brazil, recorded in 2012.

**Item 4.** ***Mine Safety Disclosures***

Not applicable.

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## PART II

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

**(a) Market Information**

Our common shares trade on the New York Stock Exchange under the ticker symbol "BG." The following table sets forth, for the periods indicated, the high and low closing prices of our common shares, as reported on the New York Stock Exchange.

| (US$) | High | Low |
|---|---|---|
| **2015** | | |
| First quarter (to February 20, 2015) | $ 92.31 | $ 80.44 |
| | | |
| **2014** | | |
| Fourth quarter | $ 92.91 | $ 80.97 |
| Third quarter | 86.36 | 73.54 |
| Second quarter | 81.38 | 74.68 |
| First quarter | 81.92 | 73.51 |
| | | |
| **2013** | | |
| Fourth quarter | $ 83.11 | $ 76.11 |
| Third quarter | 79.15 | 71.35 |
| Second quarter | 73.51 | 66.40 |
| First quarter | 79.92 | 72.12 |

**(b) Approximate Number of Holders of Common Stock**

To our knowledge, based on information provided by Computershare Investor Services LLC, our transfer agent, as of December 31, 2014, we had 145,703,198 common shares outstanding which were largely held by approximately 100 registered holders.

**(c) Dividends**

We intend to pay cash dividends to holders of our common shares on a quarterly basis. In addition, holders of our 4.875% cumulative convertible perpetual preference shares are entitled to annual dividends per share in the amount of $4.875 per year payable quarterly when, as and if declared by the Board of Directors in accordance with the terms of these shares. Any future determination to pay dividends will, subject to the provisions of Bermuda law, be at the discretion of our Board of Directors and will depend upon then existing conditions, including our financial condition, results of operations, contractual and other relevant legal or regulatory restrictions, capital requirements, business prospects and other factors our Board of Directors deems relevant.

Under Bermuda law, a company's board of directors may not declare or pay dividends from time to time if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts. Under our bye-laws, each common share is entitled to dividends if, as and when dividends are declared by our Board of Directors, subject to any preferred dividend right of the holders of any preference shares. There are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in or out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

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We paid quarterly dividends on our common shares of $0.30 per share in the first two quarters of 2014 and $0.34 per share in the last two quarters of 2014. We paid quarterly dividends on our common shares of $0.27 per share in the first two quarters of 2013 and $0.30 per share in the last two quarters of 2013. We have declared a regular quarterly cash dividend of $0.34 per share payable on March 2, 2015 to shareholders of record on February 17, 2015.

**(d) Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth certain information, as of December 31, 2014, with respect to our equity compensation plans.

| | (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | (b) Weighted-Average Exercise Price Per Share of Outstanding Options, Warrants and Rights | (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) |
|---|---|---|---|
| **Plan category** | | | |
| Equity compensation plans approved by shareholders[1] | 5,703,923[2] | $ 73.70[3] | 3,685,409[4] |
| Equity compensation plans not approved by shareholders[5] | 13,820[6] | [7] | [8] |
| Total | 5,717,743 | $ 73.70 | $ 3,685,409 |

(1) Includes our 2009 Equity Incentive Plan, Equity Incentive Plan, Non-Employee Directors' Equity Incentive Plan and 2007 Non-Employee Directors' Equity Incentive Plan.

(2) Includes non-statutory stock options outstanding as to 4,441,492 common shares, performance-based restricted stock unit awards outstanding as to 1,142,086 common shares and 3,864 vested and deferred restricted stock units outstanding (including, for all restricted and deferred restricted stock unit awards outstanding, dividend equivalents payable in common shares) under our 2009 Equity Incentive Plan and Equity Incentive Plan. This number also includes non-statutory stock options outstanding as to 92,000 common shares under our Non-Employee Directors' Equity Incentive Plan, 24,151 unvested restricted stock units and 330 vested deferred restricted stock units (including, for all restricted and deferred restricted stock unit awards outstanding, dividend equivalents payable in common shares) outstanding under our 2007 Non-Employee Directors' Equity Incentive Plan. Dividend equivalent payments that are credited to each participant's account are paid in our common shares at the time an award is settled. Vested deferred restricted stock units are paid at the time the applicable deferral period lapses.

(3) Calculated based on non-statutory stock options outstanding under our 2009 Equity Incentive Plan, Equity Incentive Plan and our Non-Employee Directors' Equity Incentive Plan. This number excludes outstanding time-based restricted stock unit and performance-based restricted stock unit awards under the 2009 Equity Incentive Plan and Equity Incentive Plan and restricted and deferred restricted stock unit awards under the 2007 Non-Employee Directors' Equity Incentive Plan.

(4) Includes dividend equivalents payable in common shares. Shares available under our 2009 Equity Incentive Plan may be used for any type of award authorized under the plan. Awards under the plan may be in the form of statutory or non-statutory stock options, restricted stock units (including performance-based) or other awards that are based on the value of our common shares. Our 2009 Equity Incentive Plan provides that the maximum number of common shares issuable under the plan is 10,000,000, subject to adjustment in accordance with the terms of the plan. This number also includes shares available for future issuance under our 2007 Non-Employee Directors' Equity Incentive Plan. Our 2007 Non-Employee Directors' Equity Incentive Plan provides that the maximum number of common shares issuable under the plan may not exceed 600,000, subject to adjustment in accordance with the terms of the plan. No additional awards may be granted under the Equity Incentive Plan and the Non-Employee Directors' Equity Incentive Plan.

(5) Includes our Non-Employee Directors' Deferred Compensation Plan.

(6)

Includes rights to acquire 13,820 common shares under our Non-Employee Directors' Deferred Compensation Plan pursuant to elections by our non-employee directors.

(7) Not applicable.

(8) Our Non-Employee Directors' Deferred Compensation Plan does not have an explicit share limit.

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**(e) Performance Graph**

The performance graph shown below compares the quarterly change in cumulative total shareholder return on our common shares with the Standard & Poor's (S&P) 500 Stock Index and the S&P Food Products Index from December 31, 2009 through the quarter ended December 31, 2014. The graph sets the beginning value of our common shares and the Indices at $100, and assumes that all dividends are reinvested. All Index values are weighted by the capitalization of the companies included in the Index.

**Comparison of 5 Year Cumulative Total Return**
**Assumes Initial Investment of $100**
**December 2014**

**(f) Purchases of Equity Securities by Registrant and Affiliated Purchasers**

Bunge has established a program for the repurchase of up to $975 million of Bunge's issued and outstanding common shares. The program runs indefinitely. Bunge repurchased 3,780,987 common shares for $300 million in 2014. As of December 31, 2014, we had repurchased 12,428,846 of our common shares for a total amount of approximately $774 million, leaving approximately $201 million available for future share repurchases under the program. No shares were repurchased during 2013 or 2012.

Any repurchases may be made from time to time through a variety of means, including in the open market, in privately negotiated transactions or through other means as determined by us, and in compliance with applicable legal requirements. The timing and number of any shares repurchased will depend on a variety of factors, including share price and market conditions, and the program may be suspended or discontinued at any time at our discretion.

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**Item 6.** ***Selected Financial Data***

The following table sets forth our selected historical consolidated financial information for each of the five periods indicated. You should read this information together with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the consolidated financial statements and notes to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Our consolidated financial statements are prepared in U.S. dollars and in accordance with U.S. GAAP. The selected historical financial information as of December 31, 2014, 2013, 2012, 2011 and 2010 and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 are derived from our audited consolidated financial statements and related notes. Activities of the fertilizer segment reported in continuing operations include our port operations in Brazil, our fertilizer production operations in Argentina and our 50% equity interest in the Morocco joint venture through the date of its sale.

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** | **2011** | **2010** |
| **Consolidated Statements of Income Data:** | | | | | |
| Net sales | **$ 57,161** | $ 61,347 | $ 60,991 | $ 56,097 | $ 43,953 |
| Cost of goods sold | **(54,540)** | (58,587) | (58,418) | (53,470) | (41,640) |
| Gross profit | **2,621** | 2,760 | 2,573 | 2,627 | 2,313 |
| Selling, general and administrative expenses | **(1,691)** | (1,559) | (1,563) | (1,436) | (1,455) |
| Gain on sale of fertilizer nutrients assets | | | | | 2,440 |
| Interest income | **87** | 76 | 53 | 96 | 67 |
| Interest expense | **(347)** | (363) | (294) | (295) | (294) |
| Loss on extinguishment of debt | | | | | (90) |
| Foreign exchange gain (loss) | **47** | 53 | 88 | (16) | 44 |
| Other (expense) income net | **17** | 44 | (92) | 7 | 27 |
| Goodwill impairment | | | (514) | | (3) |
| Gain on sale of investments in affiliates | | 3 | 85 | 37 | |
| Gain on acquisition of controlling interest | | | 36 | | |
| Income from continuing operations before income tax | **734** | 1,014 | 372 | 1,020 | 3,049 |
| Income tax (expense) benefit | **(249)** | (904) | 6 | (55) | (699) |
| Income from continuing operations | **485** | 110 | 378 | 965 | 2,350 |
| Income (loss) from discontinued operations, net of tax | **32** | 97 | (342) | (25) | 38 |
| Net income | **517** | 207 | 36 | 940 | 2,388 |
| Net loss (income) attributable to noncontrolling interests | **(2)** | 99 | 28 | 2 | (34) |
| Net income attributable to Bunge | **515** | 306 | 64 | 942 | 2,354 |
| Convertible preference share dividends and other obligations | **(48)** | (76) | (36) | (34) | (67) |
| Net income available to Bunge common shareholders | **$ 467** | $ 230 | $ 28 | $ 908 | $ 2,287 |

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| (US$, except outstanding share data) | Year ended December 31, 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| **Per Share Data:** | | | | | |
| *Earnings per common share basic*[1] | | | | | |
| Net income (loss) from continuing operations | **$ 2.98** | $ 0.91 | $ 2.53 | $ 6.37 | $ 15.93 |
| Net income (loss) from discontinued operations | **0.22** | 0.66 | (2.34) | (0.17) | 0.27 |
| Net income (loss) to Bunge common shareholders | **$ 3.20** | $ 1.57 | $ 0.19 | $ 6.20 | $ 16.20 |
| *Earnings per common share diluted*[2] | | | | | |
| Net income (loss) from continuing operations | **$ 2.96** | $ 0.90 | $ 2.51 | $ 6.23 | $ 14.82 |
| Net income (loss) from discontinued operations | **0.21** | 0.65 | (2.32) | (0.16) | 0.24 |
| Net income (loss) to Bunge common shareholders | **$ 3.17** | $ 1.55 | $ 0.19 | $ 6.07 | $ 15.06 |
| Cash dividends declared per common share | **$ 1.32** | $ 1.17 | $ 1.06 | $ 0.98 | $ 0.90 |
| Weighted-average common shares outstanding basic | **146,209,508** | 147,204,082 | 146,000,541 | 146,583,128 | 141,191,136 |
| Weighted-average common shares outstanding diluted[3] | **147,230,778** | 148,257,309 | 147,135,486 | 155,209,045 | 156,274,814 |

| (US$ in millions) | Year Ended December 31, 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| **Consolidated Cash Flow Data:** | | | | | |
| Cash provided by (used for) operating activities | **$ 1,399** | $ 2,225 | $ (457) | $ 2,614 | $ (2,435) |
| Cash provided by (used for) investing activities | **(685)** | (429) | (967) | (1,220) | 2,509 |
| Cash provided by (used for) financing activities | **(1,058)** | (1,565) | 1,206 | (1,060) | (30) |

| (US$ in millions) | December 31, 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| **Consolidated Balance Sheet Data:** | | | | | |
| Cash and cash equivalents | **$ 362** | $ 742 | $ 569 | $ 835 | $ 578 |
| Inventories[3] | **5,554** | 5,796 | 6,590 | 5,733 | 6,635 |
| Working capital | **4,377** | 5,237 | 5,703 | 6,181 | 5,811 |
| Total assets[4] | **21,432** | 26,781 | 27,280 | 25,221 | 26,001 |
| Short-term debt, including current portion of long-term debt | **1,002** | 1,465 | 2,317 | 733 | 2,330 |
| Long-term debt | **2,855** | 3,179 | 3,532 | 3,348 | 2,551 |
| Convertible perpetual preference shares[2] | **690** | 690 | 690 | 690 | 690 |
| Common shares and additional paid-in-capital | **5,054** | 4,968 | 4,910 | 4,830 | 4,794 |

| | | | | | |
|---|---|---|---|---|---|
| Total equity | **$ 8,690** | $ 10,088 | $ 11,255 | $ 12,075 | $ 12,554 |

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| (in millions of metric tons) | Year Ended December 31, 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| **Other Data:** | | | | | |
| Volumes: | | | | | |
| Agribusiness | **138.7** | 137.4 | 132.8 | 117.2 | 108.7 |
| Edible oil products | **6.9** | 7.0 | 6.7 | 6.0 | 6.0 |
| Milling products | **4.5** | 4.0 | 4.3 | 4.6 | 4.6 |
| Total food and ingredients | **11.4** | 11.0 | 11.0 | 10.6 | 10.6 |
| Sugar and bioenergy | **9.7** | 10.3 | 8.6 | 8.2 | 8.2 |
| Fertilizer | **1.1** | 1.0 | 1.0 | 1.1 | 3.2 |

(1) Earnings per common share-basic is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

(2) Bunge's 862,455 outstanding 5.125% cumulative mandatory convertible preference shares were mandatorily converted into Bunge common shares on December 1, 2010. The annual dividend on each mandatory convertible preference share was $51.25, payable quarterly. Each mandatory convertible preference share automatically converted on December 1, 2010 at a conversion rate of 9.7596 per share for a total of 8,417,215 of Bunge common shares. Bunge has 6,900,000 4.875% cumulative convertible perpetual preference shares outstanding. Each cumulative convertible preference share has an initial liquidation preference of $100 per share plus accumulated and unpaid dividends up to a maximum of an additional $25 per share. As a result of adjustments made to the initial conversion price because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each cumulative convertible preference share is convertible, at the holder's option, at any time, into approximately 1.1220 Bunge Limited common shares (7,741,800 Bunge Limited common shares), subject to certain additional anti-dilution adjustments.

(3) Included in inventories were readily marketable inventories of $4,409 million, $4,600 million, $5,306 million, $4,075 million, $4,851 million at December 31, 2014, 2013, 2012, 2011 and 2010, respectively. Readily marketable inventories are agricultural commodity inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

(4) Bunge revised its balance sheet presentation related to a certain trade structured finance program. Amounts for 2010 have not been adjusted for the change in presentation and are reported on a net basis in its consolidated balance sheet, rather than on a gross basis.

## Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

*The following should be read in conjunction with "Cautionary Statement Regarding Forward Looking Statements" and our combined consolidated financial statements and notes thereto included in Item 15 of this Annual Report on Form 10-K.*

### Operating Results

### Factors Affecting Operating Results

Bunge Limited, a Bermuda company, together with its subsidiaries, is a leading global agribusiness and food company operating in the farm-to-consumer food chain. The commodity nature of the Company's principal products, as well as regional and global supply and demand variations that occur as an inherent part of the business make volumes an important operating measure. Accordingly, information is included in "*Segment Results*" that summarizes certain items in our consolidated statements of income and volumes by reportable segment. The unit of measure for all reported volumes is metric tons, a common unit of measure within our industry. A description of reported volumes for each reportable segment has also been included in the discussion of key factors affecting results of operations in each of our business segments as discussed below.

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***Agribusiness***

In the agribusiness segment, we purchase, store, transport, process and sell agricultural commodities and commodity products. Profitability in this segment is affected by the availability and market prices of agricultural commodities and processed commodity products and the availability and costs of energy, transportation and logistics services. Profitability in our oilseed processing operations is also impacted by volumes procured, processed and sold and by capacity utilization rates. Availability of agricultural commodities is affected by many factors, including weather, farmer planting decisions, plant disease, governmental policies and agricultural sector economic conditions. Reported volumes in this segment primarily reflect (i) grains and oilseeds originated from farmers, cooperatives or other aggregators and from which "origination margins" are earned; (ii) oilseeds processed in our oilseed processing facilities and from which "crushing margins" are earned representing the margin resulting from the industrial separation of the oilseed into its protein meal and vegetable oil components, both of which components are separate commodity products themselves; and (iii) third party sales of grains, oilseeds and related commodity products merchandised through our distribution businesses and from which "distribution margins" are earned. The foregoing sub-segment volumes may overlap as they produce separate margin capture opportunities. For example, oilseeds procured in our South American grain origination activities may be processed in our oilseed processing facilities in Asia-Pacific and will be reflected at both points within the segment. As such, these reported volumes do not represent solely volumes of net sales to third-parties, but rather where margin is earned, appropriately reflecting their contribution to our global network's capacity utilization and profitability.

Demand for our purchased and processed agribusiness products is affected by many factors, including global and regional economic conditions, changes in per capita incomes, the financial condition of customers and customer access to credit, worldwide consumption of food products, particularly pork and poultry, population growth rates, relative prices of substitute agricultural products, outbreaks of disease associated with livestock and poultry, and demand for renewable fuels produced from agricultural commodities and commodity products.

We expect that the factors described above will continue to affect global supply and demand for our agribusiness products for the foreseeable future. We also expect that, from time to time, imbalances will likely exist between oilseed processing capacity and demand for oilseed products in certain regions, which impacts our decisions regarding whether, when and where to purchase, store, transport, process or sell these commodities, including whether to change the location of or adjust our own oilseed processing capacity.

***Food and Ingredients***

In the food and ingredients business, which consists of our edible oil products and milling products segments, our operating results are affected by changes in the prices of raw materials, such as crude vegetable oils and grains, the mix of products that we sell, changes in consumer eating habits, changes in per capita incomes, consumer purchasing power levels, availability of credit to customers, governmental dietary guidelines and policies, changes in regional economic conditions and the general competitive environment in our markets. Raw material inputs to our production processes in the edible oil products segment and the milling products segment are largely sourced at market prices from our agribusiness segment. Reported volumes in these segments reflect third-party sales of our finished products and, as such, include the sales of products derived from raw materials sourced from the agribusiness segment as well as from third-parties. The unit of measure for these volumes is metric tons as these businesses are linked to the commodity raw materials which are their primary inputs.

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***Sugar and Bioenergy***

Our sugar and bioenergy segment is an integrated business which includes the procurement and growing of sugarcane and the production of sugar, ethanol and electricity in our eight mills in Brazil, global sugar trading and merchandising activities and investment interests in certain corn-based ethanol producers.

Profitability in this segment is affected by the availability and quality of sugarcane, which impact our capacity utilization rates and the amount of sugar that can be extracted from the sugarcane, and by market prices of sugarcane, sugar and ethanol. Availability and quality of sugarcane is affected by many factors, including weather, geographical factors such as soil quality and topography, and agricultural practices. Once planted, sugarcane may be harvested for several continuous years, but the usable crop decreases with each subsequent harvest. As a result, the current optimum economic cycle is generally five or six consecutive harvests, depending on location. We own and/or have partnership agreements to manage farmland on which we grow and harvest sugarcane. We also purchase sugarcane from third parties. Prices of sugarcane in Brazil are established by Consecana, the São Paulo state sugarcane and sugar and ethanol council, and are based on the sucrose content of the cane and the market prices of sugar and ethanol. Demand for our products is affected by such factors as changes in global or regional economic conditions, the financial condition of customers and customer access to credit, worldwide consumption of food products, population growth rates, changes in per capita incomes and demand for and governmental support of renewable fuels produced from agricultural commodities, including sugarcane. We expect that these factors will continue to affect supply and demand for our sugar and bioenergy products in the foreseeable future. Reported volumes in this segment reflect third-party sales of sugar and ethanol.

***Fertilizer***

In the fertilizer segment, demand for our products is affected by the profitability of the agricultural sectors we serve, the availability of credit to farmers, agricultural commodity prices, the types of crops planted, the number of acres planted, the quality of the land under cultivation and weather-related issues affecting the success of the harvests. Our profitability is impacted by international selling prices for fertilizers and fertilizer raw materials, such as phosphate, sulfur, ammonia and urea, ocean freight rates and other import costs, as well as import volumes at the port facilities we manage. As our operations are in South America, primarily Argentina, our results in this segment are typically seasonal, with fertilizer sales normally concentrated in the third and fourth quarters of the year due to the timing of the South American agricultural cycle. Reported volumes in this segment reflect third-party sales of our finished products.

In addition to these industry related factors which impact our business areas, our results of operations in all business areas and segments are affected by the following factors:

***Foreign Currency Exchange Rates***

Due to the global nature of our operations, our operating results can be materially impacted by foreign currency exchange rates. Both translation of our foreign subsidiaries' financial statements and foreign currency transactions can affect our results. On a monthly basis, for subsidiaries whose functional currency is their local currency, subsidiary statements of income and cash flows must be translated into U.S. dollars for consolidation purposes based on weighted-average exchange rates in each monthly period. As a result, fluctuations of local currencies compared to the U.S. dollar during each monthly period impact our consolidated statements of income and cash flows for each reported period (quarter and year-to-date) and also affect comparisons between those reported periods. Subsidiary balance sheets are translated using exchange rates as of the balance sheet date with the resulting translation adjustments reported in our consolidated balance sheets as a component of other

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comprehensive income (loss). Included in accumulated other comprehensive income for the years ended December 31, 2014, 2013, and 2012 were foreign exchange net translation gains (losses) of $(1,411) million, $(1,221) million and $(805) million, respectively, resulting from the translation of our foreign subsidiaries' assets and liabilities.

Additionally, we record transaction gains or losses on monetary assets and liabilities that are not denominated in the functional currency of the entity. These amounts are remeasured into their respective functional currencies at exchange rates as of the balance sheet date, with the resulting gains or losses included in the entity's statement of income and, therefore, in our consolidated statements of income as foreign exchange gains (losses).

We primarily use a combination of equity and intercompany loans to finance our subsidiaries. Intercompany loans that are of a long-term investment nature with no intention of repayment in the foreseeable future are considered permanently invested and as such are treated as analogous to equity for accounting purposes. As a result, any foreign exchange translation gains or losses on such permanently invested intercompany loans are reported in accumulated other comprehensive income (loss) in our consolidated balance sheets. In contrast, foreign exchange translation gains or losses on intercompany loans that are not of a permanent nature are recorded in our consolidated statements of income as foreign exchange gains (losses).

***Income Taxes***

As a Bermuda exempted company, we are not subject to income taxes on income in our jurisdiction of incorporation. However, our subsidiaries, which operate in multiple tax jurisdictions, are subject to income taxes at various statutory rates ranging from 0% to 39%. The jurisdictions that significantly impact our effective tax rate are Brazil, the United States, Argentina and Bermuda. Determination of taxable income requires the interpretation of related and often complex tax laws and regulations in each jurisdiction where we operate and the use of estimates and assumptions regarding future events.

**Results of Operations**

***2014 Overview***

Total segment EBIT of $956 million in 2014 decreased from $1,329 million in 2013. EBIT for 2014 was reduced by $149 million resulting from impairment and restructuring charges, primarily in our sugar and bioenergy segment. Results for 2014 were also impacted by an expense of $112 million resulting from a final court ruling in Brazil that certain state ICMS tax credits related to staple foods, including soy oil, margarine, mayonnaise and wheat flours are unconstitutional. EBIT for 2013 included a gain of $63 million resulting from the sale of certain rights to legal claims in Brazil, and gains of $10 million from the sales of investments in bioenergy companies in North America, offset partially by $28 million of impairment and restructuring charges in our sugar and bioenergy segment and $7 million of provisions for certain recoverable taxes in Brazil.

Agribusiness segment EBIT of $890 million for 2014 was $142 million lower compared to $1,032 million in 2013. Primary drivers of the decrease were significantly lower results in our soybean processing business in Asia-Pacific, including $30 million of mark-to-market losses on soybeans shipped to China at year end, lower risk management contributions in grains and lower grain trading and distribution results in both Europe and Asia-Pacific. Largely offsetting these reductions were record agribusiness results in Brazil where strong export demand and margins in grains combined with well executed logistics benefitted our grain origination business and high capacity utilization in oilseed processing produced solid processing margins and volumes. In addition our North American agribusiness operations benefitted from very strong fourth quarter performance in oilseed processing in both the United States and Canada, with record capacity utilization realized in some facilities. Grain

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origination activities in North America also experienced strong results, including from our operations in the Pacific Northwest. In Europe, oilseed processing results were strong, led by our operations in Spain as was our grains and oilseeds trading and distribution operations in the Middle East which benefitted from strong demand.

Edible oil products segment EBIT decreased by $105 million to $58 million in 2014 from $163 million in 2013, primarily driven by an expense of $98 million related to certain ICMS tax credits in Brazil. EBIT for 2013 included a gain of $9 million related to the sale of our rights to certain legal claims. Overall, our operational improvement and price management initiatives benefitted 2014 results. In Brazil, results were more than 20% above last year with strong margins in packaged oils resulting from efficient management of raw material purchases and from our performance initiatives included price management strategies. In Central Europe, results improved significantly due to a higher value product mix, and operational process improvement initiatives. These gains were offset by the impact on domestic margins of significant currency depreciation in Ukraine and Russia. Our Asia-Pacific operations benefitted from higher volumes and margins in our branded and bakery fats businesses in India and from operational and commercial improvement initiatives. Volume growth in our Argentine bottled oil and margarine businesses was driven by increased sales of refined high oleic products and neutralized oils. Also export sales to Bolivia, Paraguay and Uruguay were higher. Partially offsetting these increases in results was lower EBIT in North America, where lower margins in U.S. refining and Canadian packaged oil operations and start-up costs of our new packaging plant in Mexico more than offset savings generated from our cost improvements initiatives. These declines were partially offset by improved margins in Canada refining and U.S. packaged oils.

Milling products segment EBIT increased to $131 million in 2014 from $125 million in 2013, primarily driven by our December 2013 acquisition of a wheat milling business in Mexico, which contributed a full year of profits and additional benefits from the integration of these mills with our existing Mexican wheat milling operations. Wheat milling in Brazil also increased results compared to 2013 with lower volumes more than offset by higher margins, primarily from price management strategies in a competitive environment with increased wheat supply. In the United States, results in corn milling were adversely impacted by a low margin environment and weaker customer demand. Results were also impacted by higher energy costs early in 2014. Rice milling results in the U.S. were slightly above last year, as margins improved. EBIT for 2014 also included an expense of $14 million on certain ICMS tax credits in Brazil. Segment EBIT in 2013 included a gain of $9 million related to the sale of our rights to certain legal claims.

Sugar and bioenergy segment EBIT in 2014 was a loss of $168 million compared to a loss of $60 million in 2013. Results were impacted by $133 million and $28 million of impairment and restructuring charges in 2014 and 2013, respectively. Our sugarcane milling business finished the year with neutral free cash flow, when adjusted for the impact of inventories varied into 2015 and machinery purchases pulled forward from 2015. Cost reduction strategies on growing cane and production processes drove improved operational results, despite lower sugar prices and crush volumes. Results were positively impacted by higher volumes of energy cogeneration in our mills, due to improved operational performance and additional capacity. Energy margins were also higher, especially in the second half of 2014 due to drought related tight water availability for the generation of hydro-energy. Our biofuels business benefitted from a robust ethanol production environment in the United States and our corn wet milling joint venture in Argentina that became fully operational in 2014 contributed to results. Segment EBIT was negatively impacted by start-up losses in our joint venture to produce renewable oils in Brazil. In our trading and distribution operations, results declined compared to 2013 as both volumes and margins were down in a low sugar price environment.

Fertilizer segment EBIT decreased to $45 million in 2014 compared to $69 million in 2013. EBIT in 2013 included a gain of $32 million related to the sale of our rights to certain legal claims. Adjusted for the 2013 gain, results were higher in 2014, primarily due to higher volumes and margins in our

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blending and distribution business in Argentina, which more than offset lower volumes and margins in our port operations in Brazil.

Net income attributable to Bunge for 2014 was $515 million compared to $306 million for 2013. The decrease in total segment EBIT of $373 million discussed above was more than offset by the significantly lower income tax expense from continuing operations ($249 million in 2014 compared with $904 million in 2013). Income tax expense in 2014 included net tax benefits of $102 million that resulted primarily from the establishment of deferred tax assets related to the implementation of certain structural transfer pricing strategies in our agribusiness operations. We expect these structural changes to continue to contribute to reducing our overall effective tax rate. Income tax expense for 2013 included charges of $512 million for income tax valuation allowances, primarily in our sugar milling business in Brazil. Net income for 2013 also included a $112 million after-tax gain on the sale of our fertilizer distribution business in Brazil to Yara for cash of $750 million. This gain is included in discontinued operations.

***Segment Results***

Bunge has five reportable segments agribusiness, edible oil products, milling products, sugar and bioenergy and fertilizer which are organized based upon similar economic characteristics and are similar in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The agribusiness segment is characterized by both inputs and outputs being agricultural commodities and thus high volume and low margin. The edible oil products segment involves the manufacturing and marketing of products derived from vegetable oils. The milling products segment involves the manufacturing and marketing of products derived primarily from wheat and corn. The sugar and bioenergy segment involves sugarcane growing and milling in Brazil, sugar and ethanol trading and merchandising in various countries, as well as sugarcane-based ethanol production and corn-based ethanol investments and related activities. Following the completion of the sale of Bunge's Brazilian fertilizer nutrients assets in 2010, the sale of the Brazilian fertilizer blending and distribution, North American fertilizer businesses and the sale of Bunge's 50% ownership interest in its joint venture in Morocco in 2013, the activities of the fertilizer segment include its port operations in Brazil and Argentina and its blending and distribution operations in Argentina.

A summary of certain items in our consolidated statements of income and volumes by reportable segment for the periods indicated is set forth below.

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| **Volume (in thousands of metric tons):** | | | |
| Agribusiness | **138,690** | 137,405 | 132,760 |
| Edible Oil Products | **6,845** | 6,972 | 6,654 |
| Milling Products | **4,514** | 4,034 | 4,262 |
| Sugar and Bioenergy | **9,678** | 10,316 | 8,587 |
| Fertilizer | **1,090** | 958 | 986 |
| **Net sales:** | | | |
| Agribusiness | **$ 42,109** | $ 45,507 | $ 44,561 |
| Edible Oil Products | **7,972** | 9,165 | 9,472 |
| Milling Products | **2,064** | 2,012 | 1,833 |
| Sugar and Bioenergy | **4,542** | 4,215 | 4,659 |
| Fertilizer | **474** | 448 | 466 |
| Total | **$ 57,161** | $ 61,347 | $ 60,991 |

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| (US$ in millions) | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|
| **Cost of goods sold:** | | | |
| Agribusiness | **$ (40,367)** | $ (43,710) | $ (42,775) |
| Edible Oil Products | **(7,424)** | (8,625) | (9,026) |
| Milling Products | **(1,753)** | (1,750) | (1,632) |
| Sugar and Bioenergy | **(4,583)** | (4,123) | (4,595) |
| Fertilizer | **(413)** | (379) | (390) |
| Total | **$ (54,540)** | $ (58,587) | $ (58,418) |
| **Gross profit (loss):** | | | |
| Agribusiness | **$ 1,742** | $ 1,797 | $ 1,786 |
| Edible Oil Products | **548** | 540 | 446 |
| Milling Products | **311** | 262 | 201 |
| Sugar and Bioenergy | **(41)** | 92 | 64 |
| Fertilizer | **61** | 69 | 76 |
| Total | **$ 2,621** | $ 2,760 | $ 2,573 |
| **Selling, general & administrative expenses:** | | | |
| Agribusiness | **$ (875)** | $ (836) | $ (858) |
| Edible Oil Products | **(482)** | (384) | (353) |
| Milling Products | **(168)** | (139) | (123) |
| Sugar and Bioenergy | **(156)** | (166) | (194) |
| Fertilizer | **(10)** | (34) | (35) |
| Total | **$ (1,691)** | $ (1,559) | $ (1,563) |
| **Foreign exchange gain (loss):** | | | |
| Agribusiness | **$ 39** | $ 41 | $ 111 |
| Edible Oil Products | **(4)** | 5 | (8) |
| Milling Products | **(8)** | (1) | 1 |
| Sugar and Bioenergy | **19** | 3 | (15) |
| Fertilizer | **1** | 5 | (1) |
| Total | **$ 47** | $ 53 | $ 88 |
| **Noncontrolling interests:** | | | |
| Agribusiness | **$ (23)** | $ 31 | $ (9) |
| Edible Oil Products | **(9)** | (7) | 2 |
| Milling Products | | | |
| Sugar and Bioenergy | **(1)** | 9 | 25 |
| Fertilizer | **(5)** | (5) | (3) |
| Total | **$ (38)** | $ 28 | $ 15 |

| | | | |
|---|---|---|---|
| **Other income (expense):** | | | |
| Agribusiness | **$ 8** | $ (2) | $ (68) |
| Edible Oil Products | **5** | 10 | (7) |
| Milling Products | **(4)** | 2 | |
| Sugar and Bioenergy | **10** | | (3) |
| Fertilizer | **(2)** | 34 | (14) |
| Total | **$ 17** | $ 44 | $ (92) |
| **Gain on sales of agribusiness investments in affiliates** | **$** | $ 3 | $ 85 |
| **Gain on acquisition of milling business controlling interest** | **$** | $ | $ 36 |
| **Loss on impairment of sugar and bioenergy goodwill** | **$** | $ | $ (514) |

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| (US$ in millions) | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|
| **Segment earnings before interest and tax[1]** | | | |
| Agribusiness | **$ 890** | $ 1,032 | $ 1,047 |
| Edible Oil Products | **58** | 163 | 80 |
| Milling Products | **131** | 125 | 115 |
| Sugar and Bioenergy | **(168)** | (60) | (637) |
| Fertilizer | **45** | 69 | 23 |
| Total | **$ 956** | $ 1,329 | $ 628 |
| **Depreciation, depletion and amortization:** | | | |
| Agribusiness | **$ (240)** | $ (240) | $ (221) |
| Edible Oil Products | **(96)** | (99) | (93) |
| Milling Products | **(47)** | (28) | (30) |
| Sugar and Bioenergy | **(208)** | (184) | (175) |
| Fertilizer | **(16)** | (17) | (18) |
| Total | **$ (607)** | $ (568) | $ (537) |
| **Net income attributable to Bunge** | **$ 515** | $ 306 | $ 64 |

(1) Total segment earnings before interest and tax ("EBIT") is an operating performance measure used by Bunge's management to evaluate its segments' operating activities. Total segment EBIT is a non-U.S. GAAP financial measure and is not intended to replace net income attributable to Bunge, the most directly comparable U.S. GAAP financial measure. Bunge's management believes segment EBIT is a useful measure of its segments' operating profitability, since the measure allows for an evaluation of the performance of its segments without regard to its financing methods or capital structure. In addition, EBIT is a financial measure that is widely used by analysts and investors in Bunge's industries. Total segment EBIT is not a measure of consolidated operating results under U.S. GAAP and should not be considered as an alternative to net income attributable to Bunge or any other measure of consolidated operating results under U.S. GAAP.

A reconciliation of total segment EBIT to net income attributable to Bunge follows:

| (US$ in millions) | Year Ended December 31, 2014 | 2013 | 2012 |
|---|---|---|---|
| Total segment earnings from continuing operations before interest and tax | **$ 956** | $ 1,329 | $ 628 |
| Interest income | **87** | 76 | 53 |
| Interest expense | **(347)** | (363) | (294) |
| Income tax (expense) benefit | **(249)** | (904) | 6 |
| Income (loss) from discontinued operations | **32** | 97 | (342) |
| Noncontrolling interests' share of interest and tax | **36** | 71 | 13 |
| Net income attributable to Bunge | **$ 515** | $ 306 | $ 64 |

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***2014 Compared to 2013***

*Agribusiness Segment* Agribusiness segment net sales decreased 8% to $42.1 billion in 2014 compared to $45.5 billion in 2013. Volumes were 1% higher in the year with increased volumes of grain origination in Europe resulting from good crops and harvest pace in the Black Sea region being offset by lower oilseeds distribution volumes in Asia-Pacific and processing in China and Argentina. Global commodity prices were generally lower in the year; especially corn prices, which declined significantly in the first nine months of the year and were on average 28% lower in 2014 compared to 2013. The impact of lower commodity prices on net sales was partly offset by the higher value mix of commodities sold in 2014 when compared with 2013.

Cost of goods sold also decreased by 8% to $40.4 billion in 2014, compared with $43.7 billion last year as a result of lower average commodity prices in 2014 and lower results from trading and our risk management strategies. These reductions were only partly offset by the 1% volume increase and higher value sales mix.

Gross profit was $1,742 million in 2014, 3% lower than $1,797 million a year ago, primarily as losses in our Asia-Pacific oilseed processing operations, mainly in China, resulting from low structural margins in the region, and reduced trading and risk management results and approximately $80 million of unrealized mark-to-market impacts related to North American processing and bunker fuel hedges at year end that are expected to reverse in 2015. These reductions more than offset good margins in North and South America, Central Europe and our oilseed distribution activities to the Middle East.

SG&A expenses were $875 million in 2014 compared to $836 million in 2013. In 2014, SG&A expenses included costs from our new Terfron port facility in Northern Brazil and higher employee related costs and, to a lesser extent, higher bad debt expenses. SG&A benefitted from weaker currencies when local currency costs were translated into U.S. dollars, partially offsetting the expense increases.

Noncontrolling interests represent (income) loss attributed to the noncontrolling interest holders in joint venture operations that are consolidated in our financial statements. In 2014, $23 million of income compared to losses of $31 million in 2013. Improved performance in our joint venture activities was primarily driven by our U.S. Pacific Northwest port operation and oilseed and biodiesel production ventures in Europe.

Segment EBIT decreased to $890 million in 2014 from $1,032 million in 2013, primarily due to lower gross profit, higher SG&A and approximately $80 million of mark-to-market impacts incurred in the fourth quarter, which are expected to reverse during 2015. EBIT for 2013 included a $16 million gain from the sale of certain legal claims in Brazil.

*Edible Oil Products Segment* Edible oil products segment net sales were $8 billion in 2014 compared to $9.2 billion in 2013. The lower net sales in 2014 were primarily a result of lower average commodity prices in 2014. Volumes decreased by 2% driven by rail logistics issues and soft demand from food processors in North America, and by lower retail demand and implementation of price management strategies in Brazil. Volumes were positively impacted in Argentina by export sales of bulk oil and in Asia-Pacific with strong volume growth across all our brands and our bakery fats business in India.

Cost of goods sold decreased 14% to $7.4 billion in 2014 from $8.6 billion in 2013, primarily due to lower raw material costs resulting from lower global commodity prices and sales volumes.

Gross profit in 2014 increased to $548 million from $540 million in 2013, primarily due to higher margins in Brazil, driven by a tight supply environment and an increased focus on operational improvements and price management strategies, and in Argentina, driven by higher export volumes within South America. Margins in North America were essentially flat, with higher margins in U.S.

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packaged oils driven by operational improvement programs, partially offset by lower margins in refined oils on weaker export demand, rail logistics issues and, to a lesser extent, higher energy costs in the first quarter due to severe weather conditions in Canada.

SG&A Expenses increased to $482 million in 2014 from $384 million in 2013; SG&A for 2014 included $98 million expenses on certain ICMS tax credits in Brazil.

Segment EBIT decreased to $58 million in 2014 from $163 million in 2013 as a result of factors noted above. Segment EBIT for 2013 included a gain of $9 million from the sale of certain legal claims in Brazil.

*Milling Products Segment* Milling products segment net sales were $2,064 million in 2014, compared to $2,012 million in 2013. Volumes increased by 12% primarily due to contributions from a wheat milling business in Mexico, which we acquired in December 2013. This increase was partly offset by lower volumes in our wheat milling business in Brazil, primarily due to our strategy to strengthen margins. The net increase in volumes was offset by lower average selling prices for corn and wheat products driven by lower average global commodity market prices relative to last year and by the impact of a weaker Brazilian *real* and Mexican *peso* when translated into U.S. dollars compared to 2013.

Cost of goods sold was essentially flat with $1,753 million and $1,750 million for the years 2014 and 2013, respectively. The impact of the inclusion of the acquired wheat milling business in Mexico and higher prices for rice origination in the United States resulting from drought and water shortage was offset by lower prices for corn and wheat compared to the same period last year.

Gross profit increased by 19% to $311 million in 2014 from $262 million in 2013, primarily as a result of inclusion of our Mexican wheat milling business acquired in December 2013 and the related synergies with our existing wheat milling business in Mexico. In addition, margins were higher in Brazil resulting from the implementation of price management strategies. In our U.S. milling operations, gross profit declined with lower margins in corn milling only partly offset by stronger margins in rice milling.

SG&A expenses increased by $29 million to $168 million in 2014 from $139 in 2013, primarily resulting from inclusion of our wheat milling business acquired in Mexico at the end of last year and $14 million expenses on certain ICMS tax credits in Brazil, partially offset by the benefits of cost reduction initiatives and the impact of the weaker Brazilian *real* and Mexican *peso* on the translation of local currency expenses to the U.S. dollar.

Segment EBIT increased by 5% to $131 million in 2014 from $125 million in the same period a year ago, driven by the inclusion of our acquired wheat milling operations in Mexico and solid performance in Brazil wheat milling and U.S. rice milling, partly offset by higher SG&A expenses, lower results in U.S. corn milling and foreign exchange losses in Mexico driven by a strong devaluation of the Mexican *peso* in the fourth quarter. Segment EBIT for 2013 included a gain of $6 million from the sale of certain legal claims in Brazil.

*Sugar and Bioenergy Segment* Sugar and Bioenergy segment net sales increased 8% to $4.5 billion in 2014 compared to $4.2 billion in 2013, as a result of higher sugarcane milling volumes and energy sales in Brazil. These increases were partly offset by a 6% decline in volumes, primarily in our trading and merchandising business. Average ethanol and energy prices in Brazil were higher compared to 2013, while average prices of sugar were lower. In our biofuels business, lower volumes were more than offset by higher U.S. corn ethanol prices.

Cost of goods sold increased to $4.6 billion in 2014 from $4.1 billion in 2013. Higher costs of purchased sugarcane were partially offset by lower volumes in our trading and merchandising business and the benefit of the weaker Brazilian *real* relative to the U.S. dollar.

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Gross profit was a loss of $41 million in 2014, driven by $113 million of impairment and related charges related to one of our mills. This compared to a profit of $92 million in 2013. Improved overall results in our other sugarcane mills were driven by lower costs, higher margins and increased cogeneration volumes. These improvements were more than offset by lower results in our sugar trading and distribution business in the first half of 2014.

SG&A expenses declined 6% to $156 million in 2014 from $166 in 2013. Cost reduction initiatives in our industrial business and translation benefits from the depreciation of the Brazilian *real* on local currency costs reduced SG&A, but were partially offset by $20 million of restructuring costs, including costs of our strategic review of the business. SG&A for 2013 included $11 million of write-offs and restructuring charges.

Other income (expenses) net was income of $10 million compared to nil in 2013. Increased income from our non-consolidated investments in a U.S. bioenergy producer and a corn wet milling venture in Argentina that became fully operational in 2014, was partially offset by losses in our joint venture for the production of renewable oils in Brazil.

Segment EBIT decreased by $108 million to a loss of $168 million in 2014 compared to a loss of $60 million in 2013. In 2014, segment EBIT included $133 million of impairment and restructuring charges in our industrial operations. Results from our sugarcane mills improved overall and our bioenergy investments in the U.S. and Argentina also reported higher results. These improvements were partly offset by weaker trading and merchandising results and start-up losses in our renewable oils venture in Brazil.

*Fertilizer Segment* Fertilizer segment net sales increased 6% to $474 million in 2014 compared to $448 million in 2013, primarily due to a volume increase of 14% in our Argentine blending and distribution operations, partly offset by lower global nitrogen and phosphate prices.

Cost of goods sold increased 9% to $413 million in 2014 from $379 million in 2013, primarily as a result of higher volumes and higher equipment rental costs and spare parts write-offs in our Brazil port operations. These increases were partly offset by lower raw material costs and the benefit of the weaker Argentine *peso* and Brazilian *real* on local currency costs when translated into U.S. dollars.

Gross profit decreased to $61 million in 2014 from $69 million in 2013. The decrease was primarily driven by higher costs in our Brazilian port operations, partly offset by higher volumes and margins in Argentina.

SG&A was $10 million in 2014 compared to $34 million in 2013. The decrease in 2014 includes the reversal of certain value added tax provisions which are no longer expected to be paid and lower general and administrative expenses. In addition, SG&A benefited from a weaker Brazilian *real* and Argentine *peso* relative to the U.S. dollar.

Segment EBIT decreased by $24 million to $45 million in 2014 from $69 million in 2013, primarily due to a $32 million gain on the 2013 sale of certain legal claims in Brazil, partially offset by a $5 million loss in 2013 in our Morocco phosphate joint venture, which was sold in December 2013.

*Interest* A summary of consolidated interest income and expense for the periods indicated follows:

| | Year Ended December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Interest income | **$ 87** | $ 76 |
| Interest expense | **(347)** | (363) |

Interest income in 2014 increased by $11 million compared to 2013, primarily due to higher returns on cash investments in Brazil and Argentina in the first half of the year and the collection of

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$12 million of accumulated unpaid interest on a loan provided to a related party. Interest expense decreased by 4% compared to last year, primarily due to lower average outstanding debt driven by reduced working capital requirements as a result of lower average commodity prices, partly offset by interest charges of $65 million related to certain ICMS tax credits in Brazil. Interest expenses were reduced due to the refinancing of long-term debt at fixed rates with short-term bank loans, which on average bear lower, floating interest rates. Interest expense includes facility commitment fees, amortization of deferred financing costs and charges on certain lending transactions, including certain intercompany loans and foreign currency conversions in Brazil.

*Income Tax Expense* In 2014, income tax expense from continuing operations decreased to $249 million from $904 million in 2013 and the effective tax rate in 2014 decreased to 34% compared to 89% in 2013. Income tax expense in 2014 included certain income tax benefits of $102 million, primarily $93 million of deferred tax assets in a subsidiary taxable in Brazil, $21 million reversal of an income tax valuation allowance in Europe and $13 million from adjustment of provisions upon finalization of a tax audit in Europe. Also, included in income tax expense for 2014 is $45 million of deferred tax assets which were recognized upon the recording of expenses related to a court ruling related to certain ICMS tax credits in Brazil. These items were partly offset by $15 million of income tax valuation allowances resulting from management's evaluation of the recoverability of its net operating loss carryforwards in Asia-Pacific. Income tax expense for 2013 included tax charges of $512 million for income tax valuation allowances, primarily in the sugar and bioenergy segment from management's evaluation of its net deferred tax assets, primarily net operating loss carryforwards, $46 million as a result of new legal precedents that impacted our assessment of an uncertain income tax position in Brazil and provisions related to tax years 2008 through 2010.

*Discontinued Operations* Discontinued operations results in 2014 were income of $32 million, net of tax, compared to income of $97 million, net of tax, in 2013. Results in 2014 included benefits related to a tax amnesty program in Brazil and collections of previously written-off farmer receivables. Results in 2013 represented primarily the gain on the sale of the fertilizer blending and distribution business of $112 million, net of tax.

*Net Income Attributable to Bunge* Net income attributable to Bunge for 2014 was $515 million compared to $306 million for 2013. The decrease in total segment EBIT of $373 million discussed above was more than offset by the significantly lower income tax expense from continuing operations ($249 million in 2014 compared with $904 million in 2013). Income tax expense in 2014 included net tax benefits of $102 million that resulted primarily from the establishment of deferred tax assets related to the implementation of certain structural transfer pricing strategies in our agribusiness operations. We expect these structural changes to continue to contribute to reducing our overall effective tax rate. Income tax expense for 2013 included charges of $512 million for income tax valuation allowances, primarily in our sugar milling business in Brazil. Net income for 2013 also included a $112 million after-tax gain on the sale of our fertilizer distribution business in Brazil to Yara for cash of $750 million. This gain is included in discontinued operations.

***2013 Compared to 2012***

*Agribusiness Segment* Agribusiness segment net sales increased 2% to $46 billion in 2013 compared to $45 billion in 2012. Volumes were 3% higher in 2013 which drove most of the increase in net sales compared to 2012 and resulted primarily from the record large Brazilian harvest and higher distribution volumes into Asia-Pacific. Volumes were slightly lower in North America and Europe as these regions recovered from droughts in 2012. Price increases in the first half of 2013 were offset by price declines in the second half of the year resulting from large South American harvests followed by large Northern Hemisphere harvests at the end of the year.

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Cost of goods sold increased 2% in 2013 compared to 2012 primarily as a result of the higher volumes in 2013. The impact of the volume increase was partially offset by the favorable impact of the devaluation of the Brazilian *real* and Argentine *peso* relative to the U.S. dollar on the valuation of U.S. dollar-denominated inventories. Cost of goods sold for 2012 includes a charge of $25 million related to certain value-added taxes in Brazil.

Gross profit was essentially flat in 2013 compared with 2012 with higher volumes largely offset by the impact of the devaluation of the Brazilian *real* and Argentine *peso* relative to the U.S. dollar on the valuation of U.S. dollar-denominated inventories.

SG&A expenses decreased to $836 million in 2013 from $858 million in 2012. The reduction resulted largely from the favorable impact of the devaluation of the Brazilian *real* and Argentine *peso* when compared to the U.S. dollar on local currency costs, G&A cost reduction efforts during 2013 and lower bad debt expenses and higher bad debt recoveries in Brazil.

Foreign exchange gains were $41 million in 2013 compared to gains of $111 million in 2012 and related primarily to the 2013 weakening of international currencies, particularly the Brazilian *real* and Argentine *peso*, relative to the U.S. dollar. Foreign exchange results in both 2013 and 2012 were partially offset by inventory mark-to-market impacts included in cost of goods sold.

Noncontrolling interests was a loss of $31 million in 2013 compared to $9 million of income in 2012, and represents the noncontrolling interests' share of results at our non-wholly owned subsidiaries. The losses in 2013 primarily reflected $27 million of losses in the investment funds acquired in 2012 as well as losses in our European and North American oilseed processing joint ventures, largely driven by the tight crop situation for most of the year.

Other income (expense) for 2013 was expense of $2 million compared to expense of $68 million in 2012. The reduction in net expense from 2012 results from a $66 million loss in 2012 from the sale of certain recoverable tax assets in Brazil at a discount and a 2012 impairment charge of $9 million related to two equity method investments in European biodiesel producers.

Gain on sale of investments in affiliates of $85 million pre-tax in 2012 resulted from the sale of our investment in Solae, a North American soy ingredients joint venture, to our joint venture partner.

Agribusiness segment EBIT was essentially flat compared to last year, decreasing by $15 million to $1,032 million.

*Edible Oil Products Segment* Edible oil products segment net sales decreased 3% to $9,165 million in 2013 compared to $9,472 million in 2012 as a result of lower average selling prices in 2013, due to the reduction in vegetable oil commodity prices, which was partially offset by a 5% increase in volumes, primarily in Europe and Asia-Pacific.

Cost of goods sold decreased 4% in 2013 compared to 2012 primarily due to lower raw material prices as commodity prices declined in the latter half of 2013 due to increased crop production in key production regions. Lower costs were partially offset by the higher sales volumes.

Gross profit increased 21% to $540 million in 2013 from $446 million in 2012. The increase was primarily due to the 5% increase in volumes, which stemmed from a 31% increase in volumes in Brazil, which struggled with an ERP system implementation in 2012. Margins also improved in Brazil with strong pricing management in a market of declining raw material prices. Results were also higher in North America, which benefited from higher margins.

SG&A expenses increased to $384 million in 2013 from $353 million in 2012. The 9% increase is primarily due to a result of increased advertising and other selling expenditures consistent with the volume increases. These were partially offset by the favorable impact of the weakening of the Brazilian *real* relative to the U.S. dollar during 2013.

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Foreign exchange gains were $5 million in 2013 compared to losses of $8 million in 2012, which were related to movements of the Brazilian *real*.

Noncontrolling interests were $7 million of income in 2013 compared to $2 million of losses in 2012 and represents the noncontrolling interests' share of period income at our non-wholly-owned subsidiaries, primarily our European operations.

Other income (expense) net was income of $10 million in 2013 compared to expense of $7 million in 2012. Other income in 2013 included a $9 million gain on the sale of certain legal claims in Brazil. Other expense for 2012 included a loss of $7 million related to the sale of long-term recoverable tax credits in Brazil.

Segment EBIT increased $83 million to $163 million in 2013 from $80 million in 2012 as a result of higher gross profit, the gain on the sale of certain legal claims in Brazil and foreign exchange gains in 2013.

*Milling Products Segment* Milling products segment net sales increased 10% to $2,012 million in 2013 compared to $1,833 million in 2012. The net increase in sales was primarily due to higher average selling prices, primarily in the first half of the year before the market began to move from wheat and corn deficits to surpluses in the third quarter of 2013. These price increases were partially offset by a 5% decrease in volumes, primarily in Brazilian wheat milling, where volumes declined due to an increased focus on margins.

Cost of goods sold increased 7% in 2013 compared with 2012 primarily as a result of higher commodity prices when compared to 2012 partially offset by the impact of lower volumes.

Gross profit increased 30% to $262 million in 2013 from $201 million in 2012 primarily due to our Brazilian wheat milling operations focused on margin management and largely recovering from difficulties associated with a system implementation in 2012. We also benefitted from a full year of results from the consolidation of our 2012 acquisition of a controlling interest in a wheat milling business in Mexico, where volumes and margins improved.

SG&A expenses increased to $139 million in 2013 from $123 million in 2012. The 13% increase is primarily due to additional costs from inclusion of our wheat milling business in Mexico partially offset by the favorable impact of the weakening Brazilian *real* relative to the U.S. dollar. SG&A in 2013 included a $7 million charge related to recoverable taxes in Brazil.

Other income (expense) net was income of $2 million in 2013 compared to nil in 2012. Included in 2013 is a $6 million gain on the sale of certain legal claims in Brazil.

Gain on acquisition of controlling interest of $36 million in 2012 relates to the adjustment to fair value of the previously held noncontrolling interest in a North American wheat milling operation upon assuming control of that operation in the second quarter of 2012.

Segment EBIT increased $10 million to $125 million in 2013 from $115 million in 2012. The result for 2013 was driven by higher gross profit. Included in 2012 was a gain on acquisition of controlling interest of $36 million.

*Sugar and Bioenergy Segment* Sugar and Bioenergy segment net sales decreased 10% to $4,215 million compared to $4,659 million in 2012. The decreased sales were primarily driven by a significant decline in prices, particularly sugar compared with 2012. Average selling prices in 2013 were 26% lower than the previous year. The impact of these price declines was partially offset by a 32% increase in volumes in our trading and merchandising business in 2013 that was only partially offset by a reduction in sales volumes in our industrial business.

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Cost of goods sold decreased 10% in 2013 compared to 2012 driven primarily by lower overall sugar prices in our trading and merchandising business and a weaker Brazilian *real*, which was partially offset by increased sales volumes in our trading and merchandising business.

Gross profit increased 44% to $92 million in 2013 from $64 million in 2012 primarily as a result of strong trading and merchandising volumes and good risk management performance, as well as increased production (cane crushing) volumes, which improved capacity utilization and reduced unitary costs.

SG&A expenses decreased to $166 million in 2013 from $194 million in 2012, which included a $29 million charge for impairment of a loan receivable from a North American corn ethanol joint venture and a gain of $16 million related to the sale of an investment in a logistics facility in Brazil. SG&A benefited from the weakening of the Brazilian *real* in 2013 compared with 2012. SG&A in 2013 included impairment and restructuring charges of $11 million related to our cost reduction efforts in our industrial business.

Foreign exchange gains were $3 million in 2013 compared to losses of $15 million in 2012, which were related to movements of the Brazilian *real*.

Noncontrolling interests were $9 million of losses in 2013 compared to $25 million of losses in 2012 and represent the noncontrolling interests' shares of period losses from our non-wholly owned Brazilian sugarcane mills.

Equity of earnings in affiliates was a loss of $2 million in 2013 compared with losses of $27 million in 2012, which included a charge of $10 million related to the write-down of an investment in a North American bioenergy joint venture.

Other income (expense) net was nil in 2013 compared to a loss of $3 million in 2012 primarily due to improved results in our North American bioenergy investments.

A goodwill impairment charge of $514 million, representing all of the segment's goodwill assets, was recorded in the fourth quarter of 2012 upon completion of our annual impairment analysis. This analysis applies equal weighting to comparable market multiples (the market approach) and discounted cash flow projections (the income approach) to determine a range of values for the fair value of the reporting unit. All of the goodwill in our sugar business has been assigned at the segment level. The income approach estimates fair value by discounting the segment's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the business and includes, among other things, making assumptions about variables such as sugar and ethanol prices, future profitability, future capital expenditures and discount rates that might be used by a market participant. All of these assumptions are subject to a high degree of judgment. There was a significant decline in the estimated fair value of the reporting unit primarily due to lower current trading multiples of comparable companies in the industry, a lack of market transactions to provide independent insight into the market's perception of the current value of sugar milling operations and declines in global prices for both sugar and ethanol. Based on a detailed review of the results of these valuation approaches, it was determined that there were indicators of a potential impairment of the goodwill and further analysis was done to evaluate the fair value of the assets and liabilities of the segment as of the October 1, 2012 testing date. This allocation of the fair value included higher replacement values of our sugarcane mills compared to 2011, increased value allocated to sugarcane plantations and increased values of transportation and mechanization equipment related to sugarcane planting and harvesting. Upon completion of the analysis, 100% of the goodwill was determined to be impaired and a related charge was recorded within the segment. This non-cash charge does not have any impact on current or future cash flows or the performance of the underlying business.

Segment EBIT improved by $577 million to a loss of $60 million in 2013 from a loss of $637 million in 2012. Included in the 2012 period were $496 million of non-cash impairment charges

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for goodwill and $39 million of charges related to write-downs of an investment in and loan receivable from a North American biofuels company and a $16 million gain on the sale of a logistics asset in Brazil. Higher gross profit in 2013 and lower SG&A expenses combined with improved performance in our North American bioenergy investments and foreign exchange gains in the period contributed to the improvement.

*Fertilizer Segment* Fertilizer segment net sales decreased 4% to $448 million in 2013 compared to $466 million in 2012. Net sales decreased primarily due to lower average selling prices which declined 1% and a 3% decrease in sales volumes from reduced corn and wheat planting in Argentina as a result of a drought.

Cost of goods sold decreased 3% in 2013 compared to 2012 primarily as a result of sales volume decreases.

Gross profit decreased 9% to $69 million in 2013 from $76 million in 2012. The decrease in gross profit was primarily driven by lower 2013 margins in Argentina.

SG&A decreased to $34 million in 2013 compared with $35 million in the same period of 2012 and resulted largely from the favorable impact of the devaluation of the Argentine *peso* on local currency costs.

Foreign exchange gains were $5 million in 2013 compared to losses of $1 million in 2012.

Noncontrolling interests were $5 million of income in 2013 compared to $3 million of income in 2012 and represent the noncontrolling interests' share of period income at our non-wholly-owned subsidiaries, primarily in our fertilizer port terminal operations in Brazil.

Other income (expense) net was income of $34 million in 2013 compared to a loss of $14 million in 2012. The improved results stemmed from a $32 million gain on the sale of certain legal claims in Brazil and reduced losses in our Moroccan phosphate joint venture, which was sold in December 2013

Segment EBIT increased $46 million to $69 million in 2013 from $23 million in 2012 driven by the $32 million gain on the sale of certain legal claims in Brazil and lower losses in our Moroccan joint venture.

*Interest* A summary of consolidated interest income and expense for the periods indicated follows:

| | Year Ended December 31, | |
|---|---|---|
| **(US$ in millions)** | **2013** | **2012** |
| Interest income | **$ 76** | $ 53 |
| Interest expense | **(363)** | (294) |

Interest income increased when compared to 2012 as a result of higher average interest bearing cash balances. Interest expense increased when compared to the same period last year primarily due to higher average local borrowings and borrowing rates. Interest expense includes facility commitment fees, amortization of deferred financing costs and charges on certain lending transactions, including certain intercompany loans and foreign currency conversions in Brazil.

*Income Tax Expense* In 2013, income tax expense from continuing operations was $904 million compared to an income tax benefit of $6 million in 2012. The effective tax rate in 2013 increased to 89% compared to a benefit of 2% in 2012 primarily due to the full valuation allowances of $464 million related to our Brazil sugar operations and to other valuation allowances and discrete income tax charges of $98 million. The effective tax rate for 2012 was a benefit of 2% which included a tax benefit of $175 million related to the goodwill impairment charge in our sugar and bioenergy segment. Goodwill amortization is tax deductible in Brazil. This benefit reduced the effective tax rate for 2012 by 20%.

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*Discontinued Operations* Discontinued operations results in 2013 were income of $97 million, net of tax, compared to a loss of $342 million, net of tax, in 2012. Results in 2013 were driven by the gain on the sale of the fertilizer blending and distribution business of $112 million, net of tax. The net after-tax loss of $342 million in 2012 is primarily the result of nonrecurring charges associated with the then pending sale of the Brazilian fertilizer blending and distribution operations, including an after-tax charge of $32 million related to an evaluation of the impact of the pending sale on recovery of long-term receivables from farmers in Brazil and a charge of $266 million related to an income tax valuation allowance as the pending sale of the business reduced our ability to utilize this tax asset. Results of operations for the discontinued businesses were a loss of $44 million in 2012 and resulted from weakness in the Brazilian fertilizer market and an after-tax charge of $18 million related to a provision for a legacy environmental claim from 1998 in Brazil.

*Net Income Attributable to Bunge* In 2013, net income attributable to Bunge increased to $306 million from $64 million in 2012. Net income attributable to Bunge for 2013 includes significant tax charges of $512 million for income tax valuation allowances, primarily in the sugar and bioenergy segment from management's evaluation of its net operating loss carryfowards, $46 million as a result of new legal precedents that impacted our assessment of an uncertain income tax position in Brazil and provisions related to tax years 2008 through 2010, and $4 million related to the finalization of a European tax audit. Net income attributable to Bunge for 2013 also includes a $112 million after-tax gain on the sale of our fertilizer blending and distribution business in Brazil to Yara for cash of $750 million. Net income attributable to Bunge for 2012 includes a goodwill impairment charge of $327 million (after-tax and noncontrolling interest share) in the sugar and bioenergy segment, an after-tax gain of $54 million on the sale of our investment in The Solae Company and an after-tax loss of $342 million associated with discontinued fertilizer operations held for sale at December 31, 2012. This 2012 loss in discontinued operations includes a $266 million valuation allowance for certain tax assets that were no longer expected to be recoverable as a result of the planned sale of the fertilizer blending and distribution business.

**Liquidity and Capital Resources**

***Liquidity***

Our main financial objectives are to prudently manage financial risks, ensure consistent access to liquidity and minimize cost of capital in order to efficiently finance our business and maintain balance sheet strength. We generally finance our ongoing operations with cash flows generated from operations, issuance of commercial paper, borrowings under various bilateral and revolving credit facilities, term loans and proceeds from the issuance of senior notes. Acquisitions and long-lived assets are generally financed with a combination of equity and long-term debt.

Our current ratio, which is a widely used measure of liquidity and is defined as current assets divided by current liabilities, was 1.50 and 1.42 at December 31, 2014 and 2013, respectively.

*Cash and Cash Equivalents* Cash and cash equivalents were $362 million at December 31, 2014 and $742 million at December 31, 2013. Cash balances are managed in accordance with our investment policy, the objectives of which are to preserve the principal value of our cash assets, maintain a high degree of liquidity and deliver competitive returns subject to prevailing market conditions. Cash balances are invested in short-term deposits with highly rated financial institutions and in U.S. government securities.

*Readily Marketable Inventories* Readily marketable inventories are agricultural commodity inventories, such as soybeans, soybean meal, soybean oil, corn, wheat, and sugar that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms. Readily marketable inventories in our agribusiness segment are

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reported at fair value and were $4,125 million at December 31, 2014 and $4,325 million at December 31, 2013. Of these amounts $2,937 million and $2,927 million were attributable to merchandising activities at December 31, 2014 and December 31, 2013, respectively. Readily marketable inventories at fair value in the aggregate amount of $127 million and $138 million at December 31, 2014 and December 31, 2013, respectively, were included in our edible oil products segment inventories. The sugar and bioenergy segment included readily marketable sugar inventories of $157 million and $137 million at December 31, 2014 and December 31, 2013, respectively which can be attributed to our trading and merchandising business.

*Financing Arrangements and Outstanding Indebtedness* We conduct most of our financing activities through a centralized financing structure that provides the company efficient access to debt and capital markets. This structure includes a master trust, the primary assets of which consist of intercompany loans made to Bunge Limited and its subsidiaries. Certain of Bunge Limited's 100% owned finance subsidiaries, Bunge Limited Finance Corp., Bunge Finance Europe B.V. and Bunge Asset Funding Corp., fund the master trust with short and long-term debt obtained from third parties, including through our commercial paper program and certain credit facilities, as well as the issuance of senior notes. Borrowings by these finance subsidiaries carry full, unconditional guarantees by Bunge Limited.

*Revolving Credit Facilities* At December 31, 2014, we had $5,015 million of aggregate committed borrowing capacity under our commercial paper program and revolving credit facilities, of which $4,477 million was unused and available. The following table summarizes these facilities as of the periods presented:

| Commercial Paper Program and Revolving Credit Facilities | Maturities | Total Committed Capacity December 31, 2014 | Borrowings Outstanding December 31, 2014 | Borrowings Outstanding December 31, 2013 |
|---|---|---|---|---|
| | | | (US$ in millions) | |
| Commercial Paper | 2019 | **$ 600** | **$** | $ 100 |
| Long-Term Revolving Credit Facilities[(1)] | 2016 - 2019 | **4,415** | **538** | 400 |
| Total | | **$ 5,015** | **$ 538** | $ 500 |

(1) Borrowings under the revolving credit facilities that have maturities greater than one year from the date of the consolidated balance sheets are classified as long-term debt, consistent with the long-term maturity of the underlying facilities. However, individual borrowings under the revolving credit facilities are generally short-term in nature, bear interest at variable rates and can be repaid or renewed as each such individual borrowing matures.

On December 12, 2014, we entered into an unsecured five year multi-currency syndicated term loan agreement (the "Loan") in the Japanese loan market, with certain lenders party thereto. The Loan is comprised of three tranches: Tranche A of Japanese Yen 28.5 billion, bearing interest at 3 months LIBOR plus a margin of 0.75%; Tranche B of Japanese Yen 6 billion bearing a fixed interest rate of 0.96%; and Tranche C of $85 million bearing interest at 3 months LIBOR plus a margin of 1.30%. At December 31, 2014, there were no borrowings outstanding under the Loan.

On November 20, 2014, we entered into an unsecured $1,100 million five-year syndicated revolving credit agreement (the "Credit Agreement") with certain lenders party thereto. We have the option to request an extension of the maturity date of the Credit Agreement for two additional one-year periods, each lender in its sole discretion may agree to any such request. The Credit Agreement replaced the then existing U.S. $1,085 million five-year revolving credit agreement, dated as of November 17, 2011. Borrowings under the Credit Agreement will bear interest at LIBOR plus a margin, which will vary from 1.00% to 1.75%, based on the credit ratings of our senior long-term unsecured debt ("Rating Level"). Amounts under the Credit Agreement that remain undrawn are subject to a commitment fee at rates ranging from 0.10% to 0.25%, varying based on the Rating Level. We may, from time-to-time,

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request one or more of the existing lenders or new lenders to increase the total commitments under the Credit Agreement by up to $500 million pursuant to an accordion provision. At December 31, 2014, we had no borrowings outstanding under the Credit Agreement.

On June 17, 2014, we increased pursuant to an accordion provision the $665 million five-year syndicated revolving credit agreement with CoBank, ACB, (the "CoBank Facility") as administrative agent and certain lender party thereto to $865 million. Borrowings under the CoBank Facility will bear interest at LIBOR plus a margin, which will vary between 1.050% and 1.675% per annum, based on the credit ratings of our long-term senior unsecured debt. Amounts under the CoBank Facility that remain undrawn are subject to a commitment fee at rates ranging from 0.125% to 0.275% per annum based likewise on the ratings of our long-term senior unsecured debt. At December 31, 2014, there was $338 million outstanding under the CoBank Facility.

On March 17, 2014, we entered into an unsecured $1,750 million three-year syndicated revolving credit facility (the "Facility") with certain lenders party thereto. We have the option to request an extension of the maturity date of the Facility for two additional one-year periods, each lender in its sole discretion may agree to any such request. Borrowings under the Facility will bear interest at LIBOR plus a margin, which will vary from 0.70% to 1.70% per annum, based on the credit ratings of our senior long-term unsecured debt. We will also pay a fee that varies from 0.10% to 0.40% per annum, based on the utilization of the Facility. Amounts under the Facility that remain undrawn are subject to a commitment fee payable quarterly in arrears at a rate of 35% of the margin specified above, which will vary based on the rating level at each such quarterly payment date. We may, from time-to-time, with the consent of the facility agent, request one or more of the existing lenders or new lenders to increase the total commitments under the Facility by up to $250 million pursuant to an accordion provision. At December 31, 2014, we had no borrowings outstanding under the Facility.

Our commercial paper program is supported by committed back-up bank credit lines (the "Liquidity Facility") equal to the amount of the commercial paper program provided by lending institutions that are required to be rated at least A-1 by Standard & Poor's and P-1 by Moody's Investor Services. The cost of borrowing under the Liquidity Facility would typically be higher than the cost of issuance under our commercial paper program. On November 20, 2014 we entered into an unsecured $600 million five-year Liquidity Facility with certain lenders party thereto. The Liquidity Facility replaced the then existing $600 million five-year liquidity facility, dated as of November 17, 2011. We have the option to request an extension of the expiration date of the Liquidity Agreement for two additional one-year periods, each lender in its sole discretion may agree to any such request. At December 31, 2014, there were no borrowings outstanding under both the commercial paper program and the Liquidity Facility. Our commercial paper program is our only revolving credit facility that requires lenders to maintain minimum credit ratings.

In addition to committed credit facilities, from time-to-time, we enter into bilateral short-term credit lines as necessary based on our financing requirements. At December 31, 2014 and 2013, $50 million and $120 million, respectively, were outstanding under these bilateral short-term credit lines.

*Short and long-term debt* Our short and long-term debt decreased by $787 million at December 31, 2014 from December 31, 2013, primarily due to lower working capital financing requirements, driven by lower average global commodity prices. For the year ended December 31, 2014, our average short and long-term debt outstanding was approximately $5,372 million compared to approximately $6,465 million for the year ended December 31, 2013. Our long-term debt outstanding

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balance was $3,263 million at December 31, 2014 compared to $3,941 million at December 31, 2013. The following table summarizes our short-term debt activity at December 31, 2014.

| (US$ in millions) | Outstanding Balance at December 31, 2014 | Weighted Average Interest Rate at December 31, 2014 | Highest Balance Outstanding During 2014 | Average Balance During 2014 | Weighted Average Interest Rate During 2014 |
|---|---|---|---|---|---|
| Bank Borrowings | $ 594 | 4.33% | $ 1,717 | $ 959 | 3.86% |
| Commercial Paper | | | 400 | 144 | 0.37% |
| Total | $ 594 | 4.33% | $ 2,117 | $ 1,103 | 3.40% |

The following table summarizes our short and long-term debt:

| (US$ in millions) | December 31, 2014 | 2013 |
|---|---|---|
| Short-term debt:[1] | | |
| Short-term debt, including consolidated investment fund debt[2][3] | **$ 594** | $ 703 |
| Current portion of long-term debt | **408** | 762 |
| Total short-term debt | **1,002** | 1,465 |
| Long-term debt[4]: | | |
| Bilateral revolving credit facilities expiry 2016 | **200** | 400 |
| Revolving credit facilities expiry 2018 | **338** | |
| 5.35% Senior Notes due 2014 | | 500 |
| 5.10% Senior Notes due 2015 | **382** | 382 |
| 4.10% Senior Notes due 2016 | **500** | 500 |
| 3.20% Senior Notes due 2017 | **600** | 600 |
| 5.90% Senior Notes due 2017 | **250** | 250 |
| 8.50% Senior Notes due 2019 | **600** | 600 |
| Consolidated investment fund debt[5] | **195** | 334 |
| Other | **198** | 375 |
| Subtotal | **3,263** | 3,941 |
| Less: Current portion of long-term debt | **(408)** | (762) |
| Total long-term debt including consolidated investment fund debt | **2,855** | 3,179 |
| Total debt | **$ 3,857** | $ 4,644 |

(1) Includes secured debt of $21 million and $125 million at December 31, 2014 and December 31, 2013, respectively.

(2) Includes $155 million and $285 million of local currency borrowings in certain Central and Eastern European, South American and Asia-Pacific countries at a weighted average interest rate of 11.95% and 14.91% as of December 31, 2014 and 2013, respectively.

(3)

Consolidated investment fund debt matures at various dates through 2015 with no recourse to Bunge. Bunge elected to account for $24 million at fair value as of December 31, 2014.

(4) Includes secured debt of $43 million and $75 million at December 31, 2014 and December 31, 2013, respectively.

(5) Consolidated investment fund debt matures at various dates through 2020 with no recourse to Bunge. Bunge elected to account for $195 million and $257 million at fair value as of December 31, 2014 and December 31, 2013, respectively, and the remaining is accounted for at amortized cost.

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*Credit Ratings* Bunge's debt ratings and outlook by major credit rating agencies at December 31, 2014 were as follows:

| | Short-term Debt[(1)] | Long-term Debt | Outlook |
|---|---|---|---|
| Standard & Poor's | A-1 | BBB | Stable |
| Moody's | P-1 | Baa2 | Negative |
| Fitch | Not Rated | BBB | Stable |

(1) Short-term rating applies only to Bunge Asset Funding Corp., the issuer under our commercial paper program.

Our debt agreements do not have any credit rating downgrade triggers that would accelerate maturity of our debt. However, credit rating downgrades would increase our borrowing costs under our credit facilities and, depending on their severity, could impede our ability to obtain credit facilities or access the capital markets in the future on competitive terms subject to prevailing market conditions. A significant increase in our borrowing costs could impair our ability to compete effectively in our business relative to competitors with higher credit ratings.

Our credit facilities and certain senior notes require us to comply with specified financial covenants, including minimum net worth, minimum current ratio, a maximum debt to capitalization ratio and limitations on secured indebtedness. We were in compliance with these covenants as of December 31, 2014.

*Trade Receivable Securitization Program* We initially entered into our trade receivable securitization program (the "Program") in June 2011, which provides us with an additional source of liquidity. The Program provides funding for up to $700 million against receivables sold and terminates on June 1, 2016. However, each committed purchaser's commitment to fund trade receivables sold under Program will terminate on May 27, 2015 unless extended for additional 364-day periods in accordance with the terms of the receivables transfer agreement.

At December 31, 2014 and 2013, $599 million and $696 million, respectively, of receivables sold under the Program were derecognized from our consolidated balance sheets. Proceeds received in cash related to transfers of receivables under the Program totaled $12,030 million and $12,596 million for the years ended December 31, 2014 and 2013, respectively. In addition, cash collections from customers on receivables previously sold were $12,202 million and $12,769 million for the years ended December 31, 2014 and 2013, respectively. As this is a revolving facility, cash collections from customers are reinvested to fund new receivable sales. Gross receivables sold under the Program for the years ended December 31, 2014 and 2013 were $12,179 million and $12,779 million, respectively. These sales resulted in discounts of $7 million for the year ended December 31, 2014, $7 million for the year ended December 31, 2013 and $8 million for the year ended December 31, 2012, which were included in SG&A in the consolidated statements of income. Servicing fees under the Program were not significant in any period.

Our risk of loss following the sale of the trade receivables is limited to the deferred purchase price receivable ("DPP"), which at December 31, 2014 and 2013 had a fair value of $78 million and $96 million, respectively, and is included in other current assets in our consolidated balance sheets (see Note 18 to our consolidated financial statements). The DPP will be repaid in cash as receivables are collected, generally within 30 days. Delinquencies and credit losses on trade receivables sold under the Program during the years ended December 31, 2014, 2013 and 2012 were insignificant. Bunge has reflected all cash flows under the Program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2014, 2013 and 2012.

*Interest Rate Swap Agreements* We may use interest rate swaps as hedging instruments and record the swaps at fair value in the consolidated balance sheets with changes in fair value recorded

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contemporaneously in earnings. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value due to changes in benchmark interest rates. Ineffectiveness, as defined in ASC Topic 815 *Derivatives and Hedging*, is recognized to the extent that these two adjustments do not offset.

***Equity*** Total equity was $8,690 million at December 31, 2014, as set forth in the following table:

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Convertible perpetual preference shares | **$ 690** | $ 690 |
| Common shares | **1** | 1 |
| Additional paid-in capital | **5,053** | 4,967 |
| Retained earnings | **7,180** | 6,891 |
| Accumulated other comprehensive income | **(4,058)** | (2,572) |
| Treasury shares, at cost (2014 5,714,273 and 2013 1,933,286) | **(420)** | (120) |
| Total Bunge shareholders' equity | **8,446** | 9,857 |
| Noncontrolling interests | **244** | 231 |
| Total equity | **$ 8,690** | $ 10,088 |

Total Bunge shareholders' equity decreased to $8,690 million at December 31, 2014 from $10,088 million at December 31, 2013. The change in equity was due primarily to cumulative translation losses of $1,411 million, resulting from the devaluation of global currencies relative to the U.S. dollar in 2014, and declared dividends to common and preferred shareholders of $192 million and $34 million, respectively, partially offset by net income attributable to Bunge for the year ended December 31, 2014 of $515 million.

Noncontrolling interest increased to $244 million at December 31, 2014 from $231 million at December 31, 2013 primarily due to capital contributions to two of our noncontrolling interests in Brazil and Argentina.

At December 31, 2014, we had 6,900,000 4.875% cumulative convertible perpetual preference shares outstanding with an aggregate liquidation preference of $690 million. Each convertible perpetual preference share has an initial liquidation preference of $100, which will be adjusted for any accumulated and unpaid dividends. The convertible perpetual preference shares carry an annual dividend of $4.875 per share payable quarterly. As a result of adjustments made to the initial conversion price because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each convertible perpetual preference share is convertible, at the holder's option, at any time into 1.1220 Bunge Limited common shares, based on the conversion price of $89.1299 per share, subject to certain additional anti-dilution adjustments (which represents 7,741,800 Bunge Limited common shares at December 31, 2014). At any time on or after December 1, 2012, if the closing price of our common shares equals or exceeds 130% of the conversion price for 20 trading days during any consecutive 30 trading days (including the last trading day of such period), we may elect to cause the convertible perpetual preference shares to be automatically converted into Bunge Limited common shares at the then-prevailing conversion price. The convertible perpetual preference shares are not redeemable by us at any time.

***Cash Flows***

Our cash flow from operations varies depending on, among other items, the market prices and timing of the purchase and sale of our inventories. Generally, during periods when commodity prices are rising, our agribusiness operations require increased use of cash to support working capital to acquire inventories and fund daily settlement requirements on exchange traded futures that we use to minimize price risk related to our inventories.

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*2014 Compared to 2013* In 2014, our cash and cash equivalents decreased by $380 million reflecting the net effect of cash flows from operating, investing and financing activities. For the year ended December 31, 2013, our cash and cash equivalents increased by $173 million.

Cash provided by our operating activities was $1,399 million for the year ended December 31, 2014 compared to $2,225 million for the year ended December 31, 2013. Net cash inflows from operating activities for the year ended December 31, 2014 were principally due to net income, including adjustments for non-cash items. The decrease in net operating assets and liabilities is primarily due to lower working capital levels than at December 31, 2013, resulting from on average lower global commodity prices, which effect was partially offset by the impact of the depreciation from certain currencies, including the Brazilian *real*, Argentine *peso*, Ukrainian *hryvnia* and European *euro* relative to the U.S. dollar. The net cash provided by operating activities for the year ended December 31, 2013 resulted from a combination of net income adjusted for non-cash charges and lower average commodity prices during the year. Non-cash charges in 2013 included an income tax valuation allowance of $464 million related to our industrial sugar and bioenergy business in Brazil.

Certain of our non-U.S. operating subsidiaries are primarily funded with U.S. dollar-denominated debt, while currency risk is hedged with U.S. dollar denominated assets. The functional currency of our operations is generally the local currency. Also, certain of our U.S. dollar functional operating subsidiaries outside the United States are partially funded with local currency borrowings, while the currency risk is hedged with local currency denominated assets. The financial statements of our subsidiaries are calculated in the functional currency, and when the local currency is the functional currency translated into U.S. dollar. U.S. dollar-denominated loans are remeasured into their respective functional currencies at exchange rates at the applicable balance sheet date. Local currency loans are remeasured into U.S. dollar at the exchange rate at the applicable balance sheet date. The resulting gain or loss is included in our consolidated statements of income as foreign exchange gains or losses. For the years ended December 31, 2014 and December 31, 2013, we recorded foreign exchange gains of $215 million and $48 million, respectively, which were included as adjustments to reconcile net income to cash used for operating activities in the line item "Foreign exchange loss (gain) on debt" in our consolidated statements of cash flows. This adjustment is required because the cash flow impacts of these gains or losses are recognized as financing activities when the subsidiary repays the underlying debt and therefore, have no impact on cash flows from operations.

Cash used for investing activities was $685 million for the year ended December 31, 2014 compared to cash used of $429 million for the year ended December 31, 2013. During 2014, payments were made for capital expenditures of $839 million, including investments in sugar cane planting and maintenance on mills in our sugar and bioenergy business in Brazil, the construction of a port terminal and a wheat milling facility in Brazil, construction and expansion of edible oil refining and packaging facilities in the United States and Mexico, one of our canola processing facilities in Canada and construction of a port facility and oilseed processing plant in Ukraine, an oilseed processing plant in Asia and a port facility in Australia. Payments made for capital expenditures in 2014 were lower, compared to $1,042 million in 2013, which was driven by management's reallocation of capital and generally lower capital expenditures in our industrial sugar and bioenergy operations in Brazil, as part of the strategic review of these activities. We also acquired a fertilizer plant with port facilities for $24 million in Argentina and the assets of a corn flour producer in the United States for $12 million, all amounts net of cash acquired. For the year ended December 31, 2013, cash used for investing activities included cash proceeds of $750 million from the sale of our Brazilian fertilizer distribution business to Yara, the sale of our 50% ownership interest in our Morocco fertilizer business for $37 million and the sale of property from our consolidated investment funds of $48 million. In addition, cash used for investing activities in 2013 included cash payments for the acquisitions of a wheat milling business in Mexico for $310 million, a wheat mill in Brazil for $35 million and two biodiesel facilities in Europe for $11 million, all amounts net of cash acquired. Proceeds from and payments for investments

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for both the years 2014 and 2013 included primarily the sales of assets in funds in our asset management business and the purchases and sales of certain marketable securities and other short-term investments. Investments in affiliates in 2014 included primarily an additional investment in Solazyme Bunge Produtos Renovaveis Ltda. ("SB Oils"), our joint venture with Solazyme, Inc. to produce renewable oils in Brazil. Investments in 2013 included primarily investments in SB Oils and a corn wet milling and port facility in Argentina.

Cash used for financing activities was $1,058 million in the year ended December 31, 2014 compared to $1,565 million for the year ended December 31, 2013. For both years, financing activities reflected reduced financing requirements due to a declining global commodity price environment. In connection with our common share repurchase program, in 2014 we purchased 3,780,987 of our common shares resulting in a cash outflow of approximately $300 million. There were no share repurchases in the year ended December 31, 2013.

*2013 Compared to 2012* In 2013, our cash and cash equivalents increased by $173 million reflecting the net effect of cash flows from operating, investing and financing activities. For the year ended December 31, 2012, our cash and cash equivalents decreased by $266 million.

Cash provided by our operating activities was $2,225 million for the year ended December 31, 2013 compared to cash used of $457 million for the year ended December 31, 2012. The cash flow provided by operating activities for the year ended December 31, 2013 resulted from a combination of net income adjusted for non-cash charges and lower average commodity prices during the year, which reduced working capital requirements. Non-cash charges in 2013 included an income tax valuation allowance of $464 million related to our industrial sugar business in Brazil. The net cash outflows for operating activities for the year ended December 31, 2012 were principally due to significant increases in commodity prices during that period as a result of the 2012 drought in the United States.

Certain of our operating subsidiaries are primarily funded with U.S. dollar denominated debt. The functional currency of our operating subsidiaries is generally the local currency and the financial statements are calculated in the functional currency and translated into U.S. dollars. U.S. dollar denominated loans funding certain short-term borrowing needs of our operating subsidiaries are remeasured into their respective functional currencies at exchange rates at the applicable balance sheet date. The resulting gain or loss is included in our consolidated statements of income as foreign exchange gains or losses. For the years ended December 31, 2013 and December 31, 2012, we recorded foreign exchange gains of $48 million and $74 million, respectively, on debt denominated primarily in U.S. dollars at our subsidiaries, which were included as adjustments to reconcile net income to cash used for operating activities in the line item "Foreign exchange loss (gain) on debt" in our consolidated statements of cash flows. This adjustment is required because the cash flow impacts of these gains or losses are recognized as financing activities when the subsidiary repays the underlying debt and therefore, have no impact on cash flows from operations.

Cash used for investing activities was $429 million for the year ended December 31, 2013 compared to cash used of $967 million for the year ended December 31, 2012. The significantly lower utilization for investing activities in the 2013 period resulted from $750 million of cash proceeds from the sale of our Brazilian fertilizer distribution business to Yara, the sale of our 50% ownership interest in our Morocco fertilizer business for $37 million and the sale of property from our consolidated investment funds of $48 million. These proceeds offset capital expenditures during the period as well as our purchases of a wheat milling business in Mexico for $310 million, a wheat mill in Brazil for $35 million, and two biodiesel facilities adjacent to our plants in Europe from our joint venture for $11 million (all amounts net of cash acquired).

For the year ended December 31, 2012, cash used for investing activities primarily included investments in property, plant and equipment related to the expansion of our sugar business in Brazil, investments in an edible oil refining and packaging facility in the United States and Canada,

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construction of a refining facility in India and construction of a port terminal in Brazil. In addition to capital expenditures, we acquired an edible oils and fats business in India for $94 million net of cash acquired consisting of $77 million in cash and debt acquired of $17 million. In addition, we acquired an asset management company for $9 million net of cash acquired, a controlling interest in a North American wheat milling business for $102 million net of cash acquired, and redeemable noncontrolling interest of $8 million, intellectual property assets for $22 million and sugarcane milling related biological assets and equipment for $61 million and controlling interest in a European oilseed processing and biodiesel joint venture for $54 million consisting of $17 million in cash and redeemable noncontrolling interest of $37 million. Finally, we acquired a margarine business in Poland for $7 million in cash. Cash used for the year ended December 31, 2012 was net of $448 million proceeds received from the sale of our interest in Solae, a soy ingredients joint venture. We also received a special cash dividend of $35 million from Solae in connection with the sale of our investment.

Investments in affiliates in 2013 included primarily additional investments in a corn wet milling entity and investments in a port operation, both in Argentina, and investments in our SB Oils joint venture to produce vegetable oil from sugar produced in one of our mills in Brazil. Investments in 2012 involved activities related to the construction of an oilseed processing plant in Paraguay, construction of a corn wet milling plant in Argentina, an investment in a palm plantation joint venture in Indonesia and an additional investment in a North American corn ethanol joint venture.

Cash used for financing activities was $1,565 million in the year ended December 31, 2013 compared to cash provided by of $1,206 million for the year ended December 31, 2012. For the year ended December 31, 2013, operating cash inflows reflected a declining commodity price environment and the cash collected from the sale of our Brazilian fertilizer distribution business, both of which reduced our financing requirements. In 2012, we had a net increase of $1,368 million in borrowings due to increased working capital requirements related to higher commodity prices. Dividends paid to our common shareholders in the years ended December 31, 2013 and 2012 were $167 million and $151 million, respectively. Dividends paid to holders of our convertible preference shares were $34 million for the years ended December 31, 2013 and 2012. There were no shares repurchased under our share repurchase program during either of the years ended December 31, 2013 or 2012.

***Brazilian Farmer Credit***

*Background* We advance funds to farmers, primarily in Brazil, through secured advances to suppliers and prepaid commodity purchase contracts. These activities are generally intended to be short-term in nature. The ability of our customers and suppliers to repay these amounts is affected by agricultural economic conditions in the relevant geography, which are, in turn, affected by commodity prices, currency exchange rates, crop input costs and crop quality and yields. As a result, these arrangements are typically secured by the farmer's crop and, in many cases, the farmer's land and other assets. Upon farmer default, we generally initiate legal proceedings to recover the defaulted amounts. However, the legal recovery process through the judicial system is a long-term process, generally spanning a number of years. As a result, once accounts have been submitted to the judicial process for recovery, we may also seek to renegotiate certain terms with the defaulting farmer in order to accelerate recovery of amounts owed. In addition, we have tightened our credit policies to reduce exposure to higher risk accounts and have increased collateral requirements for certain customers.

Because Brazilian farmer credit exposures are denominated in local currency, reported values are impacted by movements in the value of the Brazilian *real* when translated into U.S. dollars. From December 31, 2013 to December 31, 2014, the Brazilian *real* devalued by approximately 13%, decreasing the reported farmer credit exposure balances when translated into U.S. dollars.

We periodically evaluate the collectability of our trade accounts receivable and record allowances if we determine that collection is doubtful. We base our determination of the allowance on analyses of

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credit quality of individual accounts, considering also the economic and financial condition of the farming industry and other market conditions as well as the value of any collateral related to amounts owed. We continuously review defaulted farmer receivables for impairment on an individual account basis. We consider all accounts in legal collections processes to be defaulted and past due. For such accounts, we determine the allowance for uncollectible amounts based on the fair value of the associated collateral, net of estimated costs to sell. For all renegotiated accounts (current and past due), we consider changes in farm economic conditions and other market conditions, our historical experience related to renegotiated accounts and the fair value of collateral in determining the allowance for doubtful accounts.

*Secured Advances to Suppliers and Prepaid Commodity Contracts* We purchase soybeans through prepaid commodity purchase contracts (advance cash payments to suppliers against contractual obligations to deliver specified quantities of soybeans in the future) and secured advances to suppliers (advances to suppliers against commitments to deliver soybeans in the future), primarily in Brazil. These financing arrangements are typically secured by the farmer's future crop and mortgages on the farmer's land, buildings and equipment, and are generally settled after the farmer's crop is harvested and sold.

Interest earned on secured advances to suppliers of $37 million, $32 million and $27 million for the years ended December 31, 2014, 2013 and 2012, respectively, is included in net sales in the consolidated statements of income.

The table below shows details of prepaid commodity contracts and secured advances to suppliers outstanding at our Brazilian operations as of the dates indicated. See Notes 6 and 12 of the notes to our consolidated financial statements for more information.

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Prepaid commodity contracts | **$ 130** | $ 203 |
| Secured advances to suppliers (current) | **516** | 570 |
| Total (current) | **646** | 773 |
| Commodities not yet priced[(1)] | **(3)** | (16) |
| Net | **643** | 757 |
| Secured advances to suppliers (non-current) | **160** | 183 |
| Total (current and non-current) | **803** | 940 |
| Allowance for uncollectible amounts (current and non-current) | **$ (61)** | $ (75) |

(1) Commodities delivered by suppliers that are yet to be priced are reflected at prevailing market prices at December 31, 2014 and December 31, 2013, respectively.

***Capital Expenditures***

Our cash payments made for capital expenditures were $839 million, $1,042 million and $1,095 million for the years ended December 31, 2014, 2013 and 2012, respectively. We intend to make capital expenditures of approximately $875 million in 2015. Our priorities for 2015 capital expenditures are maintenance, safety and environmental programs first (where we expect to use approximately 40% of our funds allocated to capital expenditures), projects enhancing productivity of our operations-second, and growth projects-third. We intend to fund these capital expenditures primarily with cash flows from operations.

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**Off-Balance Sheet Arrangements**

***Guarantees***

We have issued or were party to the following guarantees at December 31, 2014:

| (US$ in millions) | Maximum Potential Future Payments |
|---|---|
| Unconsolidated affiliates financing[1] | $ 106 |
| Residual value guarantee[2] | 149 |
| Total | $ 255 |

(1) We issued guarantees to certain financial institutions related to debt of certain of our unconsolidated joint ventures. The terms of the guarantees are equal to the terms of the related financings which have maturity dates in 2015 through 2018. There are no recourse provisions or collateral that would enable us to recover any amounts paid under these guarantees. At December 31, 2014, we had no outstanding recorded obligation related to these guarantees.

(2) We issued guarantees to certain financial institutions which are party to certain operating lease arrangements for railcars and barges. These guarantees provide for a minimum residual value to be received by the lessor at the conclusion of the lease term. These leases expire at various dates from 2016 through 2019. At December 31, 2014, our recorded obligation related to these guarantees was $6 million.

In addition, Bunge Limited has provided full and unconditional parent level guarantees of the outstanding indebtedness under certain senior credit facilities and senior notes entered into or issued by its 100% owned subsidiaries. At December 31, 2014, debt with a carrying amount of $3,284 million related to these guarantees is included in our consolidated balance sheet. This debt includes the senior notes issued by two of our 100% owned finance subsidiaries, Bunge Limited Finance Corp. and Bunge N.A. Finance L.P. There are no significant restrictions on the ability of Bunge Limited Finance Corp., Bunge N.A. Finance L.P. or any other of our subsidiaries to transfer funds to Bunge Limited.

**Contractual Obligations**

The following table summarizes our scheduled contractual obligations and their expected maturities at December 31, 2014, and the effect such obligations are expected to have on our liquidity and cash flows in the future periods indicated.

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| (US$ in millions) | Total | 2015 | 2016 - 2017 | 2018 - 2019 | 2020 and there after |
| Short-term debt | $ 594 | $ 594 | $ | $ | $ |
| Long-term debt[1] | 3,250 | 408 | 1,704 | 959 | 179 |
| Variable interest rate obligations | 38 | 22 | 13 | 3 | |
| Interest obligations on fixed rate debt | 356 | 123 | 156 | 76 | 1 |
| Non-cancelable lease obligations[2] | 1,003 | 223 | 325 | 181 | 274 |
| Capital commitments | 128 | 115 | 13 | | |
| Freight supply agreements[3] | 791 | 206 | 162 | 141 | 282 |
| Inventory purchase commitments | 154 | 152 | 2 | | |
| Power supply purchase commitments | 138 | 75 | 46 | 15 | 2 |
| Total contractual cash obligations[4][5] | $ 6,452 | $ 1,918 | $ 2,421 | $ 1,375 | $ 738 |

(1) Excludes unamortized net gains of $13 million related to terminated interest rate swap agreements recorded in long-term debt.

(2) Represents future minimum payments under non-cancelable leases with initial or remaining terms of one year or more.

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(3) In the ordinary course of business, we enter into purchase commitments for time on ocean freight vessels and freight service on railroad lines for the purpose of transporting agricultural commodities. In addition, we sell time on these ocean freight vessels when excess freight capacity is available. Payments to be received by us under such relet agreements are anticipated to be approximately $11 million in 2015 and $7 million in 2016-2017. These agreements range from two months to approximately seven years in the case of ocean freight vessels and 5 to 17 years in the case of railroad services. Actual amounts paid under these contracts may differ due to the variable components of these agreements and the amount of income earned by us on the sale of excess capacity. The railroad freight services agreements require a minimum monthly payment regardless of the actual level of freight services used by us. The costs of our freight supply agreements are typically passed through to our customers as a component of the prices we charge for our products. However, changes in the market value of freight compared to the rates at which we have contracted for freight may affect margins on the sales of agricultural commodities.

(4) Does not include estimated payments of liabilities associated with uncertain income tax positions. As of December 31, 2014, Bunge had gross related tax liabilities of $83 million, including interest and penalties. At this time, we are unable to make a reasonably reliable estimate of the timing of payments in individual years in connection with these tax liabilities; therefore, such amounts are not included in the above contractual obligation table. See Note 14 to our consolidated financial statements.

(5) Does not include obligations for pension and postretirement benefits for which we expect to make employer contributions of $23 million in 2015. We also expect to make a significant contribution to our plans in future years.

In addition, we have entered into partnership agreements for the production of sugarcane. These agreements have an average remaining life of six years and cover approximately 230,000 hectares of land under cultivation. Amounts owed under these agreements are dependent on several variables including the quantity of sugarcane produced per hectare, the total recoverable sugar ("ATR") per ton of sugarcane produced and the price for each kilogram of ATR as determined by Consecana, the São Paulo state sugarcane and sugar and ethanol council. In the years ended December 31, 2014, 2013 and 2012, Bunge made payments related to these agreements of $162 million, $169 million and $181 million, respectively. Of these amounts $95 million, $107 million and $127 million for the years ended December 31, 2014, 2013 and 2012, respectively, were advances for future purchases and $67 million, $62 million and $54 million were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2014, 2013 and 2012, respectively.

***Employee Benefit Plans***

We expect to contribute $15 million to our defined benefit pension plans and $8 million to our postretirement healthcare benefit plans in 2015.

**Critical Accounting Policies and Estimates**

We believe that the application of the following accounting policies, which are important to our financial position and results of operations, requires significant judgments and estimates on the part of management. For a summary of all of our significant accounting policies, see Note 1 to our consolidated financial statements included in Part IV of this Annual Report on Form 10-K.

***Allowances for Uncollectible Accounts***

Accounts receivable and secured advances to suppliers are stated at the historical carrying amounts net of write-offs and allowances for uncollectible accounts. We establish an allowance for uncollectible trade accounts receivable and secured advances to farmers based on historical experience, farming, economic and other market conditions as well as specific identified customer collection issues. Uncollectible accounts are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when we have determined that collection of the balance is unlikely.

We follow the accounting guidance on the disclosure of the credit quality of financing receivables and the allowance for credit losses which requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes. Based upon an analysis of credit losses and risk factors to be

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considered in determining the allowance for credit losses, we have determined that the long-term receivables from farmers in Brazil are a single portfolio segment.

We evaluate this single portfolio segment by class of receivables, which is defined as a level of information (below a portfolio segment) in which the receivables have the same initial measurement attribute and a similar method for assessing and monitoring risk. We have identified accounts in legal collection processes and renegotiated amounts as classes of long-term receivables from farmers. Valuation allowances for accounts in legal collection processes are determined by us on individual accounts based on the fair value of the collateral provided as security for the secured advance or credit sale. The fair value is determined using a combination of internal and external resources, including published information concerning Brazilian land values by region. For determination of the valuation allowances for renegotiated amounts, we consider historical experience with the individual farmers, current weather and crop conditions, as well as the fair value of non-crop collateral.

For both classes, a long-term receivable from farmers in Brazil is considered impaired, based on current information and events, if we determine it to be probable that all amounts due under the original terms of the receivable will not be collected. Recognition of interest income on secured advances to farmers is suspended once the farmer defaults on the originally scheduled delivery of agricultural commodities as the collection of future income is determined not to be probable. No additional interest income is accrued from the point of default until ultimate recovery, where amounts collected are credited first against the receivable and then to any unrecognized interest income.

***Inventories and Derivatives***

We use derivative instruments for the purpose of managing the exposures associated with agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs and for positioning our overall portfolio relative to expected market movements in accordance with established policies and procedures. We are exposed to loss in the event of non-performance by counterparties to certain of these contracts. The risk of non-performance is routinely monitored and adjustments recorded, if necessary, to account for potential non-performance. Different assumptions, changes in economic circumstances or the deterioration of the financial condition of the counterparties to these derivative instruments could result in additional fair value adjustments and increased expense reflected in cost of goods sold, foreign exchange or interest expense. We did not have significant allowances relating to non-performance by counterparties at December 31, 2014 or 2013.

Our readily marketable commodity inventories, forward purchase and sale contracts, and exchange traded futures and options are primarily valued at fair value. Readily marketable inventories are freely-traded, have quoted market prices, may be sold without significant additional processing and have predictable and insignificant disposal costs. We estimate fair values of commodity inventories and forward purchase and sale contracts based on exchange-quoted prices, adjusted for differences in local markets. Changes in the fair values of these inventories and contracts are recognized in our consolidated statements of income as a component of cost of goods sold. If we used different methods or factors to estimate fair values, amounts reported as inventories and unrealized gains and losses on derivative contracts in the consolidated balance sheets and cost of goods sold could differ. Additionally, if market conditions change subsequent to year-end, amounts reported in future periods as inventories, unrealized gains and losses on derivative contracts and cost of goods sold could differ.

***Recoverable Taxes***

We evaluate the collectability of our recoverable taxes and record valuation allowances if we determine that collection is doubtful. Recoverable taxes primarily represent value-added or other similar transactional taxes paid on the acquisition of raw materials and other services which can be

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recovered in cash or as compensation of outstanding balances against income taxes or certain other taxes we may owe. Management's assumption about the collectability of recoverable taxes requires significant judgment because it involves an assessment of the ability and willingness of the applicable federal or local government to refund the taxes. The balance of these allowances fluctuates depending on the sales activity of existing inventories, purchases of new inventories, percentages of export sales, seasonality, changes in applicable tax rates, cash payment by the applicable government agencies and compensation of outstanding balances against income or certain other taxes owed to the applicable governments. At December 31, 2014 and 2013, the allowance for recoverable taxes was $43 million and $70 million, respectively. We continue to monitor the economic environment and events taking place in the applicable countries and in cases where we determine that recovery is doubtful, recoverable taxes are reduced by allowances for the estimated unrecoverable amounts.

***Property, Plant and Equipment and Other Finite-Lived Intangible Assets***

Long-lived assets include property, plant and equipment and other finite-lived intangible assets. When facts and circumstances indicate that the carrying values of property, plant and equipment assets may be impaired, an evaluation of recoverability is performed by comparing the carrying value of the assets to the projected future cash flows to be generated by such assets. If it appears that the carrying value of our assets is not recoverable, we recognize an impairment loss as a charge against results of operations. Our judgments related to the expected useful lives of property, plant and equipment assets and our ability to realize undiscounted cash flows in excess of the carrying amount of such assets are affected by factors such as the ongoing maintenance of the assets, changes in economic conditions and changes in operating performance. As we assess the ongoing expected cash flows and carrying amounts of our property, plant and equipment assets, changes in these factors could cause us to realize material impairment charges. Bunge recorded impairment charges of $114 million for certain agricultural and industrial assets in its sugar and bioenergy segment during the year ended December 31, 2014.

***Contingencies***

We are a party to a large number of claims and lawsuits, primarily tax and labor claims in Brazil and tax claims in Argentina, and have accrued our estimates of the probable costs to resolve these claims. These estimates have been developed in consultation with in-house and outside counsel and are based on an analysis of potential results, assuming a combination of litigation and settlement strategies. Future results of operations for any particular quarterly or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies relating to these proceedings. For more information on tax and labor claims in Brazil, see "Item 3. Legal Proceedings."

***Income Taxes***

We record valuation allowances to reduce our deferred tax assets to the amount that we are likely to realize. We consider projections of future taxable income and prudent tax planning strategies to assess the need for and the size of the valuation allowances. If we determine that we can realize a deferred tax asset in excess of our net recorded amount, we decrease the valuation allowance, thereby increasing net income. Conversely, if we determine that we are unable to realize all or part of our net deferred tax asset, we increase the valuation allowance, thereby decreasing net income.

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We apply a "more likely than not" threshold to the recognition and de-recognition of tax benefits. The calculation of our uncertain tax positions involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record uncertain tax positions for anticipated tax audit issues in the United States, Brazil, Argentina and other tax jurisdictions based on our estimate of whether it is more likely than not additional taxes will be due. We adjust these liabilities in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of uncertain tax positions proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when we determined the liabilities are no longer necessary. At December 31, 2014 and 2013, we had recorded uncertain tax positions of $83 million and $171 million, respectively, in our consolidated balance sheets.

**New Accounting Pronouncements**

***New Accounting Pronouncements*** In May 2014, the FASB amended ASC (Topic 605) *Revenue Recognition* and created ASC (Topic 606) *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective for interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted. Bunge is evaluating the expected impact of this standard on its consolidated financial statements.

In February 2015, the FASB issued ASU (Topic 810) *Consolidation Amendments to the Consolidation Analysis.* The standard makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the Variable Interest Entity (VIE) guidance. The standard is effective for interim and annual reporting periods beginning after December 15, 2015. Early adoption is allowed. Bunge is evaluating the expected impact of this standard on the consolidation of certain private equity and other investment funds related to our asset management business.

## Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

**Risk Management**

As a result of our global operating and financing activities, we are exposed to changes in, among other things, agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs which may affect our results of operations and financial position. We actively monitor and manage these various market risks associated with our business activities. Our risk management decisions take place in various locations but exposure limits are centrally set and monitored. We have a corporate risk management group which analyzes and monitors various risk exposures globally. Additionally, our Board of Directors' Finance and Risk Policy Committee oversees our overall risk management policies and limits.

We use derivative instruments for the purpose of managing the exposures associated with commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs and for positioning our overall portfolio relative to expected market movements in accordance with established policies and procedures. We enter into derivative instruments primarily with major financial institutions, commodity exchanges in the case of commodity futures and options, or approved exchange-clearing shipping companies in the case of ocean freight. While these derivative instruments are subject to fluctuations in value, for hedged exposures those fluctuations are generally offset by the changes in

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fair value of the underlying exposures. The derivative instruments that we use for hedging purposes are intended to reduce the volatility on our results of operations; however, they can occasionally result in earnings volatility, which may be material.

**Credit and Counterparty Risk**

Through our normal business activities, we are subject to significant credit and counterparty risks that arise through normal commercial sales and purchases, including forward commitments to buy or sell, and through various other OTC derivative instruments that we utilize to manage risks inherent in our business activities. We define credit and counterparty risk as a potential financial loss due to the failure of a counterparty to honor its obligations. The exposure is measured based upon several factors, including unpaid accounts receivable from counterparties and unrealized gains from OTC derivative instruments (including forward purchase and sale contracts). Credit and counterparty risk also includes sovereign credit risk. We actively monitor credit and counterparty risk through credit analysis by local credit staffs and review by various local and corporate committees which monitor counterparty performance. We record provisions for counterparty losses from time to time as a result of our credit and counterparty analysis.

During periods of tight conditions in global credit markets, downturns in regional or global economic conditions, and/or significant price volatility, credit and counterparty risks are heightened. This increased risk is monitored through, among other things, increased communication with key counterparties, management reviews and specific focus on counterparties or groups of counterparties that we may determine as high risk. In addition, we have limited new credit extensions in certain cases and reduced our use of non-exchange cleared derivative instruments.

**Commodities Risk**

We operate in many areas of the food industry, from agricultural raw materials to the production and sale of branded food products. As a result, we purchase and produce various materials, many of which are agricultural commodities, including: soybeans, soybean oil, soybean meal, softseeds (including sunflower seed, rapeseed and canola) and related oil and meal derived from them, wheat and corn. In addition, we grow and purchase sugarcane to produce sugar, ethanol and electricity. Agricultural commodities are subject to price fluctuations due to a number of unpredictable factors that may create price risk. As described above, we are also subject to the risk of counterparty non-performance under forward purchase or sale contracts. From time to time, we have experienced instances of counterparty non-performance, including as a result of significant declines in counterparty profitability under these contracts due to significant movements in commodity prices between the time the contracts were executed and the contractual forward delivery period.

We enter into various derivative contracts with the primary objective of managing our exposure to adverse price movements in the agricultural commodities used and produced in our business operations. We have established policies that limit the amount of unhedged fixed price agricultural commodity positions permissible for our operating companies, which are generally a combination of volume and value-at-risk ("VaR") limits. We measure and review our net commodities position on a daily basis.

Our daily net agricultural commodity position consists of inventory, forward purchase and sale contracts, OTC and exchange traded derivative instruments, including those used to hedge portions of our production requirements. The fair value of that position is a summation of the fair values calculated for each agricultural commodity by valuing all of our commodity positions at quoted market prices for the period where available or utilizing a close proxy. VaR is calculated on the net position and monitored at the 95% confidence interval. In addition, scenario analysis and stress testing are performed. For example, one measure of market risk is estimated as the potential loss in fair value

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resulting from a hypothetical 10% adverse change in prices. The results of this analysis, which may differ from actual results, are as follows:

| (US$ in millions) | Year Ended December 31, 2014 Fair Value | Year Ended December 31, 2014 Market Risk | Year Ended December 31, 2013 Fair Value | Year Ended December 31, 2013 Market Risk |
|---|---|---|---|---|
| Highest daily aggregated position value | **$ (219)** | **$ (22)** | $ 154 | $ (15) |
| Lowest daily aggregated position value | **(1,608)** | **(161)** | (1,849) | (185) |

**Ocean Freight Risk**

Ocean freight represents a significant portion of our operating costs. The market price for ocean freight varies depending on the supply and demand for ocean vessels, global economic conditions and other factors. We enter into time charter agreements for time on ocean freight vessels based on forecasted requirements for the purpose of transporting agricultural commodities. Our time charter agreements generally have terms ranging from two months to approximately seven years. We use financial derivatives, generally freight forward agreements, to hedge portions of our ocean freight costs. The ocean freight derivatives are included in other current assets and other current liabilities on the consolidated balance sheets at fair value.

**Energy Risk**

We purchase various energy commodities such as bunker fuel, electricity and natural gas that are used to operate our manufacturing facilities and ocean freight vessels. The energy commodities are subject to price risk. We use financial derivatives, including exchange traded and OTC swaps and options for various purposes, including to manage our exposure to volatility in energy costs. These energy derivatives are included in other current assets and other current liabilities on the consolidated balance sheets at fair value.

**Currency Risk**

Our global operations require active participation in foreign exchange markets. Our primary foreign currency exposures are the Brazilian *real*, the e*uro* and other European currencies, the Argentine *peso* and the Chinese *yuan/renminbi*. To reduce the risk arising from foreign exchange rate fluctuations, we enter into derivative instruments, such as forward contracts and swaps and foreign currency options. The changes in market value of such contracts have a high correlation to the price changes in the related currency exposures. The potential loss in fair value for such net currency position resulting from a hypothetical 10% adverse change in foreign currency exchange rates as of December 31, 2014 was not material.

We have significant operations in Argentina. We utilize the official exchange rate published by the Argentine government for our commercial transactions and re-measurement purposes of financial statements. Due to exchange controls put in place by the Argentine government, a parallel market exists for exchanging Argentine pesos to U.S. dollars at rates less favorable than the official rate. The Argentine *peso* experienced increased devaluation and volatility in 2014. Our financial position and results of operations are not materially impacted; however we continue to monitor political and economic conditions, including inflation in Argentina.

When determining our exposure, we exclude intercompany loans that are deemed to be permanently invested. The repayments of permanently invested intercompany loans are not planned or anticipated in the foreseeable future and therefore are treated as analogous to equity for accounting purposes. As a result, the foreign exchange gains and losses on these borrowings are excluded from the determination of net income and recorded as a component of accumulated other comprehensive

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income (loss) in the consolidated balance sheets. Included in other comprehensive income (loss) are foreign exchange losses of $296 million and $344 million for the years ended December 31, 2014 and 2013, respectively, related to permanently invested intercompany loans.

**Interest Rate Risk**

We have debt in fixed and floating rate instruments. We are exposed to market risk due to changes in interest rates. We may enter into interest rate swap agreements to manage our interest rate exposure related to our debt portfolio.

The aggregate fair value of our short and long-term debt, including non-recourse investment fund debt, based on market yields at December 31, 2014, was $4,062 million with a carrying value of $3,857 million.

A hypothetical 100 basis point increase in the interest yields on our debt at December 31, 2014 would result in a decrease of approximately $58 million in the fair value of our debt. Similarly, a decrease of 100 basis points in the interest yields on our debt at December 31, 2014 would cause an increase of approximately $61 million in the fair value of our debt.

A hypothetical 1% change in LIBOR would result in a change of approximately $18 million in our interest expense. Some of our variable rate debt is denominated in currencies other than in U.S. dollars and is indexed to non-U.S. dollar-based interest rate indices, such as EURIBOR and TJLP. As such, the hypothetical 1% change in interest rate ignores the potential impact of any currency movements.

***Derivative Instruments***

*Interest Rate Derivatives* Interest rate derivatives used by us as hedging instruments are recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these swap agreements may be designated as fair value hedges. The carrying amount of the associated hedged debt is also adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. We may enter into interest rate swap agreements for the purpose of managing certain of our interest rate exposures. We may also enter into interest rate basis swap agreements that do not qualify as hedges for accounting purposes. Changes in fair value of such interest rate basis swap agreements are recorded in earnings. There were no outstanding interest rate swap agreements as of December 31, 2014 or 2013.

We recognized gains of approximately $12 million, $20 million and $20 million, respectively, as a reduction of interest expense in the consolidated statements of income, related to the amortization of deferred gains on termination of interest rate swap agreements for the years ended December 31, 2014, 2013 and 2012.

*Foreign Exchange Derivatives* We use a combination of foreign exchange forward swap and option contracts in certain of our operations to mitigate the risk from exchange rate fluctuations in connection with certain commercial and balance sheet exposures. The foreign exchange forward swap and option contracts may be designated as cash flow hedges. We may also use net investment hedges to partially offset the translation adjustments arising from the remeasurement of our investment in certain of our foreign subsidiaries.

We assess, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in the hedged items.

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The table below summarizes the notional amounts of open foreign exchange positions.

**December 31, 2014**

| (US$ in millions) | Exchange Traded Net (Short) & Long[1] | Non-exchange Traded (Short)[2] | Non-exchange Traded Long[2] | Unit of Measure |
|---|---|---|---|---|
| **Foreign Exchange** | | | | |
| Options | $ (1) | $ (268) | $ 289 | Delta |
| Forwards | 114 | (15,711) | 17,166 | Notional |
| Futures | 3 | | | Notional |
| Swaps | | (51) | 56 | Notional |

(1) Exchange traded derivatives are presented on a net (short) and long position basis.

(2) Non-exchange traded derivatives are presented on a gross (short) and long position basis.

*Commodity Derivatives* We use derivative instruments to primarily manage exposure to movements associated with agricultural commodity prices. We generally use exchange traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on agricultural commodity inventories and forward purchase and sale contracts, but may also from time to time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Changes in fair values of exchange traded futures contracts representing the unrealized gains and/or losses on these instruments are settled daily generally through our 100% owned futures clearing subsidiary. Forward purchase and sale contracts are primarily settled through delivery of agricultural commodities. While we consider these exchange traded futures and forward purchase and sale contracts to be effective economic hedges, we do not designate or account for the majority of our commodity contracts as hedges. Changes in fair values of these contracts and related readily marketable agricultural commodity inventories are included in cost of goods sold in the consolidated statements of income. The forward contracts require performance of both us and the contract counterparty in future periods. Contracts to purchase agricultural commodities generally relate to current or future crop years for delivery periods quoted by regulated commodity exchanges. Contracts for the sale of agricultural commodities generally do not extend beyond one future crop cycle.

The table below summarizes the volumes of open agricultural commodities derivative positions.

**December 31, 2014**

| | Exchange Traded Net (Short) & Long[1] | Non-exchange Traded (Short)[2] | Non-exchange Traded Long[2] | Unit of Measure |
|---|---|---|---|---|
| **Agricultural Commodities** | | | | |
| Futures | (4,117,688) | | | Metric Tons |
| Options | (1,075,584) | | | Metric Tons |
| Forwards | | (29,839,608) | 21,856,249 | Metric Tons |
| Swaps | 25,000 | (221,533) | 201,530 | Metric Tons |

(1) Exchange traded derivatives are presented on a net (short) and long position basis.

(2) Non-exchange traded derivatives are presented on a gross (short) and long position basis.

*Ocean Freight Derivatives* We use derivative instruments referred to as freight forward agreements, or FFAs, and FFA options to hedge portions of our current and anticipated ocean freight costs. A portion of the ocean freight derivatives may be designated as fair value hedges of our firm commitments to purchase time on ocean freight vessels. Changes in the fair value of the ocean freight

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derivatives that are qualified, designated and highly effective as a fair value hedge, along with the gain or loss on the hedged firm commitments to purchase time on ocean freight vessels that is attributable to the hedged risk, are recorded in earnings. Changes in the fair values of ocean freight derivatives that are not designated as hedges are also recorded in earnings.

The table below summarizes the open ocean freight positions.

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Exchange Cleared | Non-exchange Cleared | | |
| | Net (Short) & Long[1] | (Short)[2] | Long[2] | Unit of Measure |
| **Ocean Freight** | | | | |
| FFA | (1,784) | | | Hire Days |
| FFA Options | (532) | | | Hire Days |

(1) Exchange cleared derivatives are presented on a net (short) and long position basis.

(2) Non-exchange cleared derivatives are presented on a gross (short) and long position basis.

*Energy Derivatives* We use derivative instruments for various purposes including to manage our exposure to volatility in energy costs. Our operations use substantial amounts of energy, including natural gas, coal and fuel oil, including bunker fuel.

The table below summarizes the open energy positions.

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Exchange Traded | | | |
| | Net (Short) & Long[1] | Non-exchange Cleared (Short)[2] | Long[2] | Unit of Measure |
| **Natural Gas[3]** | | | | |
| Futures | 3,230,000 | | | MMBtus |
| Swaps | | | 1,484,123 | MMBtus |
| Options | 361,235 | | | MMBtus |
| **Energy Other** | | | | |
| Futures | 1,162,778 | | | Metric Tons |
| Forwards | | | 32,570,602 | Metric Tons |
| Swaps | 145,000 | | | Metric Tons |
| Options | 37,265 | | | Metric Tons |

(1) Exchange traded derivatives are presented on a net (short) and long position basis.

(2) Non-exchange cleared derivatives are presented on a gross (short) and long position basis.

(3) Million British Thermal Units (MMBtus) are the standard unit of measurement used to denote the amount of natural gas.

**Item 8.** ***Financial Statements and Supplementary Data***

Our financial statements and related schedule required by this item are contained on pages F-1 through F-70 and on page E-1 of this Annual Report on Form 10-K. See Item 15(a) for a listing of financial statements provided.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

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**Item 9A.** ***Controls and Procedures***

**Disclosure Controls and Procedures**

Disclosure controls and procedures are the controls and other procedures that are designed to provide reasonable assurance that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the principal executive and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

As of December 31, 2014, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as that term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the fiscal year covered by this Annual Report on Form 10-K.

**Management's Report on Internal Control over Financial Reporting**

Bunge Limited's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Bunge Limited's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. Generally Accepted Accounting Principles.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the fiscal year covered by this annual report based on the framework in *Internal Control  Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management concluded that Bunge Limited's internal control over financial reporting was effective as of the end of the fiscal year covered by this annual report.

Deloitte & Touche LLP, the independent registered public accounting firm that has audited and reported on Bunge Limited's consolidated financial statements included in this annual report, has issued its written attestation report on Bunge Limited's internal control over financial reporting, which is included in this Annual Report on Form 10-K.

**Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting during the fourth fiscal quarter ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

***Inherent Limitations on Effectiveness of Controls***

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect

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all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls may also be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of
Bunge Limited
White Plains, New York

We have audited the internal control over financial reporting of Bunge Limited and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2014 of the Company and our report dated February 27, 2015 expressed an unqualified opinion on the consolidated financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 27, 2015

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**Item 9B.** ***Other Information***

None.

**PART III**

Information required by Items 10, 11, 12, 13 and 14 of Part III is omitted from this Annual Report on Form 10-K and will be filed in a definitive proxy statement for our 2015 Annual General Meeting of Shareholders.

**Item 10.** ***Directors, Executive Officers, and Corporate Governance***

We will provide information that is responsive to this Item 10 in our definitive proxy statement for our 2015 Annual General Meeting of Shareholders under the captions "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance  Board Meetings and Committees  Audit Committee," "Corporate Governance  Board Composition and Independence," "Audit Committee Report," "Corporate Governance  Corporate Governance Guidelines and Code of Ethics" and possibly elsewhere therein. That information is incorporated in this Item 10 by reference. The information required by this item with respect to our executive officers and key employees is found in Part I of this Annual Report on Form 10-K under the caption "Item 1. Business  Executive Officers and Key Employees of the Company," which information is incorporated herein by reference.

**Item 11.** ***Executive Compensation***

We will provide information that is responsive to this Item 11 in our definitive proxy statement for our 2015 Annual General Meeting of Shareholders under the captions "Executive Compensation," "Director Compensation," "Compensation Committee Report," and possibly elsewhere therein. That information is incorporated in this Item 11 by reference.

**Item 12.** ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

We will provide information that is responsive to this Item 12 in our definitive proxy statement for our 2015 Annual General Meeting of Shareholders under the caption "Share Ownership of Directors, Executive Officers and Principal Shareholders" and possibly elsewhere therein. That information is incorporated in this Item 12 by reference. The information required by this item with respect to our equity compensation plan information is found in Part II of this Annual Report on Form 10-K under the caption "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities  Securities Authorized for Issuance Under Equity Compensation Plans," which information is incorporated herein by reference.

**Item 13.** ***Certain Relationships and Related Transactions, and Director Independence***

We will provide information that is responsive to this Item 13 in our definitive proxy statement for our 2015 Annual General Meeting of Shareholders under the captions "Corporate Governance  Board Composition and Independence," "Certain Relationships and Related Party Transactions" and possibly elsewhere therein. That information is incorporated in this Item 13 by reference.

**Item 14.** ***Principal Accounting Fees and Services***

We will provide information that is responsive to this Item 14 in our definitive proxy statement for our 2015 Annual General Meeting of Shareholders under the caption "Appointment of Independent Auditor" and possibly elsewhere therein. That information is incorporated in this Item 14 by reference.

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## PART IV

**Item 15.** ***Exhibits, Financial Statement Schedules***

**a.**

**(1) (2) Financial Statements and Financial Statement Schedules**

See "Index to Consolidated Financial Statements" on page F-1 and Financial Statement Schedule II Valuation and Qualifying Accounts on page 80 of this Annual Report on Form 10-K.

**a.**

**(3) Exhibits**

The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Form 10-K.

Certain of the agreements filed as exhibits to this Form 10-K contain representations and warranties by the parties to the agreements that have been made solely for the benefit of the parties to the agreement, which may have been included in the agreement for the purpose of allocating risk between the parties rather than establishing matters as facts and may have been qualified by disclosures that were made to the parties in connection with the negotiation of these agreements and not necessarily reflected in the agreements. Accordingly, the representations and warranties contained in these agreements may not describe the actual state of affairs of Bunge Limited or its subsidiaries as of the date that these representations and warranties were made or at any other time. Investors should not rely on these representations and warranties as statements of fact. Additional information about Bunge Limited and its subsidiaries may be found elsewhere in this Annual Report on Form 10-K and Bunge Limited's other public filings, which are available without charge through the SEC's website at www.sec.gov.

See "Index to Exhibits" set forth below.

| Exhibit Number | Description |
|---|---|
| 3.1 | Memorandum of Association (incorporated by reference from the Registrant's Form F-1 (No. 333-65026) filed July 13, 2001) |
| 3.2 | Certificate of Deposit of Memorandum of Increase of Share Capital (incorporated by reference from the Registrant's Form 10-Q filed August 11, 2008) |
| 3.3 | Bye-laws, amended and restated as of May 23, 2008 (incorporated by reference from the Registrant's Form 10-Q filed August 11, 2008) |
| 4.1 | Form of Common Share Certificate (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008) |
| 4.2 | Certificate of Designation of 4.875% Cumulative Convertible Perpetual Preference Shares (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006) |
| 4.3 | Form of 4.875% Cumulative Convertible Perpetual Preference Share Certificate (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006) |
| 4.4 | The instruments defining the rights of holders of the long-term debt securities of Bunge and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. Bunge hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request |

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| Exhibit Number | Description |
|---|---|
| 10.1 | Fifth Amended and Restated Pooling Agreement, dated as of June 28, 2004, among Bunge Funding Inc., Bunge Management Services Inc., as Servicer, and The Bank of New York Mellon, as Trustee (incorporated by reference from the Registrant's Form 10-K filed February 27, 2012) |
| 10.2 | Fifth Amended and Restated Series 2000-1 Supplement, dated as of June 28, 2004, among Bunge Funding Inc., Bunge Management Services, Inc., as Servicer, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International," New York Branch, as Letter of Credit Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, The Bank of New York Mellon, as Collateral Agent and Trustee, and Bunge Asset Funding Corp., as Series 2000-1 Purchaser (incorporated by reference from the Registrant's Form 10-K filed February 27, 2012) |
| 10.3 | Twelfth Amended and Restated Liquidity Agreement, dated as of November 20, 2014, among Bunge Asset Funding Corp., the financial institutions party thereto, Citibank, N.A., as Syndication Agent, BNP Paribas and The Bank of Tokyo Mitsubishi UFJ, Ltd., as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference from the Registrant's Form 8-K filed November 24, 2014) |
| 10.4 | Annex X, dated as of November 20, 2014 (incorporated by reference from the Registrant's Form 8-K filed on November 24, 2014) |
| 10.5 | Eighth Amended and Restated Guaranty, dated as of November 20, 2014, by Bunge Limited, as Guarantor, to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International," New York Branch, in its capacity as the letter of credit agent under the Letter of Credit Reimbursement Agreement for the benefit of the Letter of Credit Banks, JPMorgan Chase Bank, N.A., in its capacity as the administrative agent under the Liquidity Agreement, for the benefit of the Liquidity Banks and The Bank of New York Mellon (formerly known as The Bank of New York), in its capacity as collateral agent under the Security Agreement and as trustee under the Pooling Agreement (incorporated by reference from the Registrant's Form 8-K filed on November 24, 2014) |
| 10.6 | Facility Agreement, dated March 17, 2014, among Bunge Finance Europe B.V., as Borrower, ABN AMRO Bank N.V., BNP Paribas, ING Bank N.V., Lloyds Bank plc, The Royal Bank of Scotland plc, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Industrial and Commercial Bank of China Ltd., New York Branch, Mizuho Bank, Ltd., Natixis, SG Americas Securities LLC, Standard Chartered Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Unicredit Bank AG, New York Branch, as Mandated Lead Arrangers, the financial institutions from time to time party thereto, and ABN AMRO Bank N.V., as Agent (incorporated by reference from the Registrant's Form 8-K filed on March 19, 2014) |
| 10.7 | Guaranty, dated as of March 17, 2014, by Bunge Limited, as Guarantor, to ABN AMRO Bank N.V., as Agent (incorporated by reference from the Registrant's Form 8-K filed on March 19, 2014) |
| 10.8 | Revolving Credit Agreement, dated as of November 20, 2014, among Bunge Limited Finance Corp., as Borrower, Citibank, N.A., as Syndication Agent, BNP Paribas and The Bank of Tokyo Mitsubishi UFJ, Ltd., as Co-Documentation Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, and certain lenders party thereto (incorporated by reference from the Registrant's Form 8-K filed on November 24, 2014) |

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| Exhibit Number | Description |
|---|---|
| 10.9 | Guaranty, dated as of November 20, 2014, by Bunge Limited, as Guarantor, to JPMorgan Chase Bank, N.A., as administrative agent under the Revolving Credit Agreement (incorporated by reference from the Registrant's Form 8-K filed on November 24, 2014) |
| 10.10* | Amended and Restated Credit Agreement, dated June 17, 2014, among Bunge Limited Finance Corp., as Borrower, CoBank ACB, as Administrative Agent and Lead Arranger, and certain lenders party thereto |
| 10.11* | Amended and Restated Guaranty, dated as of June 17, 2014, between Bunge Limited, as Guarantor, and CoBank ACB, as Administrative Agent |
| ++10.12 | Receivables Transfer Agreement, dated June 1, 2011, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Conduit Purchasers, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant's Form 10-Q/A filed on November 30, 2011) |
| 10.13 | First Amendment to Receivables Transfer Agreement, dated May 24, 2012, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Conduit Purchasers, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant's Form 10-Q filed on August 1, 2012) |
| 10.14 | Second Amendment and Consent to Receivables Transfer Agreement, dated as of July 25, 2012, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Conduit Purchasers, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant's Form 10-K filed March 1, 2013) |
| ++10.15 | Third Amendment to Receivables Transfer Agreement, dated as of April 23, 2013, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant's Form 10-Q filed on August 5, 2013) |
| ++10.16 | Fourth Amendment to Receivables Transfer Agreement, dated May 28, 2013, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant's Form 10-Q filed on August 5, 2013) |

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| Exhibit Number | Description |
|---|---|
| 10.17* | Fifth Amendment to Receivables Transfer Agreement, dated March 14, 2014, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Conduit Purchasers, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider |
| 10.18* | Sixth Amendment to and Restatement of the Receivables Transfer Agreement, dated May 27, 2014, among Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, the persons from time to time party thereto as Conduit Purchasers, the persons from time to time party thereto as Committed Purchasers, the persons from time to time party thereto as Purchaser Agents, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider |
| ++10.19 | Servicing Agreement, dated June 1, 2011, among Bunge Securitization B.V., as Seller, Bunge North America Capital, Inc., as U.S. Intermediate Transferor, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Italian Intermediate Transferor, Bunge Finance B.V., as Master Servicer, the persons named therein as Sub-Servicers, and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.20 | Performance and Indemnity Agreement, dated June 1, 2011, between Bunge Limited, as Performance Undertaking Provider and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.21 | First Amendment to Performance and Indemnity Agreement, dated May 24, 2012, between Bunge Limited, as Performance Undertaking Provider and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-Q filed on August 1, 2012) |
| 10.22 | Subordinated Loan Agreement, dated June 1, 2011, among Bunge Finance B.V., as Subordinated Lender, Bunge Securitization B.V., as Seller, Bunge Finance B.V., as Master Servicer, and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| ++10.23 | U.S. Receivables Purchase Agreement, dated June 1, 2011, among Bunge North America, Inc., Bunge Oils, Inc., Bunge North America (East), LLC, Bunge Milling, Inc., Bunge North America (OPD West), Inc., each as a Seller, respectively, Bunge Finance B.V., as Seller Agent, and Bunge North America Capital, Inc., as the Buyer (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.24 | First Amendment to U.S. Receivables Purchase Agreement, dated June 15, 2012, among Bunge North America, Inc., Bunge Oils, Inc., Bunge North America (East), LLC, Bunge Milling, Inc., Bunge North America (OPD West), Inc., each as a Seller, respectively, Bunge Finance B.V., as Seller Agent, and Bunge North America Capital, Inc., as the Buyer (incorporated by reference from the Registrant's Form 10-Q filed on August 1, 2012) |

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| Exhibit Number | Description |
|---|---|
| ++10.25 | U.S. Intermediate Transfer Agreement, dated June 1, 2011, among Bunge North America Capital, Inc., as the Transferor, Bunge Finance B.V., as the Transferor Agent, and Bunge Securitization B.V., as the Transferee (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.26 | First Amendment to U.S. Intermediate Transfer Agreement, dated June 15, 2012, among Bunge North America Capital, Inc., as the Transferor, Bunge Finance B.V., as the Transferor Agent, and Bunge Securitization B.V., as the Transferee (incorporated by reference from the Registrant's Form 10-Q filed on August 1, 2012) |
| 10.27 | Bunge Limited Equity Incentive Plan (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.28 | Form of Nonqualified Stock Option Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006) |
| 10.30 | Bunge Limited 2009 Equity Incentive Plan (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 11, 2014) |
| 10.31 | Form of Nonqualified Stock Option Award Agreement under the 2009 Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2011) |
| 10.32 | Form of Restricted Stock Unit Award Agreement under the 2009 Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2011) |
| 10.33 | Form of Performance Based Restricted Stock Unit-Target EPS Award Agreement under the 2009 Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2011) |
| 10.34 | Bunge Limited Non-Employee Directors' Equity Incentive Plan (Amended and Restated as of February 25, 2005) (incorporated by reference from the Registrant's Form 10-K filed March 16, 2005) |
| 10.35 | Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.36 | Form of Deferred Restricted Stock Unit Award Agreement (effective as of 2007) under the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008) |
| 10.37 | Form of Restricted Stock Unit Award Agreement under the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2010) |
| 10.38 | Form of Nonqualified Stock Option Award Agreement (effective as of 2005) under the Bunge Limited Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006) |
| 10.39 | Bunge Limited Deferred Compensation Plan for Non-Employee Directors (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |

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| Exhibit Number | Description |
|---|---|
| 10.40 | Bunge Excess Benefit Plan (Amended and Restated as of January 1, 2009) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.41 | Bunge Excess Contribution Plan (Amended and Restated as of January 1, 2009) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.42 | Bunge U.S. SERP (Amended and Restated as of January 1, 2011) (incorporated by reference from the Registrant's Form 10-K filed March 1, 2011) |
| 10.43 | Bunge Limited Employee Deferred Compensation Plan (effective January 1, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.44 | Bunge Limited Annual Incentive Plan (effective January 1, 2011) (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 16, 2010) |
| 10.45 | Description of Non-Employee Directors' Compensation (effective as of January 1, 2014) |
| 10.46 | Employment Agreement (Amended and Restated as of February 6, 2013) between Bunge Limited and Alberto Weisser (incorporated by reference from the Registrant's Form 8-K filed February 7, 2013) |
| 10.47 | Offer Letter, dated as of February 1, 2008, for Vicente Teixeira (incorporated by reference from the Registrant's Form 10-Q filed May 12, 2008) |
| 10.48 | Offer Letter, amended and restated as of December 31, 2008, for Andrew J. Burke (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009) |
| 10.49 | Compensation Letter to Andrew J. Burke, dated August 3, 2011 (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.50 | Offer Letter, amended and restated as of February 1, 2009, for D. Benedict Pearcy (incorporated by reference from the Registrant's Form 10-Q filed May 10, 2010) |
| 10.51 | Offer Letter, dated as of June 14, 2011, for Gordon Hardie (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011) |
| 10.52 | Offer Letter, dated as of September 24, 2010, for Raul Padilla (incorporated by reference from the Registrant's Form 10-Q filed on November 9, 2011) |
| 10.53 | Offer Letter, dated as of May 11, 2012, for Frank R. Jimenez (incorporated by reference from the Registrant's Form 10-Q filed on May 3, 2013) |
| 10.54 | Employment Agreement, dated as of February 6, 2013, between Bunge Limited and Soren Schroder (incorporated by reference from the Registrant's Form 8-K filed February 7, 2013) |
| 12.1* | Computation of Ratio of Earnings to Fixed Charges |
| 21.1* | Subsidiaries of the Registrant |
| 23.1* | Consent of Deloitte & Touche LLP |
| 31.1* | Certification of Bunge Limited's Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act |
| 31.2* | Certification of Bunge Limited's Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act |

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| Exhibit Number | Description |
|---|---|
| 32.1* | Certification of Bunge Limited's Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act |
| 32.2* | Certification of Bunge Limited's Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act |
| 101* | The following financial information from Bunge Limited's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Notes to the Consolidated Financial Statements and (vi) Schedule II Valuation and Qualifying Accounts |

*

Filed herewith.

++

Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

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**BUNGE LIMITED**
**Schedule II Valuation and Qualifying Accounts**
**(US$ in millions)**

| Description | Balance at beginning of period | Charged to costs and expenses | Charged to other accounts[b] | Deductions from reserves | Balance at end of period |
|---|---|---|---|---|---|
| **FOR THE YEAR ENDED DECEMBER 31, 2012** | | | | | |
| Allowances for doubtful accounts[a] | $ 247 | 129 | (12) | (72)[c] | $ 292 |
| Allowances for secured advances to suppliers | $ 73 | 41 | (7) | (29) | $ 78 |
| Allowances for recoverable taxes | $ 98 | 61 | (44) | (10) | $ 105 |
| Income tax valuation allowances | $ 187 | 257 | 11[d] | | $ 455 |
| **FOR THE YEAR ENDED DECEMBER 31, 2013** | | | | | |
| Allowances for doubtful accounts[a] | $ 292 | 73 | (18) | (64)[c] | $ 283 |
| Allowances for secured advances to suppliers | $ 78 | 34 | (10) | (27) | $ 75 |
| Allowances for recoverable taxes | $ 105 | 19 | (2) | (52) | $ 70 |
| Income tax valuation allowances | $ 455 | 642 | (49)[d] | | $ 1,048 |
| **FOR THE YEAR ENDED DECEMBER 31, 2014** | | | | | |
| Allowances for doubtful accounts[a] | $ 283 | 71 | (23) | (84)[c] | $ 247 |
| Allowances for secured advances to suppliers | $ 75 | 9 | (7) | (16) | $ 61 |
| Allowances for recoverable taxes | $ 70 | 7 | (14) | (20) | $ 43 |
| Income tax valuation allowances | $ 1,048 | 76 | (46)[d] | | $ 1,078 |

(a) This includes an allowance for doubtful accounts for current and non-current trade accounts receivables.

(b) This consists primarily of foreign exchange translation adjustments.

(c) Such amounts include write-offs of uncollectible accounts and recoveries.

(d) Includes primarily cumulative translation adjustment.

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| Consolidated Statements of Income for the Years Ended December 31, 2014, 2013 and 2012 | F-3 |
| Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2014, 2013 and 2012 | F-4 |
| Consolidated Balance Sheets at December 31, 2014 and 2013 | F-5 |
| Consolidated Statements of Cash Flows for the Years Ended December 31, 2014, 2013 and 2012 | F-6 |
| Consolidated Statements of Changes in Equity and Redeemable Noncontrolling Interests for the Years Ended December 31, 2014, 2013 and 2012 | F-7 |
| Notes to the Consolidated Financial Statements | F-8 |

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of
Bunge Limited
White Plains, New York

We have audited the accompanying consolidated balance sheets of Bunge Limited and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income (loss), changes in equity and redeemable noncontrolling interests, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Bunge Limited and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control  Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 27, 2015

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## PART I FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

**BUNGE LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME**

**(U.S. dollars in millions, except per share data)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| Net sales | $ 57,161 | $ 61,347 | $ 60,991 |
| Cost of goods sold | (54,540) | (58,587) | (58,418) |
| **Gross profit** | **2,621** | **2,760** | **2,573** |
| Selling, general and administrative expenses | (1,691) | (1,559) | (1,563) |
| Interest income | 87 | 76 | 53 |
| Interest expense | (347) | (363) | (294) |
| Foreign exchange gains (losses) | 47 | 53 | 88 |
| Other income (expense) net | 17 | 44 | (92) |
| Goodwill impairment | | | (514) |
| Gain on sales of investments in affiliates | | 3 | 85 |
| Gain on acquisition of controlling interest | | | 36 |
| **Income (loss) from continuing operations before income tax** | **734** | **1,014** | **372** |
| Income tax (expense) benefit | (249) | (904) | 6 |
| **Income (loss) from continuing operations** | **485** | **110** | **378** |
| Income (loss) from discontinued operations, net of tax (including a net gain on disposal of $112 million in 2013) **(Note 3)** | 32 | 97 | (342) |
| **Net income (loss)** | **517** | **207** | **36** |
| Net loss (income) attributable to noncontrolling interests | (2) | 99 | 28 |
| **Net income (loss) attributable to Bunge** | **515** | **306** | **64** |
| Convertible preference share dividends and other obligations | (48) | (76) | (36) |
| **Net income (loss) available to Bunge common shareholders** | **$ 467** | **$ 230** | **$ 28** |
| **Earnings per common share basic (Note 24)** | | | |
| Net income (loss) from continuing operations | $ 2.98 | $ 0.91 | $ 2.53 |
| Net income (loss) from discontinued operations | 0.22 | 0.66 | (2.34) |
| Net income (loss) to Bunge common shareholders | $ 3.20 | $ 1.57 | $ 0.19 |
| **Earnings per common share diluted (Note 24)** | | | |
| Net income (loss) from continuing operations | $ 2.96 | $ 0.90 | $ 2.51 |

| | | | |
|---|---|---|---|
| Net income (loss) from discontinued operations | 0.21 | 0.65 | (2.32) |
| Net income (loss) to Bunge common shareholders | $ 3.17 | $ 1.55 | $ 0.19 |

The accompanying notes are an integral part of these consolidated financial statements.

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**BUNGE LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(U.S. dollars in millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| Net income (loss) | $ 517 | $ 207 | $ 36 |
| Other comprehensive income (loss): | | | |
| Foreign exchange translation adjustment | (1,419) | (1,212) | (797) |
| Unrealized gains (losses) on designated cash flow and net investment hedges, net of tax (expense) benefit of nil, $11 and $(3) | 21 | | 5 |
| Unrealized gains (losses) on investments, net of tax (expense) benefit of $2, $(2) and $(1) | (2) | 5 | 11 |
| Reclassification of realized net losses (gains) to net income, net of tax expense (benefit) of nil, $(5) and $(12) | (9) | (38) | 22 |
| Pension adjustment, net of tax (expense) benefit of $32, $(45) and $14 | (85) | 88 | (33) |
| Total other comprehensive income (loss) | (1,494) | (1,157) | (792) |
| Total comprehensive income (loss) | (977) | (950) | (756) |
| Less: comprehensive (income) loss attributable to noncontrolling interest | 6 | 94 | 20 |
| **Total comprehensive income (loss) attributable to Bunge** | **$ (971)** | **$ (856)** | **$ (736)** |

The accompanying notes are an integral part of these consolidated financial statements.

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**BUNGE LIMITED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**(U.S. dollars in millions, except share data)**

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | **$ 362** | $ 742 |
| Time deposits under trade structured finance program (Note 4) | **1,343** | 4,470 |
| Trade accounts receivable (less allowances of $121 and $123) (Note 18) | **1,840** | 2,144 |
| Inventories (Note 5) | **5,554** | 5,796 |
| Deferred income taxes (Note 14) | **177** | 183 |
| Other current assets (Note 6) | **3,805** | 4,437 |
| Total current assets | **13,081** | 17,772 |
| Property, plant and equipment, net (Note 7) | **5,626** | 6,075 |
| Goodwill (Note 8) | **349** | 392 |
| Other intangible assets, net (Note 9) | **256** | 326 |
| Investments in affiliates (Note 11) | **294** | 241 |
| Deferred income taxes (Note 14) | **565** | 564 |
| Other non-current assets (Note 12) | **1,261** | 1,411 |
| **Total assets** | **$ 21,432** | $ 26,781 |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities:** | | |
| Short-term debt (Note 16) | **$ 594** | $ 703 |
| Current portion of long-term debt (Note 17) | **408** | 762 |
| Letter of credit obligations under trade structured finance program (Note 4) | **1,343** | 4,470 |
| Trade accounts payable | **3,248** | 3,522 |
| Deferred income taxes (Note 14) | **42** | 60 |
| Other current liabilities (Note 13) | **3,069** | 3,018 |
| **Total current liabilities** | **8,704** | 12,535 |
| Long-term debt (Note 17) | **2,855** | 3,179 |
| Deferred income taxes (Note 14) | **177** | 185 |
| Other non-current liabilities | **969** | 757 |
| Commitments and contingencies (Note 22) | | |
| Redeemable noncontrolling interests | **37** | 37 |
| **Equity** (Note 23): | | |
| Convertible perpetual preference shares, par value $.01; authorized, issued and outstanding: | | |
| 2014 and 2013 6,900,000 shares (liquidation preference $100 per share) | **690** | 690 |
| Common shares, par value $.01; authorized 400,000,000 shares; issued and outstanding: | | |
| 2014 145,703,198 shares, 2013 147,796,784 shares | **1** | 1 |
| Additional paid-in capital | **5,053** | 4,967 |
| Retained earnings | **7,180** | 6,891 |
| Accumulated other comprehensive income (loss) (Note 23) | **(4,058)** | (2,572) |

| | | | | |
|---|---|---|---|---|
| Treasury shares, at cost 2014 5,714,273 and 2013 1,933,286 shares, respectively | | **(420)** | | (120) |
| Total Bunge shareholders' equity | | **8,446** | | 9,857 |
| Noncontrolling interests | | **244** | | 231 |
| Total equity | | **8,690** | | 10,088 |
| **Total liabilities and equity** | **$** | **21,432** | $ | 26,781 |

The accompanying notes are an integral part of these consolidated financial statements.

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**BUNGE LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(U.S. dollars in millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| **OPERATING ACTIVITIES** | | | |
| Net income | **$ 517** | $ 207 | $ 36 |
| Adjustments to reconcile net income to cash provided by (used for) operating activities: | | | |
| Impairment and goodwill charges | **130** | 35 | 574 |
| Foreign exchange loss (gain) on debt | **(215)** | (48) | (74) |
| Gain on sale of Brazilian fertilizer distribution business | | (148) | |
| Gains on sales of investments in affiliates | | (3) | (85) |
| Gain on acquisition of controlling interest | | | (36) |
| Bad debt expense | **30** | 26 | 115 |
| Depreciation, depletion and amortization | **607** | 568 | 570 |
| Stock-based compensation expense | **49** | 53 | 44 |
| Deferred income tax expense/(benefit) | **(90)** | 460 | (35) |
| Other, net | **(76)** | | 2 |
| | | | |
| Changes in operating assets and liabilities, excluding the effects of acquisitions: | | | |
| Trade accounts receivable | **108** | 148 | (373) |
| Inventories | **(161)** | 238 | (1,567) |
| Secured advances to suppliers | **21** | (216) | (217) |
| Trade accounts payable | **(100)** | 436 | 554 |
| Advances on sales | **78** | 309 | 38 |
| Net unrealized gain/loss on derivative contracts | **237** | (71) | (112) |
| Margin deposits | **(22)** | 57 | (8) |
| Recoverable and income taxes, net | **(59)** | 128 | (7) |
| Accrued liabilities | **367** | (6) | 177 |
| Other, net | **(22)** | 52 | (53) |
| | | | |
| Cash provided by (used for) operating activities | **1,399** | 2,225 | (457) |
| **INVESTING ACTIVITIES** | | | |
| Payments made for capital expenditures | **(839)** | (1,042) | (1,095) |
| Acquisitions of businesses (net of cash acquired) | **(39)** | (355) | (298) |
| Proceeds from the sale of Brazilian fertilizer distribution business | | 750 | |
| Proceeds from investments | **282** | 134 | 108 |
| Payments for investments | **(196)** | (68) | (83) |
| Proceeds from disposals of property, plant and equipment | **22** | 11 | 28 |
| Change in restricted cash | **101** | 137 | 45 |
| Proceeds from sales of investments in affiliates | | 47 | 483 |
| Payments for investments in affiliates | **(57)** | (40) | (125) |
| Other, net | **41** | (3) | (30) |
| | | | |
| Cash provided by (used for) investing activities | **(685)** | (429) | (967) |
| **FINANCING ACTIVITIES** | | | |
| Net change in short-term debt with maturities of 90 days or less | **(134)** | (1,153) | 630 |
| Proceeds from short-term debt with maturities greater than 90 days | **863** | 934 | 1,574 |
| Repayments of short-term debt with maturities greater than 90 days | **(667)** | (737) | (1,385) |
| Proceeds from long-term debt | **13,014** | 8,118 | 5,295 |
| Repayments of long-term debt | **(13,667)** | (8,480) | (4,746) |
| Proceeds from sale of common shares | **74** | 43 | 23 |
| Repurchases of common shares | **(300)** | | |
| Dividends paid to preference shareholders | **(34)** | (34) | (34) |
| Dividends paid to common shareholders | **(187)** | (167) | (151) |
| Dividends paid to noncontrolling interests | **(9)** | (3) | (7) |
| | | | |
| Capital contributions (return of capital) from noncontrolling interests, net | **6** | (82) | 14 |
| Other, net | **(17)** | (4) | (7) |

| | | | |
|---|---|---|---|
| Cash provided by (used for) financing activities | **(1,058)** | (1,565) | 1,206 |
| Effect of exchange rate changes on cash and cash equivalents | **(36)** | (60) | (46) |
| Net increase (decrease) in cash and cash equivalents | **(380)** | 171 | (264) |
| Change in cash related to assets held for sale | | 2 | (2) |
| Cash and cash equivalents, beginning of period | **742** | 569 | 835 |
| Cash and cash equivalents, end of period | **$ 362** | **$ 742** | **$ 569** |

The accompanying notes are an integral part of these consolidated financial statements.

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**BUNGE LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS**

**(U.S. dollars in millions, except share data)**

| | Redeemable Non-Controlling Interests | Convertible Preference Shares | | Common Shares | | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Treasury Shares | Non-Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Shares | Amount | Shares | Amount | | | | | | |
| Balance, January 1, 2012 | $ | 6,900,000 | $ 690 | 145,610,029 | $ 1 | $ 4,829 | $ 6,917 | $ (610) | $ (120) | $ 368 | $ 12,075 |
| Net income (loss) | (10) | | | | | | 64 | | | (28) | 36 |
| Accretion of noncontrolling interest | 2 | | | | | 2 | | | | | 2 |
| Other comprehensive income (loss) | | | | | | | | (800) | | 8 | (792) |
| Dividends on common shares | | | | | | | (155) | | | | (155) |
| Dividends on preference shares | | | | | | | (34) | | | | (34) |
| Dividends to noncontrolling interests on subsidiary common stock | | | | | | | | | | (8) | (8) |
| Capital contributions from noncontrolling interests | 1 | | | | | | | | | 13 | 13 |
| Acquisition of Noncontrolling interest | 45 | | | | | | | | | 40 | 40 |
| Reversal of uncertain tax positions | | | | | | 12 | | | | | 12 |
| Stock-based compensation expense | | | | | | 44 | | | | | 44 |
| Issuance of common shares | | | | 738,470 | | 22 | | | | | 22 |
| Balance, December 31, 2012 | $ 38 | 6,900,000 | $ 690 | 146,348,499 | $ 1 | $ 4,909 | $ 6,792 | $ (1,410) | $ (120) | $ 393 | $ 11,255 |
| Net income (loss) | (34) | | | | | | 306 | | | (99) | 207 |
| Accretion of noncontrolling interest | 42 | | | | | (42) | | | | | (42) |
| Other comprehensive income (loss) | | | | | | | | (1,162) | | 5 | (1,157) |
| Dividends on common shares | | | | | | | (173) | | | | (173) |
| Dividends on preference shares | | | | | | | (34) | | | | (34) |
| Dividends to noncontrolling interests on subsidiary common stock | | | | | | | | | | (3) | (3) |
| Return of capital to noncontrolling interest | (9) | | | | | (8) | | | | (65) | (73) |
| Reversal of uncertain tax positions | | | | | | 13 | | | | | 13 |
| Stock-based compensation expense | | | | | | 53 | | | | | 53 |
| Issuance of common shares | | | | 1,448,285 | | 42 | | | | | 42 |
| Balance, December 31, 2013 | $ 37 | 6,900,000 | $ 690 | 147,796,784 | $ 1 | $ 4,967 | $ 6,891 | $ (2,572) | $ (120) | $ 231 | $ 10,088 |
| Net income (loss) | (9) | | | | | | 515 | | | 2 | 517 |
| Accretion of noncontrolling interests | 14 | | | | | (14) | | | | | (14) |
| Other comprehensive income (loss) | (5) | | | | | | | (1,486) | | (8) | (1,494) |
| Dividends on common shares | | | | | | | (192) | | | | (192) |
| Dividends on preference shares | | | | | | | (34) | | | | (34) |
| Dividends to noncontrolling interests on subsidiary common stock | | | | | | | | | | (10) | (10) |
| Acquisition of Noncontrolling interest | | | | | | (23) | | | | 29 | 6 |
| Stock-based compensation expense | | | | | | 49 | | | | | 49 |
| Repurchase of common shares | | | | (3,780,987) | | | | | (300) | | (300) |
| Issuance of common shares | | | | 1,687,401 | | 74 | | | | | 74 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2014** | **$ 37** | **6,900,000** | **$ 690** | **145,703,198** | **$ 1** | **$ 5,053** | **$ 7,180** | **$ (4,058)** | **$ (420)** | **$ 244** | **$ 8,690** |

The accompanying notes are an integral part of these consolidated financial statements.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES**

*Description of Business* Bunge Limited, a Bermuda holding company, together with its consolidated subsidiaries and variable interest entities ("VIEs") in which it is considered the primary beneficiary, through which its businesses are conducted (collectively "Bunge"), is an integrated, global agribusiness and food company. Bunge's common shares trade on the New York Stock Exchange under the ticker symbol "BG." Bunge operates in four principal business areas, which include five reportable segments: agribusiness, edible oil products, milling products, sugar and bioenergy and fertilizer.

*Agribusiness* Bunge's agribusiness segment is an integrated business involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products. Bunge's agribusiness operations and assets are located in North America, South America, Europe and Asia-Pacific with merchandising and distribution offices throughout the world.

Bunge's agribusiness segment also participates in related financial activities, such as offering trade structured finance, which leverages its international trade flows, providing risk management services to customers by assisting them with managing price exposure to agricultural commodities, proprietary trading of foreign exchange and other financial instruments and developing private investment vehicles to invest in businesses complementary to Bunge's commodities operations.

*Edible Oil products* Bunge's edible oil products segment produces and sells edible oil products, such as packaged and bulk oils, shortenings, margarine, mayonnaise and other products derived from the vegetable oil refining process. Bunge's edible oil products operations are located in North America, South America, Europe and Asia-Pacific.

*Milling products* Bunge's milling products segment includes wheat, corn and rice milling businesses, which purchase wheat, corn and rice directly from growers and dealers and process them into milled products for food processors, bakeries, brewers, snack food producers and other customers. Bunge's wheat milling activities are primarily in Mexico and Brazil. Corn and rice milling activities are in the United States.

*Sugar and Bioenergy* Bunge's sugar and bioenergy segment includes its global sugar merchandising and distribution activities, sugar and ethanol production in Brazil, and ethanol production investments. This segment is an integrated business involved in the growing and harvesting of sugarcane from land owned or managed through agricultural partnership agreements and additional sourcing of sugarcane from third parties to be processed at its eight mills in Brazil to produce sugar, ethanol and electricity. The sugar and bioenergy segment is also a merchandiser and distributor of sugar and ethanol within Brazil and a global merchandiser and distributor of sugar through its global trading offices. In addition, the segment includes investments in corn-based ethanol producers in the United States and Argentina.

*Fertilizer* Bunge's fertilizer segment operates primarily as a producer and blender of NPK (nitrogen, phosphate and potassium) fertilizer formulas, including phosphate based liquid and solid nitrogen fertilizers through its operations in Argentina to farmers and distributors in Argentina, Uruguay, Paraguay and Bolivia. This segment also includes the operations of fertilizer ports in Brazil and Argentina.

Historically, Bunge was involved in every stage of the fertilizer business in Brazil, from mining of phosphate-based raw materials to the sale of blended fertilizer products. In May 2010, Bunge sold its fertilizer nutrients assets in Brazil, including its phosphate mining assets and its investment in

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fosfertil S.A., a phosphate and nitrogen producer. Bunge sold its Brazilian fertilizer distribution business, including blending facilities, brands and warehouses to Yara International ASA ("Yara") in 2013, for $750 million in cash. As a result of the transaction, Bunge no longer has significant ongoing cash flows related to the Brazilian fertilizer business or any significant ongoing participation in the operations of this business (see Note 3).

***Basis of Presentation*** The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Discontinued Operations*** In determining whether a group of assets disposed (or to be disposed) of should be presented as discontinued operations, Bunge makes a determination of whether the group of assets being disposed of comprises a component of the entity; that is, whether it has historical operations and cash flows that can be clearly distinguished (both operationally and for financial reporting purposes). Bunge also determines whether the cash flows associated with the group of assets have been or will be significantly eliminated from the ongoing operations of Bunge as a result of the disposal transaction and whether Bunge has no significant continuing involvement in the operations of the group of assets after the disposal transaction. If these determinations are made affirmatively, the results of operations of the group of assets being disposed of (as well as any gain or loss on the disposal transaction) are aggregated for separate presentation apart from the continuing operations of the Company for all periods presented in the consolidated financial statements (see Note 3).

***Principles of Consolidation*** The accompanying consolidated financial statements include the accounts of Bunge, its subsidiaries and VIEs in which Bunge is considered to be the primary beneficiary, and as a result, include the assets, liabilities, revenues and expenses of all entities over which Bunge exercises control. Equity investments in which Bunge has the ability to exercise significant influence but does not control are accounted for by the equity method of accounting. Investments in which Bunge does not exercise significant influence are accounted for by the cost method of accounting. Intercompany accounts and transactions are eliminated. Bunge consolidates VIEs in which it is considered the primary beneficiary and reconsiders such conclusion at each reporting period. An enterprise is determined to be the primary beneficiary if it has a controlling financial interest under GAAP, defined as (a) the power to direct the activities of a VIE that most significantly impact the VIE's business and (b) the obligation to absorb losses of or the right to receive benefits from the VIE that could potentially be significant to the VIE's operations. Performance of that analysis requires the exercise of judgment. Where Bunge has an interest in an entity that has qualified for the deferral of the consolidation rules, it follows consolidation rules prior to January 1, 2010. These rules require an analysis to (a) determine whether an entity in which Bunge has a variable interest is a VIE and (b) whether Bunge's involvement, through the holding of equity interests directly or indirectly in the entity or contractually through other variable interests, would be expected to absorb a majority of the variability of the entity. This latter evaluation resulted in the consolidation of certain private equity and other investment funds (the consolidated funds) related to an asset management business acquisition completed in 2012.

The consolidated funds are, for U.S. GAAP purposes, investment companies and therefore are not required to consolidate their majority owned and controlled investments. Rather, Bunge reflects these investments at fair value. In addition, certain of these consolidated funds have limited partner investors

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

with investments in the form of equity, which are accounted for as noncontrolling interests and investments in the form of debt for which Bunge has elected the fair value option.

Noncontrolling interests in subsidiaries related to Bunge's ownership interests of less than 100% are reported as noncontrolling interests in the consolidated balance sheets. The noncontrolling ownership interests in Bunge's earnings, net of tax, is reported as net (income) loss attributable to noncontrolling interests in the consolidated statements of income.

***Reclassifications*** Certain prior year amounts have been reclassified to conform to current year presentation.

***Use of Estimates*** The preparation of consolidated financial statements requires the application of accounting policies that often involve substantial judgment or estimation in their application. These judgments and estimations may significantly affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect reported amounts of revenues and expenses. The policies Bunge considers to be most dependent on the application of estimates and assumptions include allowances for doubtful accounts, valuation allowances for recoverable taxes and deferred tax assets, impairment of long-lived assets and unconsolidated affiliates, restructuring charges, useful lives of property, plant and equipment and intangible assets, contingent liabilities, liabilities for unrecognized tax benefits and pension plan obligations. In addition, significant management estimates and assumptions are required in allocating the purchase price paid in business acquisitions to the assets and liabilities acquired (see Note 2) and the determination of fair values of Level 3 assets and liabilities (see Note 15).

***Translation of Foreign Currency Financial Statements*** Bunge's reporting currency is the U.S. dollar. The functional currency of the majority of Bunge's foreign subsidiaries is their local currency and, as such, amounts included in the consolidated statements of income, comprehensive income (loss), cash flows and changes in equity are translated using average exchange rates during each period. Assets and liabilities are translated at period-end exchange rates and resulting foreign exchange translation adjustments are recorded in the consolidated balance sheets as a component of accumulated other comprehensive income (loss).

***Foreign Currency Transactions*** Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into their respective functional currencies at exchange rates in effect at the balance sheet date. The resulting exchange gain or loss is included in Bunge's consolidated statements of income as foreign exchange gain (loss) unless the remeasurement gain or loss relates to an intercompany transaction that is of a long-term investment nature and for which settlement is not planned or anticipated in the foreseeable future. Gains or losses arising from translation of such transactions are reported as a component of accumulated other comprehensive income (loss) in Bunge's consolidated balance sheets.

***Cash and Cash Equivalents*** Cash and cash equivalents include time deposits and readily marketable securities with original maturity dates of three months or less at the time of acquisition.

***Trade Accounts Receivable and Secured Advances to Suppliers*** Trade accounts receivable and secured advances to suppliers are stated at their historical carrying amounts net of write-offs and allowances for uncollectible accounts. Bunge establishes an allowance for uncollectible trade accounts receivable and

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

secured advances to farmers based on historical experience, farming economics and other market conditions as well as specific customer collection issues. Uncollectible accounts are written off when a settlement is reached for an amount below the outstanding historical balance or when Bunge has determined that collection is unlikely.

Secured advances to suppliers bear interest at contractual rates which reflect current market interest rates at the time of the transaction. There are no deferred fees or costs associated with these receivables. As a result, there are no imputed interest amounts to be amortized under the interest method. Interest income is calculated based on the terms of the individual agreements and is recognized on an accrual basis.

Bunge follows accounting guidance on the disclosure of the credit quality of financing receivables and the allowance for credit losses which requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes.

Under this guidance, a class of receivables is considered impaired, based on current information and events, if Bunge determines it probable that all amounts due under the original terms of the receivable will not be collected. Recognition of interest income is suspended once the farmer defaults on the originally scheduled delivery of agricultural commodities as the collection of future income is determined not to be probable. No additional interest income is accrued from the point of default until ultimate recovery, at which time amounts collected are credited first against the receivable and then to any unrecognized interest income.

***Inventories*** Readily marketable inventories are agricultural commodity inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms. All of Bunge's readily marketable inventories are valued at fair value. These agricultural commodity inventories have quoted market prices in active markets, may be sold without significant further processing and have predictable and insignificant disposal costs. Changes in the fair values of merchandisable agricultural commodities inventories are recognized in earnings as a component of cost of goods sold.

Inventories other than readily marketable inventories are stated at the lower of cost or market by inventory product class. Cost is determined using primarily the weighted-average cost method.

***Derivative Instruments and Hedging Activities*** Bunge enters into derivative instruments to manage its exposure to movements associated with agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs. Bunge's use of these instruments is generally intended to mitigate the exposure to market variables (see Note 15).

Generally, derivative instruments are recorded at fair value in other current assets or other current liabilities in Bunge's consolidated balance sheets. Bunge assesses, both at the inception of a hedge and on an ongoing basis, whether any derivatives designated as hedges are highly effective in offsetting changes in the hedged items. The effective and ineffective portions of changes in fair values of derivative instruments designated as fair value hedges, along with the gains or losses on the related hedged items are recorded in earnings in the consolidated statements of income in the same caption as the hedged items. The effective portion of changes in fair values of derivative instruments that are designated as cash flow hedges are recorded in accumulated other comprehensive income (loss) and are

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

reclassified to earnings when the hedged cash flows are realized or when the hedge is no longer considered to be effective. In addition, Bunge may designate certain derivative instruments as net investment hedges to hedge the exposure associated with its equity investments in foreign operations. The effective portions of changes in the fair values of net investment hedges, which are evaluated based on forward rates, are recorded in the foreign exchange translation adjustment component of accumulated other comprehensive income (loss) in the consolidated balance sheets and the ineffective portions of such derivative instruments are recorded in foreign exchange gains (losses) in the consolidated statements of income.

***Recoverable Taxes*** Recoverable taxes include value-added taxes paid upon the acquisition of raw materials and taxable services and other transactional taxes which can be recovered in cash or as compensation against income taxes or other taxes owed by Bunge, primarily in Brazil. These recoverable tax payments are included in other current assets or other non-current assets based on their expected realization. In cases where Bunge determines that recovery is doubtful, recoverable taxes are reduced by allowances for the estimated unrecoverable amounts.

***Property, Plant and Equipment, Net*** Property, plant and equipment, net is stated at cost less accumulated depreciation and depletion. Major improvements that extend the life, capacity or efficiency or improve the safety of an asset are capitalized, while maintenance and repairs are expensed as incurred. Costs related to legal obligations associated with the future retirement of capitalized assets are capitalized as part of the cost of the related asset. Bunge generally capitalizes eligible costs to acquire or develop internal-use software that are incurred during the application development stage. Interest costs on borrowings during construction/completion periods of major capital projects are also capitalized.

Included in property, plant and equipment are biological assets, primarily sugarcane, that are stated at cost less accumulated depletion. Depletion is calculated using the estimated units of production based on the remaining useful life of the growing sugarcane. Depreciation is computed based on the straight line method over the estimated useful lives of the assets.

Useful lives for property, plant and equipment are as follows:

| | Years |
|---|---|
| Biological assets | 5 - 6 |
| Buildings | 10 - 50 |
| Machinery and equipment | 7 - 25 |
| Furniture, fixtures and other | 3 - 20 |
| Computer software | 3 - 10 |

***Goodwill*** Goodwill represents the cost in excess of the fair value of net assets acquired in a business acquisition. Goodwill is not amortized but is tested annually for impairment or between annual tests if events or circumstances indicate potential impairment. Bunge's annual impairment testing is generally performed during the fourth quarter of its fiscal year.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Goodwill is tested for impairment at the reporting unit level. For the majority of Bunge's recorded goodwill, the reporting unit is equivalent to Bunge's reportable segments (see Note 8).

***Impairment of Property, Plant and Equipment and Finite-Lived Intangible Assets*** Finite-lived intangible assets include primarily trademarks, customer lists and port facility usage rights and are amortized on a straight-line basis over their contractual or legal lives (see Note 9) or their estimated useful lives where such lives are not determined by law or contract.

Bunge reviews its property, plant and equipment and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Bunge bases its evaluation of recoverability on such indicators as the nature, future economic benefits and geographic locations of the assets, historical or future profitability measures and other external market conditions. If these indicators result in the expected non-recoverability of the carrying amount of an asset or asset group, Bunge evaluates potential impairment using undiscounted estimated future cash flows. If such undiscounted future cash flows during the asset's remaining useful life are below its carrying value, a loss is recognized for the shortfall, measured by the present value of the estimated future cash flows or by third-party appraisals. Bunge records impairments related to property, plant and equipment and finite-lived intangible assets used in the processing of its products in cost of goods sold in its consolidated statements of income. Any impairment of marketing or brand assets is recognized in selling, general and administrative expenses in the consolidated statements of income (see Note 10).

Property, plant and equipment and other finite-lived intangible assets to be sold or otherwise disposed of are reported at the lower of carrying amount or fair value less cost to sell.

***Impairment of Investments in Affiliates*** Bunge reviews its investments annually or when an event or circumstances indicate that a potential decline in value may be other than temporary. Bunge considers various factors in determining whether to recognize an impairment charge, including the length of time that the fair value of the investment is expected to be below its carrying value, the financial condition, operating performance and near-term prospects of the affiliate and Bunge's intent and ability to hold the investment for a period of time sufficient to allow for recovery of the fair value. Impairment charges for investments in affiliates are included within other income (expense)-net (see Note 10).

***Stock-Based Compensation*** Bunge maintains equity incentive plans for its employees and non-employee directors (see Note 25). Bunge accounts for stock-based compensation using the modified prospective transition method. Under the modified prospective transition method, compensation cost is recognized based on the grant date fair value.

***Income Taxes*** Income tax expenses and benefits are recognized based on the tax laws and regulations in the jurisdictions in which Bunge's subsidiaries operate. Under Bermuda law, Bunge is not required to pay taxes in Bermuda on either income or capital gains. The provision for income taxes includes income taxes currently payable and deferred income taxes arising as a result of temporary differences between the carrying amounts of existing assets and liabilities in Bunge's financial statements and their respective tax bases. Deferred tax assets are reduced by valuation allowances if it is determined that it is more likely than not that the deferred tax asset will not be realized. Accrued interest and penalties related to unrecognized tax benefits are recognized in income tax (expense) benefit in the consolidated statements of income (see Note 14).

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The calculation of tax liabilities involves management's judgments concerning uncertainties in the application of complex tax regulations in the many jurisdictions in which Bunge operates and involves consideration of liabilities for potential tax audit issues in those many jurisdictions based on estimates of whether it is more likely than not those additional taxes will be due. Investment tax credits are recorded in income tax expense in the period in which such credits are granted.

***Revenue Recognition*** Sales of agricultural commodities, fertilizers and other products are recognized when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, title to the product and risk of loss transfer to the customer, which is dependent on the agreed upon sales terms with the customer and when collection of the sale price is reasonably assured. Sales terms provide for passage of title either at the time and point of shipment or at the time and point of delivery of the product being sold. Net sales consist of gross sales less discounts related to promotional programs and sales taxes. Interest income on secured advances to suppliers is included in net sales due to its operational nature (see Note 6). Shipping and handling charges billed to customers are included in net sales and related costs are included in cost of goods sold.

***Research and Development*** Research and development costs are expensed as incurred. Research and development expenses were $20 million, $19 million and $19 million for the years ended December 31, 2014, 2013 and 2012, respectively.

***New Accounting Pronouncements*** In May 2014, the FASB amended ASC (Topic 605) Revenue Recognition and created ASC (Topic 606) Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective for interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted. Bunge is evaluating the expected impact of this standard on its consolidated financial statements.

In February 2015, the FASB issued ASU (Topic 810) *Consolidation Amendments to the Consolidation Analysis.* The standard makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the VIE guidance. The standard is effective for interim and annual reporting periods beginning after December 15, 2015. Early adoption is allowed. Bunge is evaluating the expected impact of this standard on the consolidation of certain private equity and other investment funds related to its asset management business.

**2. BUSINESS ACQUISITIONS**

In November 2014, Bunge and Asociación de Cooperativas Argentinas formed a new legal entity, Terminal de Fertilizantes Argentinos SA, which acquired the assets of the Mosaic Quebracho complex located in Puerto General San Martin, Argentina for $24 million in cash. Bunge has a 75% controlling interest and will consolidate this legal entity. The purchase price allocation resulted in $24 million of assets, primarily property, plant and equipment, including a single super phosphate production plant and a port strategically located in the up-river Parana region in Argentina.

In February 2014, Bunge acquired the assets of Corn Flour Producers, LLC ("CFP") for $12 million in cash. The purchase price allocation resulted in $12 million, primarily property, plant and

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. BUSINESS ACQUISITIONS (Continued)**

equipment, with the remainder in working capital. CFP produces corn flour products and is located in Indiana in the United States.

In December 2013, Bunge acquired a wheat milling business in Mexico consisting of six wheat milling facilities for $312 million, for a purchase price of $216 million in cash, net of $7 million of cash acquired, and non-cash settlement of an existing loan from Bunge to the business of $96 million. The customers in this business are primarily in the Mexican food processing sector. The acquisition supports Bunge's strategy of growing its global presence in high growth, value-added food & ingredients businesses supplying food processing customers.

The final purchase price of $312 million primarily included the allocation of $282 million to tangible assets. Goodwill of $61 million was assigned to the Mexico milling products operation which is non-deductible for income tax purposes and represents the excess of cost over the fair value of the net tangible and intangible assets acquired.

In November 2013, Bunge acquired wheat milling assets in Brazil in its milling products segment for $35 million in cash. The final allocation of the purchase price based on the fair values of assets and liabilities acquired included $12 million allocated to property, plant and equipment, $8 million to other assets and $10 million to inventories, net of liabilities assumed of $2 million. The transaction also resulted in $7 million of goodwill allocated to the milling products operations in Brazil.

In January 2013, Bunge acquired two biodiesel facilities in its agribusiness segment adjacent to existing Bunge facilities from its European biodiesel joint venture for $11 million in cash, net of cash acquired. The purchase price allocation resulted in $4 million of inventory, $17 million of other current assets, $10 million of property, plant and equipment, $19 million of other current liabilities and $1 million of long-term deferred taxes. There were no changes to the joint venture ownership or governance structure as a result of this transaction.

**3. DISCONTINUED OPERATIONS AND BUSINESS DIVESTITURES**

On December 17, 2013, OCP Group ("OCP") and Bunge completed a transaction for OCP to acquire Bunge's 50% ownership interest in its Moroccan fertilizer joint venture for $37 million in cash. The joint venture, Bunge Maroc Phosphore S.A. was formed in 2008 to produce fertilizers in Morocco and to serve as an additional source of phosphate-based raw materials and intermediate products for Bunge's fertilizer businesses in South America.

On August 8, 2013, Bunge sold its Brazilian fertilizer distribution business, including blending facilities, brands and warehouses to Yara for $750 million in cash. As a result of the transaction, Bunge no longer has significant ongoing cash flows related to the Brazilian fertilizer business or any significant ongoing participation in the operations of this business. Bunge received cash proceeds of the Brazilian *real* equivalent of $750 million in cash upon closing the transaction, resulting in a gain of $148 million ($112 million net of tax) which is included in discontinued operations in the consolidated statement of income for the year ended December 31, 2013. Included in the gain are approximately $7 million of transaction costs incurred in connection with the divestiture and $41 million release of the cumulative translation adjustment associated with the disposed business.

Additionally, in December 2012 Bunge sold its U.S. fertilizer distribution venture to its partner GROWMARK, Inc. and ceased its North American fertilizer distribution operations. The operating results of the Brazilian and North American fertilizer distribution businesses are reported within

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. DISCONTINUED OPERATIONS AND BUSINESS DIVESTITURES (Continued)**

income from discontinued operations, net of tax, in the consolidated statements of income and have been excluded from segment results for all periods presented (see Note 27).

The following table summarizes the results from discontinued operations.

| (US$ in millions) | Year Ended December 31, 2013 | 2012 |
|---|---|---|
| Net sales | $ 1,217 | $ 2,503 |
| Cost of goods sold | (1,138) | (2,498) |
| Gross profit | 79 | 5 |
| Selling, general and administrative expenses | (64) | (143) |
| Interest income | 14 | 25 |
| Interest expense | (9) | (23) |
| Foreign exchange gain (loss) | (7) | 21 |
| Other income (expenses) net | (12) | (30) |
| Gain on sale of Brazilian fertilizer business | 148 | |
| Income (loss) from discontinued operations before income tax | 149 | (145) |
| Income tax (expense) benefit | (52) | (197) |
| Income (loss) from discontinued operations, net of tax | $ 97 | $ (342) |

**4. TRADE STRUCTURED FINANCE PROGRAM**

Bunge engages in various trade structured finance activities to leverage the value of its trade flows across its operating regions. These activities include a program under which a Bunge entity generally obtains U.S. dollar-denominated letters of credit ("LCs") (each based on an underlying commodity trade flow) from financial institutions, as well as foreign exchange forward contracts, and time deposits denominated in the local currency of the financial institution counterparties, all of which are subject to legally enforceable set-off agreements. The LCs and foreign exchange contracts are presented within the line item letter of credit obligations under trade structured finance program on the consolidated balance sheets as of December 31, 2014 and December 31, 2013. The net return from activities under this program, including fair value changes, is included as a reduction of cost of goods sold in the accompanying consolidated statements of income.

At December 31, 2014 and December 31, 2013, time deposits (with weighted-average interest rates of 7.95% and 8.36%, respectively) and LCs, including foreign exchange contracts, totaled $1,343 million and $4,470 million, respectively. In addition, at December 31, 2014 and December 31, 2013, the fair values of the time deposits (Level 2 measurements) totaled approximately $1,343 million and $4,470 million, respectively, and the fair values of the LCs, including foreign exchange contracts (Level 2 measurements), totaled approximately $1,353 million and $4,360 million, respectively. The fair values approximated the carrying amount of the related financial instruments due to their short-term nature. The fair values of the foreign exchange forward contracts (Level 2 measurements) were gains of $10 million and losses of $110 million at December 31, 2014 and December 31, 2013, respectively. Additionally, as of December 31, 2014, time deposits, LCs, and foreign exchange contracts of $1,496 million were presented net on the consolidated balance sheet as the criteria of ASC 210-20, *Offsetting,* had been met.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**4. TRADE STRUCTURED FINANCE PROGRAM (Continued)**

During the years ended December 31, 2014, 2013 and 2012, total proceeds from issuances of LCs were $4,178 million, $9,472 million and $5,210, respectively. These cash inflows are offset by the related cash outflows resulting from placement of the time deposits and repayment of the LCs. All cash flows related to the program are included in operating activities in the consolidated statements of cash flows.

**5. INVENTORIES**

Inventories by segment are presented below. Readily marketable inventories are agricultural commodity inventories, which are non-perishable with a high shelf life and exceptionally liquid due to their homogenous nature and widely available markets with international pricing mechanisms. Readily marketable inventories are carried at fair value. All other inventories are carried at lower of cost or market.

| (US$ in millions) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Agribusiness[1] | **$ 4,273** | $ 4,498 |
| Edible Oil Products[2] | **411** | 487 |
| Milling Products | **198** | 210 |
| Sugar and Bioenergy[3] | **602** | 549 |
| Fertilizer | **70** | 52 |
| **Total** | **$ 5,554** | $ 5,796 |

(1) Includes readily marketable inventories of $4,125 million and $4,325 million at December 31, 2014 and December 31, 2013, respectively. Of these amounts $2,937 million and $2,927 million can be attributable to merchandising activities at December 31, 2014 and December 31, 2013, respectively.

(2) Includes readily marketable inventories of bulk soybean and canola oil in the aggregate amount of $127 million and $138 million at December 31, 2014 and December 31, 2013, respectively.

(3) Includes readily marketable inventories of $157 million and $137 million at December 31, 2014 and December 31, 2013, respectively.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 6. OTHER CURRENT ASSETS

Other current assets consist of the following:

| (US$ in millions) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Prepaid commodity purchase contracts[1] | **$ 153** | $ 220 |
| Secured advances to suppliers, net[2] | **520** | 555 |
| Unrealized gains on derivative contracts, at fair value | **1,569** | 1,561 |
| Recoverable taxes, net | **349** | 442 |
| Margin deposits[3] | **323** | 305 |
| Marketable securities, at fair value | **108** | 162 |
| Deferred purchase price receivable, at fair value[4] | **78** | 96 |
| Prepaid expenses | **183** | 261 |
| Other | **522** | 835 |
| **Total** | **$ 3,805** | $ 4,437 |

(1) Prepaid commodity purchase contracts represent advance payments against fixed price contracts for future delivery of specified quantities of agricultural commodities.

(2) Bunge provides cash advances to suppliers, primarily Brazilian farmers of soybeans and sugarcane, to finance a portion of the suppliers' production costs. Bunge does not bear any of the costs or risks associated with the related growing crops. The advances are largely collateralized by future crops and physical assets of the suppliers, carry a local market interest rate and settle when the farmer's crop is harvested and sold. The secured advances to farmers are reported net of allowances of $2 million and $20 million at December 31, 2014 and December 31, 2013, respectively. Changes in the allowance for 2014 included primarily a reduction in the allowance resulting from recoveries of $7 million, and reclassifications to long-term of $8 million. Changes in the allowance for 2013 included an increase of $20 million for additional bad debt provisions and a reduction in the allowance for recoveries of $12 million.

Interest earned on secured advances to suppliers of $37 million, $32 million and $27 million, respectively, for the years ended December 31, 2014, 2013 and 2012, respectively, is included in net sales in the consolidated statements of income.

(3) Margin deposits include U.S. treasury securities at fair value and cash.

(4) Deferred purchase price receivable represents additional credit support for the investment conduits in Bunge's accounts receivables sales program (see Note 18).

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Land | **$ 374** | $ 395 |
| Biological assets | **569** | 501 |
| Buildings | **2,138** | 2,071 |
| Machinery and equipment | **5,129** | 5,135 |
| Furniture, fixtures and other | **415** | 423 |
| | **8,625** | 8,525 |
| Less: accumulated depreciation and depletion | **(3,758)** | (3,591) |
| Plus: construction in progress | **759** | 1,141 |
| Total | **$ 5,626** | $ 6,075 |

Bunge capitalized expenditures of $846 million, $1,001 million and $1,139 million during the years ended 2014, 2013 and 2012, respectively. Included in these capitalized expenditures was capitalized interest on construction in progress of $6 million, $4 million and $13 million for the years ended December 31, 2014, 2013 and 2012, respectively. Depreciation and depletion expense was $576 million, $524 million and $504 million for the years ended December 31, 2014, 2013 and 2012, respectively.

## 8. GOODWILL

Bunge performs its annual goodwill impairment testing in the fourth quarter of each year. Step 1 of the goodwill impairment test compares the fair value of Bunge's reporting units to which goodwill has been allocated to the carrying values of those reporting units. The fair value of the agribusiness segment reporting unit is determined using a combination of two methods: estimates based on market earnings multiples of peer companies identified for the reporting unit (the market approach) and a discounted cash flow model with estimates of future cash flows based on internal forecasts of revenues and expenses (the income approach). The market multiples are generally derived from public information related to comparable companies with operating and investment characteristics similar to those of the agribusiness reporting unit and from market transactions in the industry. The income approach estimates fair value by discounting a reporting unit's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of the respective business unit and includes, among other things, assumptions about variables such as commodity prices, crop and related throughput and production volumes, profitability, future capital expenditures and discount rates, all of which are subject to a high degree of judgment. For other reporting units, the estimated fair value of the reporting unit is determined utilizing a discounted cash flow analysis.

There were no significant impairment charges resulting from Bunge's annual impairment testing of any of its reporting units goodwill for the years ended December 31, 2014 and 2013.

For the year ended December 31, 2012, a very low level of market transactions in the sugar and bioenergy industry and consecutive years of weak sugarcane harvests that resulted from adverse weather conditions in 2012 and 2011 combined with low ethanol prices in Brazil, resulted in the estimated fair value of Bunge's sugar and bioenergy reporting unit being below book value. Step 2 of the analysis was

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**8. GOODWILL (Continued)**

performed to measure the potential impairment. This analysis resulted in a pre-tax impairment charge of $514 million ($339 million, net of tax).

Changes in the carrying value of goodwill by segment for the years ended December 31, 2014 and 2013 are as follows:

| (US$ in millions) | Agribusiness | Edible Oil Products | Milling Products | Sugar and Bioenergy | Fertilizer | Total |
|---|---|---|---|---|---|---|
| Goodwill, gross | $ 197 | $ 101 | $ 54 | $ 514 | $ 2 | $ 868 |
| Accumulated impairment losses | | | (3) | (514) | | (517) |
| **Balance, December 31, 2012, net** | **197** | **101** | **51** | | **2** | **351** |
| Goodwill acquired[1] | | | 68 | | | 68 |
| Tax benefit on goodwill amortization[2] | (5) | | | | | (5) |
| Foreign exchange translation | (18) | (2) | (2) | | | (22) |
| Goodwill, gross | 174 | 99 | 120 | 514 | 2 | 909 |
| Accumulated impairment losses | | | (3) | (514) | | (517) |
| **Balance, December 31, 2013, net** | **174** | **99** | **117** | | **2** | **392** |
| Goodwill acquired | | | 6 | | | 6 |
| Impairment | (2) | | | | | (2) |
| Tax benefit on goodwill amortization[2] | (5) | | | | | (5) |
| Foreign exchange translation | (14) | (13) | (15) | | | (42) |
| Goodwill, gross | 155 | 86 | 111 | 514 | 2 | 868 |
| Accumulated impairment losses | (2) | | (3) | (514) | | (519) |
| **Balance, December 31, 2014, net** | **$ 153** | **$ 86** | **$ 108** | **$** | **$ 2** | **$ 349** |

(1) See Note 2.

(2) Bunge's Brazilian subsidiary's tax deductible goodwill is in excess of its book goodwill. For financial reporting purposes for goodwill acquired prior to 2009, the tax benefits attributable to the excess tax goodwill are first used to reduce associated goodwill and then other intangible assets to zero, prior to recognizing any income tax benefit in the consolidated statements of income.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 9. OTHER INTANGIBLE ASSETS

Other intangible assets consist of the following:

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Trademarks/brands, finite-lived | **$ 192** | $ 210 |
| Licenses | **11** | 12 |
| Other | **249** | 286 |
| | **452** | 508 |
| Less accumulated amortization: | | |
| Trademarks/brands[(1)] | **(70)** | (63) |
| Licenses | **(5)** | (5) |
| Other | **(121)** | (114) |
| | **(196)** | (182) |
| Intangible assets, net of accumulated amortization | **$ 256** | $ 326 |

(1) Bunge's Brazilian subsidiary's tax deductible goodwill in the agribusiness segment is in excess of its book goodwill. For financial reporting purposes, for other intangible assets acquired prior to 2009, before recognizing any income tax benefit of tax deductible goodwill in excess of its book goodwill in the consolidated statements of income and after the related book goodwill has been reduced to zero, any such remaining tax deductible goodwill in excess of its book goodwill is used to reduce other intangible assets to zero.

In 2014, Bunge acquired $2 million of patents for developed technology. The amount was allocated to the agribusiness segment. Finite lives of these patents range from 10 to 17 years. In 2013, Bunge acquired $10 million of trademarks and $81 million of other intangible assets including $39 million of customer lists, $1 million of patents for developed technology and $41 million of favorable contractual arrangements. These amounts were allocated $40 million to the agribusiness segment and $51 million to the food and ingredients segment. Finite lives of these assets range from 5 to 20 years.

Aggregate amortization expense was $32 million, $44 million and $34 million for the years ended December 31, 2014, 2013 and 2012, respectively. The estimated future aggregate amortization expense is $32 million for 2015 and approximately $32 million annually for 2016 through 2019.

## 10. IMPAIRMENTS

*Impairment* For the year ended December 31, 2014, Bunge recorded pre-tax, non-cash impairment charges of $111 million and $19 million in cost of goods sold and in selling, general and administrative expenses, respectively, in its consolidated statement of income. Of these amounts, $114 million relates to a Brazil sugarcane mill and a portion of the associated biological assets as well as agricultural machinery in the sugar and bioenergy segment and $5 million relates to the impairment of an investment in a biodiesel company in Europe. The fair values of the assets were determined utilizing discounted future expected cash flows and, in the case of the agricultural machinery, bids from prospective buyers.

For the year ended December 31, 2013, Bunge recorded pre-tax, non-cash impairment charges of $21 million, $10 million and $3 million in cost of goods sold, selling, general and administrative expenses and other income (expense)-net, respectively, in its consolidated statement of income. Of

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**10. IMPAIRMENTS (Continued)**

these amounts, $24 million relates to several agricultural, industrial assets and other fixed assets, primarily machinery held for sale in Brazil in the sugar and bioenergy segment. The fair values of the assets were determined utilizing future expected cash flows and bids from prospective buyers.

For the year ended December 31, 2012, Bunge recorded pre-tax, non-cash impairment charges of $30 million and $19 million in selling, general and administrative expenses and other income (expense)-net, respectively, in its consolidated statement of income. These charges relate to affiliate loans and equity method investments in Europe and North America. Approximately $39 million and $10 million of the charges were included in the sugar and bioenergy and agribusiness segments, respectively. The fair values of these investments were determined utilizing discounted future expected cash flows.

*Nonrecurring fair value measurements* The following table summarizes assets measured at fair value on a nonrecurring basis subsequent to initial recognition at December 31, 2014, 2013 and 2012, respectively. For additional information on Level 1, 2 and 3 inputs see Note 15.

| (US$ in millions) | Carrying Value Year Ended December 31, 2014 | Fair Value Measurements Using Level 1 | Level 2 | Level 3 | Impairment Losses Year ended December 31, 2014 |
|---|---|---|---|---|---|
| Non-current assets held for sale | $ 33 | $ | $ | $ 33 | $ (13) |
| Investment in affiliates | $ 17 | $ | $ | $ 17 | $ (5) |
| Property, plant and equipment | $ 165 | $ | $ | $ 165 | $ (110) |

| (US$ in millions) | Carrying Value Year Ended December 31, 2013 | Fair Value Measurements Using Level 1 | Level 2 | Level 3 | Impairment Losses Year ended December 31, 2013 |
|---|---|---|---|---|---|
| Non-current assets held for sale | $ 1 | $ | $ | $ 1 | $ (2) |
| Affiliate loans | $ 4 | $ | $ | $ 4 | $ (3) |
| Investment in affiliates | $ | $ | $ | $ | $ (2) |

| | | | | | |
|---|---|---|---|---|---|
| Property, plant and equipment | $ 4 | $ | $ | $ 4 | $ (22) |

| (US$ in millions) | Carrying Value Year Ended December 31, 2012 | Fair Value Measurements Using Level 1 | Level 2 | Level 3 | Impairment Losses Year ended December 31, 2012 |
|---|---|---|---|---|---|
| Affiliate loans | $ 15 | $ | $ | $ 15 | $ (30) |
| Investment in affiliates | $ 31 | $ | $ | $ 31 | $ (19) |
| Goodwill (See Note 8) | $ | $ | $ | $ | $ (514) |

**11. INVESTMENTS IN AFFILIATES**

Bunge participates in various unconsolidated joint ventures and other investments accounted for using the equity method. Certain equity method investments at December 31, 2014 are described

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**11. INVESTMENTS IN AFFILIATES (Continued)**

below. Note that in 2013, Bunge sold its 50% interest in Bunge Maroc Phosphore S.A., a joint venture to produce fertilizers in Morocco, to its partner in the venture, for $37 million, recognizing a pre-tax gain of $1 million, and also sold its 50% interest in Bunge Ergon Vicksburg, LLC, a corn based ethanol producer, to its partner for $10 million in cash, recognizing a $2 million pre-tax gain. Bunge allocates equity in earnings of affiliates to its reporting segments.

***Agribusiness***

*PT Bumiraya Investindo* Bunge has a 35% ownership interest in PT Bumiraya Investindo, an Indonesian palm plantation company.

*Bunge-SCF Grain, LLC* Bunge has a 50% interest in Bunge-SCF Grain, LLC, a joint venture with SCF Agri/Fuels LLC that operates grain facilities along the Mississippi River.

*Caiasa Paraguay Complejo Agroindustrial Angostura S.A* Bunge has a 33.33% ownership interest in an oilseed processing facility joint venture with Louis Dreyfus Commodities and Aceitera General Deheza S.A. ("AGD"), in Paraguay.

*Diester Industries International S.A.S. ("DII")* Bunge is a party to a joint venture with Société Diester Industrie S.A.S., a subsidiary of Sofiproteol, specializing in the production and marketing of biodiesel in Europe. Bunge has a 40% interest in DII.

*Terminal 6 S.A. and Terminal 6 Industrial S.A* Bunge has a joint venture in Argentina with AGD for the operation of the Terminal 6 port facility located in the Santa Fe province of Argentina. Bunge is also a party to a second joint venture with AGD that operates a crushing facility located adjacent to the Terminal 6 port facility. Bunge owns 40% and 50%, respectively, of these joint ventures.

*Augustea Bunge Maritime Ltd.* Bunge has a joint venture in Malta with Augustea Atlantica S.p.A. which was formed to acquire, own, operate, charter and sell dry-bulk ships. Bunge has a 49.15% interest in this joint venture.

***Sugar and Bioenergy***

*Solazyme Bunge Produtos Renovaveis Ltda. ("SB Oils")* In April 2012, Bunge entered into a joint venture with Solazyme Inc. for the production of renewable oils in Brazil, using sugar supplied by one of Bunge's mills. Bunge has a 49.9% interest in this entity.

*ProMaiz* Bunge has a joint venture in Argentina with AGD for the construction and operation of a corn wet milling facility. Bunge is a 50% owner in this joint venture.

*Southwest Iowa Renewable Energy, LLC ("SIRE")* Bunge is a 25% owner of SIRE. The other owners are primarily agricultural producers located in Southwest Iowa. SIRE operates an ethanol plant near Bunge's oilseed processing facility in Council Bluffs, Iowa.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 12. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

| (US$ in millions) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Recoverable taxes, net[(1)] | **$ 337** | $ 283 |
| Judicial deposits[(1)] | **159** | 153 |
| Other long-term receivables | **40** | 40 |
| Income taxes receivable[(1)] | **188** | 304 |
| Long-term investments | **263** | 296 |
| Affiliate loans receivable, net | **18** | 25 |
| Long-term receivables from farmers in Brazil, net[(1)] | **102** | 134 |
| Other | **154** | 176 |
| **Total** | **$ 1,261** | $ 1,411 |

(1) These non-current assets arise primarily from Bunge's Brazilian operations and their realization could take in excess of five years.

*Recoverable taxes, net* Recoverable taxes are reported net of valuation allowances of $31 million and $57 million at December 31, 2014 and 2013, respectively.

*Judicial deposits* Judicial deposits are funds that Bunge has placed on deposit with the courts in Brazil. These funds are held in judicial escrow relating to certain legal proceedings pending legal resolution and bear interest at the SELIC rate, which is the benchmark rate of the Brazilian central bank.

*Income taxes receivable* Income taxes receivable includes overpayments of current income taxes plus accrued interest. These income tax prepayments are expected to be utilized for settlement of future income tax obligations. Income taxes receivable in Brazil bear interest at the SELIC rate.

*Long-term investments* Long-term investments represent primarily investments held by certain managed investment funds, which are included in Bunge's consolidated financial statements. The consolidated funds are, for U.S. GAAP purposes, investment companies and therefore are not required to consolidate their majority owned and controlled investments. Bunge reflects these investments at fair value. The fair value of these investments (a Level 3 measurement) is $208 million and $238 million at December 31, 2014 and December 31, 2013, respectively.

*Affiliate loans receivable, net* Affiliate loans receivable, net is primarily interest bearing receivables from unconsolidated affiliates with an initial maturity of greater than one year.

*Long-term receivables from farmers in Brazil, net* Bunge provides financing to farmers in Brazil, primarily through secured advances against farmer commitments to deliver agricultural commodities (primarily soybeans) upon harvest of the then-current year's crop and through credit sales of fertilizer to farmers.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**12. OTHER NON-CURRENT ASSETS (Continued)**

The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil for amounts in the legal collection process and renegotiated amounts.

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Legal collection process[1] | **$ 179** | $ 213 |
| Renegotiated amounts[2] | **76** | 117 |
| Total | **$ 255** | $ 330 |

(1) All amounts in legal process are considered past due upon initiation of legal action.

(2) All renegotiated amounts are current on repayment terms.

The average recorded investment in long-term receivables from farmers in Brazil for the years ended December 31, 2014 and 2013 was $289 million and $363 million, respectively. The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts.

| | December 31, 2014 | | December 31, 2013 | |
|---|---|---|---|---|
| **(US$ in millions)** | **Recorded Investment** | **Allowance** | **Recorded Investment** | **Allowance** |
| **For which an allowance has been provided:** | | | | |
| Legal collection process | **$ 164** | **$ 103** | $ 139 | $ 132 |
| Renegotiated amounts | **65** | **50** | 84 | 64 |
| **For which no allowance has been provided:** | | | | |
| Legal collection process | **15** | | 74 | |
| Renegotiated amounts | **11** | | 33 | |
| **Total** | **$ 255** | **$ 153** | $ 330 | $ 196 |

The table below summarizes the activity in the allowance for doubtful accounts related to long-term receivables from farmers in Brazil.

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Beginning balance | **$ 196** | $ 224 |
| Bad debt provisions | **11** | 23 |
| Recoveries | **(23)** | (24) |
| Write-offs | **(22)** | (3) |
| Transfers[1] | **10** | 5 |
| Foreign exchange translation | **(19)** | (29) |

| | | | | |
|---|---|---|---|---|
| Ending balance | **$** | **153** | $ | 196 |

(1) Represents reclassifications from allowance for doubtful accounts-current for secured advances to suppliers.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 13. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

| (US$ in millions) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Accrued liabilities | **$ 769** | $ 792 |
| Unrealized losses on derivative contracts at fair value | **1,629** | 1,401 |
| Advances on sales | **392** | 330 |
| Other | **279** | 495 |
| **Total** | **$ 3,069** | $ 3,018 |

## 14. INCOME TAXES

Bunge operates globally and is subject to the tax laws and regulations of numerous tax jurisdictions and authorities, as well as tax agreements and treaties among these jurisdictions. Bunge's tax provision is impacted by, among other factors, changes in tax laws, regulations, agreements and treaties, currency exchange rates and Bunge's profitability in each taxing jurisdiction.

Bunge has elected to use the U.S. federal income tax rate to reconcile the actual provision for income taxes.

The components of income from operations before income tax are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| (US$ in millions) | 2014 | 2013 | 2012 |
| United States | **$ 315** | $ 179 | $ 215 |
| Non-United States | **419** | 835 | 157 |
| Total | **$ 734** | $ 1,014 | $ 372 |

The components of the income tax (expense) benefit are:

| | Year Ended December 31, | | |
|---|---|---|---|
| (US$ in millions) | 2014 | 2013 | 2012 |
| **Current:**[(1)] | | | |
| United States | **$ (93)** | $ (33) | $ (87) |
| Non-United States | **(246)** | (411) | (128) |
| | **(339)** | (444) | (215) |
| **Deferred:** | | | |
| United States | **(20)** | (18) | 22 |
| Non-United States | **110** | (442) | 199 |
| | **90** | (460) | 221 |

| | | | |
|---|---|---|---|
| **Total** | **$ (249)** | $ (904) | $ 6 |

(1) Included in current income tax expense are $(6) million, $32 million, and $7 million related to uncertain tax benefits for the years ended December 31, 2014, 2013 and 2012, respectively.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. INCOME TAXES (Continued)**

Reconciliation of the income tax (expense) benefit if computed at the U.S. Federal income tax rate to Bunge's reported income tax benefit (expense) is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| Income from operations before income tax | **$ 734** | $ 1,014 | $ 372 |
| Income tax rate | **35%** | 35% | 35% |
| Income tax expense at the U.S. Federal tax rate | **(257)** | (355) | (130) |
| Adjustments to derive effective tax rate: | | | |
| Foreign earnings taxed at different statutory rates | **37** | 30 | 47 |
| Valuation allowances | **(112)** | (642) | (1) |
| Goodwill amortization | | 1 | 29 |
| Fiscal incentives[1] | **41** | 48 | 51 |
| Foreign exchange on monetary items | **24** | (13) | (12) |
| Tax rate changes | **(4)** | (5) | 23 |
| Non-deductible expenses | **(38)** | (44) | (6) |
| Uncertain tax positions | **(2)** | (32) | 4 |
| Deferred balance adjustments | **(25)** | (52) | (56) |
| Foreign income taxed in Brazil | **93** | 136 | 46 |
| Other | **(6)** | 24 | 11 |
| Income tax benefit (expense) | **$ (249)** | $ (904) | $ 6 |

(1) Fiscal incentives predominantly relate to investment incentives in Brazil that are exempt from Brazilian income tax.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. INCOME TAXES (Continued)**

The primary components of the deferred tax assets and liabilities and the related valuation allowances are as follows:

| (US$ in millions) | December 31, 2014 | 2013 |
|---|---|---|
| **Deferred income tax assets:** | | |
| Net operating loss carryforwards | **$ 1,125** | $ 1,256 |
| Property, plant and equipment | **250** | 90 |
| Employee benefits | **100** | 68 |
| Tax credit carryforwards | **9** | 10 |
| Inventories | **34** | 49 |
| Intangibles | **153** | 263 |
| Accrued expenses and other | **629** | 697 |
| Total deferred income tax assets | **2,300** | 2,433 |
| Less valuation allowances | **(1,078)** | (1,090) |
| Deferred income tax assets, net of valuation allowance | **1,222** | 1,343 |
| **Deferred income tax liabilities:** | | |
| Property, plant and equipment | **409** | 277 |
| Undistributed earnings of affiliates not considered permanently reinvested | **10** | 22 |
| Intangibles | **112** | 115 |
| Investments | **40** | 97 |
| Inventories | **27** | 70 |
| Accrued expenses and other | **101** | 260 |
| Total deferred income tax liabilities | **699** | 841 |
| Net deferred income tax assets | **$ 523** | $ 502 |

Deferred income tax assets and liabilities are measured using the enacted tax rates expected to apply to the years in which those temporary differences are expected to be recovered or settled.

With respect to its unremitted earnings that are not considered to be indefinitely reinvested, Bunge has provided a deferred tax liability totaling $10 million and $22 million as of December 31, 2014 and 2013, respectively. As of December 31, 2014, Bunge has determined it has unremitted earnings that are considered to be indefinitely reinvested of approximately $978 million and, accordingly, no provision for income taxes has been made. If these earnings were distributed in the form of dividends or otherwise, Bunge would be subject to income taxes either in the form of withholding taxes or income taxes to the recipient; however, it is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings.

At December 31, 2014, Bunge's pre-tax loss carryforwards totaled $4,771 million, of which $2,690 million have no expiration, including loss carryforwards of $1,895 million in Brazil. While loss carryforwards in Brazil can be carried forward indefinitely, annual utilization is limited to 30% of taxable income calculated on an entity by entity basis as Brazil tax law does not provide for a consolidated return concept. As a result, realization of these carryforwards may take in excess of five

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. INCOME TAXES (Continued)**

years. The remaining tax loss carryforwards expire at various periods beginning in 2015 through the year 2030.

*Income Tax Valuation Allowances* Bunge records valuation allowances when it is more likely than not that some portion or all of its deferred tax assets might not be realized. The ultimate realization of deferred tax assets depends primarily on Bunge's ability to generate sufficient timely future income of the appropriate character in the appropriate taxing jurisdiction.

Bunge recorded an adjustment to the beginning-of-the-year balance of valuation allowances of $6 million and $512 million for the years ended December 31, 2014 and 2013, respectively. The 2014 net amount includes $15 million of charges related to full valuation allowances in certain legal entities, primarily in China, which were more than offset by $21 million of reversals of valuation allowances in certain Russian legal entities. For 2013, $464 million related to a full valuation allowance on deferred tax assets in Bunge's industrial sugar business in Brazil, resulting from increased cumulative losses, coupled with a negative market outlook, Brazil's existing energy policy, and Bunge's decision to commence comprehensive process to explore all alternatives to optimize the value of this business.

*Uncertain Tax Positions* ASC Topic 740 requires applying a "more likely than not" threshold to the recognition and de-recognition of tax benefits. At December 31, 2014 and 2013, respectively, Bunge had recorded uncertain tax positions of $81 million and $169 million in other non-current liabilities and $2 million and $2 million in current liabilities in its consolidated balance sheets. During 2014, 2013 and 2012, respectively, Bunge recognized $16 million, $10 million and $1 million of interest and penalty charges in income tax (expense) benefit in the consolidated statements of income. At December 31, 2014 and 2013, respectively, Bunge had included accrued interest and penalties of $26 million and $20 million within the related tax liability line in the consolidated balance sheets. A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

| **(US$ in millions)** | **2014** | **2013** | **2012** |
|---|---|---|---|
| Balance at January 1, | **$ 151** | $ 104 | $ 113 |
| Additions based on tax positions related to the current year[(1)] | **9** | 22 | 11 |
| Additions based on tax positions related to prior years | **16** | 48 | 8 |
| Reductions for tax positions of prior years | **(12)** | (1) | (2) |
| Settlement or clarification from tax authorities | **(79)** | | (3) |
| Expiration of statute of limitations | **(1)** | (21) | (22) |
| Foreign currency translation | **(12)** | (1) | (1) |
| **Balance at December 31,** | **$ 72** | $ 151 | $ 104 |

(1) Included in 2013 is $17 million related to business acquisitions completed during the year.

Substantially all of the unrecognized tax benefits balance, if recognized, would affect Bunge's effective income tax rate. Bunge believes that it is reasonably possible that approximately $2 million of its unrecognized tax benefits may be recognized by the end of 2015 as a result of a lapse of the statute of limitations or settlement with the tax authorities.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. INCOME TAXES (Continued)**

Bunge, through its subsidiaries, files income tax returns in the United States (federal and various states) and non-United States jurisdictions. The table below reflects the tax years for which Bunge is subject to income tax examinations by tax authorities:

| | Open Tax Years |
|---|---|
| North America | 2007 - 2014 |
| South America | 2005 - 2014 |
| Europe | 2006 - 2014 |
| Asia-Pacific | 2003 - 2014 |

As of December 31, 2014 and 2013, Bunge had received from the Brazilian tax authorities proposed adjustments (reduced by existing net operating loss carryforwards) of 1,135 million and 1,163 million Brazilian *reais* ($427 million and $497 million), respectively plus applicable interest and penalties, related to multiple examinations of income tax returns for certain subsidiaries for years up to 2009. Management, in consultation with external legal advisors, believes that it is more likely than not that Bunge will prevail on the majority of the proposed adjustments. As of December 31, 2014 and, 2013, Bunge had recognized uncertain tax positions related to these tax assessments of 38 million and 192 million Brazilian *reais* ($14 million and $82 million), respectively. The Brazilian tax authorities commenced an audit of Bunge's largest Brazilian subsidiary for the tax years 2010, 2011, and 2012 in July of 2014.

In addition, as of December 31, 2014 and 2013, Bunge's Argentine subsidiary had received an income tax assessment relating to fiscal years 2006 and 2007 with a claim of approximately 436 million Argentine *pesos* (approximately $51 million and $67 million, respectively), plus applicable interest on the outstanding amount due of approximately 907 million and 750 million Argentine *pesos* (approximately $106 million and $115 million, respectively). Management, in consultation with external legal advisors, believes that it is more likely than not that Bunge will prevail on the majority of the proposed adjustments. Fiscal years 2008 and 2009 are currently being audited by the tax authorities. It is likely that the tax authorities will also audit fiscal years 2010-2013, although no notice has been rendered to Bunge's Argentine subsidiary (see also Note 22).

Bunge made cash income tax payments, net of refunds received, of $303 million, $156 million and $325 million during the years ended December 31, 2014, 2013 and 2012, respectively.

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS**

Bunge's various financial instruments include certain components of working capital such as cash and cash equivalents, trade accounts receivable and trade accounts payable. Additionally, Bunge uses short and long-term debt to fund operating requirements. Cash and cash equivalents, trade accounts receivable, trade accounts payable and short-term debt are stated at their carrying value, which is a reasonable estimate of fair value. See Note 18 for deferred purchase price receivable related to sales of trade receivables. See Note 12 for long-term receivables from farmers in Brazil, net and other long-term investments, see Note 17 for long-term debt and see Note 10 for other non-recurring fair value measurements. Bunge's financial instruments also include derivative instruments and marketable securities, which are stated at fair value.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Fair value is the expected price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Bunge determines the fair values of its readily marketable inventories, derivatives, and certain other assets based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs based on market data obtained from sources independent of Bunge that reflect the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are inputs that are developed based on the best information available in circumstances that reflect Bunge's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability. The fair value standard describes three levels within its hierarchy that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities include exchange traded derivative contracts.

Level 2: Observable inputs, including Level 1 prices (adjusted), quoted prices for similar assets or liabilities, quoted prices in markets that are less active than traded exchanges and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include readily marketable inventories and over-the-counter ("OTC") commodity purchase and sale contracts and other OTC derivatives whose value is determined using pricing models with inputs that are generally based on exchange traded prices, adjusted for location specific inputs that are primarily observable in the market or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, Bunge gives consideration to items that individually or when aggregated with other inputs, generally represent more than 10% of the fair value of the assets or liabilities. For such identified inputs, judgments are required when evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification and disclosure. Level 3 assets and liabilities include assets and liabilities whose value is determined using proprietary pricing models, discounted cash flow methodologies or similar techniques; as well as, assets and liabilities for which the determination of fair value requires significant management judgment or estimation. Bunge believes a change in these inputs would not result in a significant change in the fair values.

The majority of Bunge's exchange traded agricultural commodity futures are settled daily generally through its clearing subsidiary and, therefore, such futures are not included in the table below. Assets and liabilities are classified in their entirety based on the lowest level of input that is a significant component of the fair value measurement. The lowest level of input is considered Level 3.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth, by level, Bunge's assets and liabilities that were accounted for at fair value on a recurring basis.

| | Fair Value Measurements at Reporting Date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2014 | | | | December 31, 2013 | | | |
| (US$ in millions) | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Assets:** | | | | | | | | |
| Readily marketable inventories (Note 5) | $ | $ 4,154 | $ 255 | $ 4,409 | $ | $ 4,302 | $ 298 | $ 4,600 |
| Trade accounts receivable[1] | | 23 | | 23 | | 5 | 1 | 6 |
| Unrealized gain on designated derivative contracts[2]: | | | | | | | | |
| Foreign exchange | | 10 | | 10 | | 7 | | 7 |
| Unrealized gain on undesignated derivative contracts[2]: | | | | | | | | |
| Foreign exchange | 5 | 361 | | 366 | 5 | 346 | | 351 |
| Commodities | 486 | 538 | 68 | 1,092 | 408 | 585 | 138 | 1,131 |
| Freight | 62 | 2 | | 64 | 59 | | | 59 |
| Energy | 35 | | 2 | 37 | 11 | | 2 | 13 |
| Deferred purchase price receivable (Note 18) | | 78 | | 78 | | 96 | | 96 |
| Other[3] | 55 | 218 | | 273 | 59 | 22 | | 81 |
| **Total assets** | $ 643 | $ 5,384 | $ 325 | $ 6,352 | $ 542 | $ 5,363 | $ 439 | $ 6,344 |
| **Liabilities:** | | | | | | | | |
| Trade accounts payable[1] | $ | $ 359 | $ 33 | $ 392 | $ | $ 381 | $ 76 | $ 457 |
| Unrealized loss on designated derivative contracts[4]: | | | | | | | | |
| Foreign exchange | | 17 | | 17 | | 11 | | 11 |
| Unrealized loss on undesignated derivative contracts[4]: | | | | | | | | |
| Foreign exchange | 12 | 525 | | 537 | 5 | 373 | | 378 |
| Commodities | 426 | 432 | 59 | 917 | 361 | 439 | 89 | 889 |
| Freight | 64 | | 3 | 67 | 81 | | 14 | 95 |
| Energy | 80 | 1 | 10 | 91 | 11 | | 17 | 28 |
| **Total liabilities** | $ 582 | $ 1,334 | $ 105 | $ 2,021 | $ 458 | $ 1,204 | $ 196 | $ 1,858 |

(1) Trade accounts receivable and payable are generally accounted for at amortized cost, with the exception of $23 million and $392 million, at December 31, 2014 and $6 million and $457 million at December 31, 2013, respectively, related to certain delivered inventory for which the receivable and payable, respectively, fluctuate based on changes in commodity prices. These receivables and payables are hybrid financial instruments for which Bunge has elected the fair value option.

(2)

Unrealized gains on designated and undesignated derivative contracts are generally included in other current assets. There are no such amounts included in other non-current assets at December 31, 2014 and December 31, 2013, respectively.

(3) Other includes the fair values of marketable securities and investments in other current assets and other non-current assets.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

(4) Unrealized losses on designated and undesignated derivative contracts are generally included in other current liabilities. There are no such amounts included in other non-current liabilities at December 31, 2014 and December 31, 2013, respectively.

*Derivatives* Exchange traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified within Level 1. Bunge's forward commodity purchase and sale contracts are classified as derivatives along with other OTC derivative instruments relating primarily to freight, energy, foreign exchange and interest rates, and are classified within Level 2 or Level 3 as described below. Bunge estimates fair values based on exchange quoted prices, adjusted as appropriate for differences in local markets. These differences are generally valued using inputs from broker or dealer quotations, or market transactions in either the listed or OTC markets. In such cases, these derivative contracts are classified within Level 2.

OTC derivative contracts include swaps, options and structured transactions that are valued at fair value generally determined using quantitative models that require the use of multiple market inputs including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets which are not highly active, other observable inputs relevant to the asset or liability, and market inputs corroborated by correlation or other means. These valuation models include inputs such as interest rates, prices and indices to generate continuous yield or pricing curves and volatility factors. Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. Certain OTC derivatives trade in less active markets with less availability of pricing information and certain structured transactions can require internally developed model inputs that might not be observable in or corroborated by the market. When unobservable inputs have a significant impact on the measurement of fair value, the instrument is categorized in Level 3.

Exchange traded or cleared derivative contracts are classified in Level 1, thus transfers of assets and liabilities into and/or out of Level 1 occur infrequently. Transfers into Level 1 would generally only be expected to occur when an exchange cleared derivative contract historically valued using a valuation model as the result of a lack of observable inputs becomes sufficiently observable, resulting in the valuation price being essentially the exchange traded price. There were no significant transfers into or out of Level 1 during the periods presented.

*Readily marketable inventories* Readily marketable inventories reported at fair value are valued based on commodity futures exchange quotations, broker or dealer quotations, or market transactions in either listed or OTC markets with appropriate adjustments for differences in local markets where Bunge's inventories are located. In such cases, the inventory is classified within Level 2. Certain inventories may utilize significant unobservable data related to local market adjustments to determine fair value. In such cases, the inventory is classified as Level 3.

If Bunge used different methods or factors to determine fair values, amounts reported as unrealized gains and losses on derivative contracts and readily marketable inventories at fair value in the consolidated balance sheets and consolidated statements of income could differ. Additionally, if market conditions change subsequent to the reporting date, amounts reported in future periods as unrealized gains and losses on derivative contracts and readily marketable inventories at fair value in the consolidated balance sheets and consolidated statements of income could differ.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

*Level 3 Measurements* Transfers in and/or out of Level 3 represent existing assets or liabilities that were either previously categorized as a higher level for which the inputs to the model became unobservable or assets and liabilities that were previously classified as Level 3 for which the lowest significant input became observable during the period. Bunge's policy regarding the timing of transfers between levels is to record the transfers at the beginning of the reporting period.

*Level 3 Derivatives* Level 3 derivative instruments utilize both market observable and unobservable inputs within the fair value measurements. These inputs include commodity prices, price volatility, interest rates, volumes and locations. In addition, with the exception of the exchange cleared instruments, Bunge is exposed to loss in the event of the non-performance by counterparties on OTC derivative instruments and forward purchase and sale contracts. Adjustments are made to fair values on occasions when non-performance risk is determined to represent a significant input in Bunge's fair value determination. These adjustments are based on Bunge's estimate of the potential loss in the event of counterparty non-performance. Bunge did not have significant adjustments related to non-performance by counterparties at December 31, 2014 and 2013, respectively.

*Level 3 Readily marketable inventories and other* The significant unobservable inputs resulting in Level 3 classification for readily marketable inventories, physically settled forward purchase and sale contracts, and trade accounts receivable and payable, net, relate to certain management estimations regarding costs of transportation and other local market or location-related adjustments, primarily freight related adjustments in the interior of Brazil and the lack of market corroborated information in Canada. In both situations, Bunge uses proprietary information such as purchase and sale contracts and contracted prices for freight, premiums and discounts to value its contracts. Movements in the price of these unobservable inputs alone would not have a material effect on Bunge's financial statements as these contracts do not typically exceed one future crop cycle.

The tables below present reconciliations for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31,

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

2014 and 2013. These instruments were valued using pricing models that management believes reflect the assumptions that would be used by a marketplace participant.

| | Level 3 Instruments Fair Value Measurements | | | |
|---|---|---|---|---|
| **(US$ in millions)** | **Derivatives, Net[1]** | **Readily Marketable Inventories** | **Trade Receivable/ Payable, Net[2]** | **Total** |
| Balance, January 1, 2014 | $ 20 | $ 298 | $ (75) | $ 243 |
| Total gains and losses (realized/unrealized) included in cost of goods sold | 92 | 75 | (2) | 165 |
| Purchases | 6 | 2,104 | (5) | 2,105 |
| Sales | | (2,635) | 8 | (2,627) |
| Issuances | 19 | | (400) | (381) |
| Settlements | (206) | | 528 | 322 |
| Transfers into Level 3 | 27 | 687 | (11) | 703 |
| Transfers out of Level 3 | 40 | (274) | (76) | (310) |
| **Balance, December 31, 2014** | **$ (2)** | **$ 255** | **$ (33)** | **$ 220** |

(1) Derivatives, net include Level 3 derivative assets and liabilities.

(2) Trade Accounts Receivable and Trade Accounts Payable, net, include Level 3 inventory related receivables and payables.

| | Level 3 Instruments Fair Value Measurements | | | |
|---|---|---|---|---|
| **(US$ in millions)** | **Derivatives, Net[1]** | **Readily Marketable Inventories** | **Trade Accounts Receivable/ Payable, Net[2]** | **Total** |
| Balance, January 1, 2013 | $ 66 | $ 436 | $ (40) | $ 462 |
| Total gains and losses (realized/unrealized) included in cost of goods sold | 49 | (182) | | (133) |
| Purchases | (1) | 1,845 | | 1,844 |
| Sales | 1 | (2,245) | 1 | (2,243) |
| Issuances | (10) | | (115) | (125) |
| Settlements | (228) | | 79 | (149) |
| Transfers into Level 3 | 152 | 760 | | 912 |
| Transfers out of Level 3 | (9) | (316) | | (325) |
| **Balance, December 31, 2013** | **$ 20** | **$ 298** | **$ (75)** | **$ 243** |

(1) Derivatives, net include Level 3 derivative assets and liabilities.

(2) Trade Accounts Receivable and Trade Accounts Payable, net, include Level 3 inventory related receivables and payables.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The tables below summarize changes in unrealized gains or (losses) recorded in earnings during the years ended December 31, 2014 and 2013 for Level 3 assets and liabilities that were held at December 31, 2014 and 2013.

| | Level 3 Instruments Fair Value Measurements | | | |
|---|---|---|---|---|
| (US$ in millions) | Derivatives, Net[1] | Readily Marketable Inventories | Trade Accounts Receivable and Payable, Net[2] | Total |
| **Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2014** | | | | |
| Cost of goods sold | $ 25 | $ (33) | $ | $ (8) |
| **Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2013** | | | | |
| Cost of goods sold | $ 135 | $ 101 | $ (39) | $ 197 |

(1) Derivatives, net include Level 3 derivative assets and liabilities.

(2) Trade Accounts Receivable and Trade Accounts Payable, net, include Level 3 inventory related receivables and payables.

***Derivative Instruments***

*Interest rate derivatives* Bunge from time-to-time uses interest rate derivatives, including interest rate swaps, interest rate basis swaps, interest rate options or interest rate futures. Interest rate derivatives used by Bunge as hedging instruments are recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these interest rate derivatives agreements may be designated as fair value hedges. The carrying amount of the associated hedged debt is also adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. Bunge may enter into interest rate derivatives agreements for the purpose of managing certain of its interest rate exposures. Bunge may also enter into interest rate derivatives agreements that do not qualify as hedges for accounting purposes. Changes in fair value of such interest rate basis derivatives agreements are recorded in earnings.

*Foreign exchange derivatives* Bunge uses a combination of foreign exchange forward, swap and option contracts in certain of its operations to mitigate the risk from exchange rate fluctuations in connection with certain commercial and balance sheet exposures. The foreign exchange forward and option contracts may be designated as cash flow hedges. Bunge may also use net investment hedges to partially offset the translation adjustments arising from the remeasurement of its investment in certain of its foreign subsidiaries.

Bunge assesses, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in the hedged items.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The table below summarizes the notional amounts of open foreign exchange positions.

**December 31, 2014**

| (US$ in millions) | Exchange Traded Net (Short) & Long[1] | Non-exchange Traded (Short)[2] | Non-exchange Traded Long[2] | Unit of Measure |
|---|---|---|---|---|
| **Foreign Exchange** | | | | |
| Options | $ (1) | $ (268) | $ 289 | Delta |
| Forwards | 114 | (15,711) | 17,166 | Notional |
| Futures | 3 | | | Notional |
| Swaps | | (51) | 56 | Notional |

(1) Exchange traded derivatives are presented on a net (short) and long position basis.

(2) Non-exchange traded derivatives are presented on a gross (short) and long position basis.

*Commodity derivatives* Bunge uses commodity derivative instruments to manage its exposure to movements associated with agricultural commodity prices. Bunge generally uses exchange traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on its agricultural commodity inventories and forward purchase and sale contracts, but may also from time-to-time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Forward purchase and sale contracts are primarily settled through delivery of agricultural commodities. While Bunge considers these exchange traded futures and forward purchase and sale contracts to be effective economic hedges, Bunge does not designate or account for the majority of its commodity contracts as hedges. The forward contracts require performance of both Bunge and the contract counterparty in future periods. Contracts to purchase agricultural commodities generally relate to current or future crop years for delivery periods quoted by regulated commodity exchanges. Contracts for the sale of agricultural commodities generally do not extend beyond one future crop cycle.

The table below summarizes the volumes of open agricultural commodities derivative positions.

**December 31, 2014**

| | Exchange Traded Net (Short) & Long[1] | Non-exchange Traded (Short)[2] | Non-exchange Traded Long[2] | Unit of Measure |
|---|---|---|---|---|
| **Agricultural Commodities** | | | | |
| Futures | (4,117,688) | | | Metric Tons |
| Options | 1,075,584 | | | Metric Tons |
| Forwards | | (29,839,608) | 21,856,249 | Metric Tons |
| Swaps | 25,000 | (221,533) | 201,530 | Metric Tons |

(1) Exchange traded derivatives are presented on a net (short) and long position basis.

(2) Non-exchange traded derivatives are presented on a gross (short) and long position basis.

*Ocean freight derivatives* Bunge uses derivative instruments referred to as freight forward agreements (FFAs) and FFA options to hedge portions of its current and anticipated ocean freight costs. Changes in the fair values of ocean freight derivatives that are not designated as hedges are

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

recorded in earnings. There were no designated hedges at December 31, 2014 and December 31, 2013, respectively.

The table below summarizes the open ocean freight positions.

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Exchange Cleared | Non-exchange Cleared | | |
| | Net (Short) & Long[1] | (Short)[2] | Long[2] | Unit of Measure |
| **Ocean Freight** | | | | |
| FFA | (1,784) | | | Hire Days |
| FFA Options | (532) | | | Hire Days |

(1) Exchange cleared derivatives are presented on a net (short) and long position basis.

(2) Non-exchange cleared derivatives are presented on a gross (short) and long position basis.

*Energy derivatives* Bunge uses energy derivative instruments for various purposes including to manage its exposure to volatility in energy costs. Bunge's operations use substantial amounts of energy, including natural gas, coal, and fuel oil, including bunker fuel.

The table below summarizes the open energy positions.

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Exchange Traded | Non-exchange Cleared | | |
| | Net (Short) & Long[1] | (Short)[2] | Long[2] | Unit of Measure[3] |
| **Natural Gas[3]** | | | | |
| Futures | 3,230,000 | | | MMBtus |
| Swaps | | | 1,484,123 | MMBtus |
| Options | 361,235 | | | MMBtus |
| **Energy Other** | | | | |
| Futures | 1,162,778 | | | Metric Tons |
| Forwards | | | 32,570,602 | Metric Tons |
| Swaps | 145,000 | | | Metric Tons |
| Options | 37,265 | | | Metric Tons |

(1) Exchange traded and exchange cleared derivatives are presented on a net (short) and long position basis.

(2) Non-exchange cleared derivatives are presented on a gross (short) and long position basis.

(3) Million British Thermal Units (MMBtus) is the standard unit of measurement used to denote an amount of natural gas.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

***The Effect of Derivative Instruments on the Consolidated Statements of Income***

The table below summarizes the effect of derivative instruments that are designated as fair value hedges and also derivative instruments that are undesignated on the consolidated statements of income for the years ended December 31, 2014 and 2013.

| | | Gain or (Loss) Recognized in Income on Derivative Instruments | |
|---|---|---|---|
| | | December 31, | |
| (US$ in millions) | Location | 2014 | 2013 |
| **Undesignated Derivative Contracts:** | | | |
| Interest Rate | Interest income/Interest expense | $ (8) | $ |
| Interest Rate | Other income (expense) net | | (7) |
| Foreign Exchange | Foreign exchange gains (losses) | (124) | (229) |
| Foreign Exchange | Cost of goods sold | 91 | (165) |
| Commodities | Cost of goods sold | (71) | 651 |
| Freight | Cost of goods sold | (4) | (20) |
| Energy | Cost of goods sold | (52) | |
| **Total** | | **$ (168)** | $ 230 |

The table below summarizes the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges on the consolidated statement of income.

| | Year Ended December 31, 2014 | | | | | |
|---|---|---|---|---|---|---|
| | | Gain or (Loss) Reclassified from Accumulated OCI into Income[1] | | Gain or (Loss) Recognized in Income on Derivatives | | |
| (US$ in millions) | Notional Amount | Gain or (Loss) Recognized in Accumulated OCI[1] | Location | Amount | Location | Amount[2] |
| **Cash Flow Hedge:** | | | | | | |
| Foreign Exchange[3] | $ 384 | $ 4 | Foreign exchange gains (losses) | $ 9 | Cost of goods sold | $ |
| **Total** | **$ 384** | **$ 4** | | **$ 9** | | **$** |
| **Net Investment Hedge:** | | | | | | |
| Foreign Exchange[3] | $ 579 | $ 18 | Foreign exchange gains (losses) | $ | Foreign exchange gains (losses) | $ |

| | | | | |
|---|---|---|---|---|
| **Total** | **$ 579** | **$ 18** | **$** | **$** |

(1) The gain (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2014, Bunge expects to reclassify into income in the next 12 months $4 million after-tax gain (loss) related to its foreign exchange cash flow and nil for net investment hedges.

(2) There was no gain or loss recognized in income relating to the ineffective portion of the hedging relationships or relating to amounts excluded from the assessment of hedge effectiveness.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

(3) The foreign exchange contracts mature at various dates through February 2016.

| | Year Ended December 31, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | | Gain or (Loss) Recognized in Accumulated OCI[1] | Gain or (Loss) Reclassified from Accumulated OCI into Income[1] | | Gain or (Loss) Recognized in Income on Derivatives | |
| (US$ in millions) | Notional Amount | | Location | Amount | Location | Amount[2] |
| **Cash Flow Hedge:** | | | | | | |
| Foreign Exchange[3] | $ 344 | $ (22) | Foreign exchange gains (losses) | $ (12) | Foreign exchange gains (losses) | $ |
| **Total** | **$ 344** | **$ (22)** | | $ (12) | | $ |
| **Net Investment Hedge:** | | | | | | |
| Foreign Exchange[3] | $ 560 | $ 22 | Foreign exchange gains (losses) | $ | Foreign exchange gains (losses) | $ |
| **Total** | **$ 560** | **$ 22** | | **$** | | **$** |

(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2013, Bunge expected to reclassify into income in the next 12 months approximately $(22) million and zero after-tax gains (losses) related to its foreign exchange cash flow hedges and net investment hedges, respectively.

(2) There was no gain or loss recognized in income relating to the ineffective portion of the hedging relationships or to amounts excluded from the assessment of hedge effectiveness.

(3) The foreign exchange contracts matured at various dates in 2014.

**16. SHORT-TERM DEBT AND CREDIT FACILITIES**

Bunge's short-term borrowings are typically sourced from various banking institutions and the U.S. commercial paper market. Bunge also borrows from time to time in local currencies in various foreign jurisdictions. Interest expense includes facility commitment fees, amortization of deferred financing costs and charges on certain lending transactions, including certain intercompany loans and foreign currency conversions in Brazil. The weighted-average interest rate on short-term borrowings at December 31, 2014 and 2013 was 4.33% and 6.99%, respectively.

| (US$ in millions) | December 31, 2014 | 2013 |
|---|---|---|
| **Lines of credit:** | | |
| Unsecured, variable interest rates from 0.37% to 30.00%[1] | **$ 594** | $ 703 |
| Total short-term debt | **$ 594** | $ 703 |

(1) Includes $155 million and $285 million of local currency borrowings in certain Central and Eastern European, South American and Asia-Pacific countries at a weighted-average interest rate of 11.95% and 14.91% as of December 31, 2014 and 2013, respectively.

Bunge's commercial paper program is supported by an identical amount of committed back up bank credit lines (the "Liquidity Facility") provided by banks that are rated at least A-1 by Standard & Poor's Financial Services and P-1 by Moody's Investors Service. On November 20, 2014, we entered into an unsecured $600 million five-year Liquidity Facility with certain lenders party thereto. The

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**16. SHORT-TERM DEBT AND CREDIT FACILITIES (Continued)**

Liquidity Facility replaced the then existing $600 million five-year liquidity facility, dated as of November 17, 2011. The cost of borrowing under the Liquidity Facility would typically be higher than the cost of issuing under Bunge's commercial paper program. At December 31, 2014, there were no borrowings outstanding under the commercial paper program and no borrowings under the Liquidity Facility. At December 31, 2013, there was $100 million outstanding under the commercial paper program and no borrowings under the Liquidity Facility.

In addition to the committed facilities discussed above, from time-to-time, Bunge Limited and/or its financing subsidiaries enter into uncommitted bilateral short-term credit lines as necessary based on its financing requirements. At December 31, 2014 and December 31, 2013, $50 million and $120 million were outstanding under these bilateral short-term credit lines, respectively. Loans under such credit lines are non-callable by the respective lenders. In addition, Bunge's operating companies had $521 million in short-term borrowings outstanding from local bank lines of credit at December 31, 2014 to support working capital requirements.

**17. LONG-TERM DEBT AND CREDIT FACILITIES**

Long-term debt obligations are summarized below.

| | December 31, | |
|---|---|---|
| **(US$ in millions)** | **2014** | **2013** |
| Revolving credit facilities | **$ 538** | $ 400 |
| 5.35% Senior Notes due 2014 | | 500 |
| 5.10% Senior Notes due 2015 | **382** | 382 |
| 4.10% Senior Notes due 2016 | **500** | 500 |
| 3.20% Senior Notes due 2017 | **600** | 600 |
| 5.90% Senior Notes due 2017 | **250** | 250 |
| 8.50% Senior Notes due 2019 | **600** | 600 |
| Consolidated investment fund debt[1] | **195** | 334 |
| Other | **198** | 375 |
| Subtotal | **3,263** | 3,941 |
| Less: Current portion of long-term debt | **(408)** | (762) |
| Total long-term debt | **$ 2,855** | $ 3,179 |

(1) Consolidated investment fund debt matures at various dates through 2020 with no recourse to Bunge. Bunge elected to account for $195 million and $257 million at fair value as of December 31, 2014 and 2013, respectively, and the remaining is accounted for at amortized cost.

The fair values of long-term debt, including current portion, at December 31, 2014 and 2013 were $3,468 million and $4,174 million, respectively, calculated based on interest rates currently available on comparable maturities to companies with credit standing similar to that of Bunge. The carrying amounts and fair values of long-term debt are as follows:

| | December 31, 2014 | | | December 31, 2013 | | |
|---|---|---|---|---|---|---|
| **(US$ in millions)** | **Carrying Value** | **Fair Value (Level 2)** | **Fair Value (Level 3)** | **Carrying Value** | **Fair Value (Level 2)** | **Fair Value (Level 3)** |
| Long-term debt, including current portion | $ 3,263 | $ 3,273 | $ 195 | $ 3,941 | $ 3,917 | $ 257 |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. LONG-TERM DEBT AND CREDIT FACILITIES (Continued)**

On December 12, 2014, Bunge entered into an unsecured five year multi-currency syndicated term loan agreement (the "Loan") in the Japanese loan market, with certain lenders party thereto. The Loan is comprised of three tranches: Tranche A of Japanese Yen 28.5 billion, bearing interest at 3 months LIBOR plus a margin of 0.75%; Tranche B of Japanese Yen 6 billion bearing a fixed interest rate of 0.96%; and Tranche C of $85 million bearing interest at 3 months LIBOR plus a margin of 1.30%. At December 31, 2014, there were no borrowings outstanding under the Loan.

On November 20, 2014, Bunge entered into an unsecured $1,100 million five-year syndicated revolving credit agreement (the "Credit Agreement") with certain lenders party thereto. Bunge has the option to request an extension of the maturity date of the Credit Agreement for two additional one-year periods, each lender in its sole discretion may agree to any such request. The Credit Agreement replaced the then existing U.S. $1,085 million five-year revolving credit agreement, dated as of November 17, 2011. Borrowings under the Credit Agreement will bear interest at LIBOR plus a margin, which will vary from 1.00% to 1.75%, based on the credit ratings of Bunge's senior long-term unsecured debt ("Rating Level"). Amounts under the Credit Agreement that remain undrawn are subject to a commitment fee at rates ranging from 0.10% to 0.25%, varying based on the Rating Level. Bunge may, from time-to-time, request one or more of the existing lenders or new lenders to increase the total commitments under the Credit Agreement by up to $500 million pursuant to an accordion provision. At December 31, 2014, there were no borrowings outstanding under the Credit Agreement.

On June 17, 2014, Bunge increased pursuant to an accordion provision, the $665 million five-year syndicated revolving credit agreement with CoBank, ACB, (the "CoBank Facility") as administrative agent and certain lender party thereto to $865 million. Borrowings under the CoBank Facility will bear interest at LIBOR plus a margin, which will vary between 1.050% and 1.675% per annum, based on the credit ratings of Bunge's long-term senior unsecured debt. Amounts under the CoBank Facility that remain undrawn are subject to a commitment fee at rates ranging from 0.125% to 0.275% per annum based likewise on the ratings of Bunge's long-term senior unsecured debt. At December 31, 2014, there was $338 million outstanding under the CoBank Facility.

On March 17, 2014, Bunge entered into an unsecured $1,750 million three-year syndicated revolving credit facility (the "Facility") with certain lenders party thereto, maturing on March 17, 2017. Bunge has the option to request an extension of the maturity date on the Facility for two additional one-year periods, each lender in its sole discretion may agree to any such request. Borrowings under the Facility will bear interest at LIBOR plus a margin, which will vary from 0.70% to 1.70% per annum, based on the credit ratings of Bunge's senior long-term unsecured debt. Bunge will also pay a fee that varies from 0.10% to 0.40% per annum, based on the utilization of the Facility. Amounts under the Facility that remain undrawn are subject to a commitment fee payable quarterly in arrears at a rate of 35% of the margin specified above, which will vary based on the rating level at each quarterly payment date. Bunge may, from time-to-time, with the consent of the facility agent, request one or more of the existing lenders or new lenders to increase the total commitments under the Facility by up to $250 million pursuant to an accordion provision. At December 31, 2014, there were no borrowings outstanding under the Facility.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. LONG-TERM DEBT AND CREDIT FACILITIES (Continued)**

At December 31, 2014, Bunge had $4,477 million of unused and available borrowing capacity under its committed long-term credit facilities with a number of lending institutions.

Certain land, property, equipment and investments in consolidated subsidiaries having a net carrying value of approximately $126 million at December 31, 2014 have been mortgaged or otherwise collateralized against long-term debt of $62 million at December 31, 2014.

*Principal Maturities* Principal maturities of long-term debt at December 31, 2014 are as follows:

| **(US$ in millions)** | |
|---|---|
| 2015 | $ 408 |
| 2016 | 766 |
| 2017 | 938 |
| 2018 | 348 |
| 2019 | 611 |
| Thereafter | 179 |
| Total[(1)] | $ 3,250 |

(1) Excludes unamortized net gains of $13 million related to terminated interest rate swap agreements recorded in long-term portion of debt.

Bunge's credit facilities and certain senior notes require it to comply with specified financial covenants related to minimum net worth, minimum current ratio, a maximum debt to capitalization ratio and limitations on secured indebtedness. Bunge was in compliance with these covenants at December 31, 2014.

During the years ended December 31, 2014, 2013 and 2012, Bunge paid interest, net of interest capitalized, of $223 million, $330 million and $259 million, respectively.

**18. TRADE RECEIVABLES SECURITIZATION PROGRAM**

Bunge and certain of its subsidiaries participate in a trade receivables securitization program ("Program") with a financial institution, as administrative agent, and certain commercial paper conduit purchasers and committed purchasers (collectively, the Purchasers) that provides for funding up to $700 million against receivables sold into the Program. The program is designed to enhance Bunge's financial flexibility by providing an additional source of liquidity for its operations. In connection with the program, certain of Bunge's U.S. and non-U.S. subsidiaries that originate trade receivables may sell eligible receivables in their entirety on a revolving basis to a consolidated bankruptcy remote special purpose entity, Bunge Securitization B.V. ("BSBV") formed under the laws of The Netherlands. BSBV in turn sells such purchased trade receivables to the administrative agent (acting on behalf of the Purchasers) pursuant to a receivables transfer agreement. In connection with these sales of accounts receivable, Bunge receives a portion of the proceeds up front and an additional amount upon the collection of the underlying receivables, which is expected to be generally between 10% and 15% of the aggregate amount of receivables sold through the Program.

Bunge Finance B.V., a wholly owned subsidiary of Bunge, acts as master servicer, responsible for servicing and collecting the accounts receivable for the program. The program terminates on June 1,

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**18. TRADE RECEIVABLES SECURITIZATION PROGRAM (Continued)**

2016. However, each committed purchaser's commitment to fund trade receivables sold under the program will terminate on May 27, 2015 unless extended for an additional 364-day periods in accordance with the terms of the receivables transfer agreement. The trade receivables sold under the program are subject to specified eligibility criteria, including eligible currencies, country and obligor concentration limits.

As of December 31, 2014, and 2013, $599 million and $696 million, respectively, of receivables sold under the Program were derecognized from Bunge's consolidated balance sheets. Proceeds received in cash related to transfers of receivables under the Program totaled $12,030 million and $12,596 million for the years ended December 31, 2014 and 2013, respectively. In addition, cash collections from customers on receivables previously sold were $12,202 million and $12,769 million, respectively. As this is a revolving facility, cash collections from customers are reinvested to fund new receivable sales. Gross receivables sold under the Program for the years ended December 31, 2014 and 2013 were $12,179 million and $12,779 million, respectively. These sales resulted in discounts of $7 million, $7 million and $8 million for the years ended December 31, 2014 and 2013 and 2012, respectively, which were included in SG&A in the consolidated statements of income. Servicing fees under the Program were not significant in any period.

Bunge's risk of loss following the sale of the trade receivables is limited to the deferred purchase price ("DPP"), which at December 31, 2014 and December 31, 2013 had a fair value of $78 million and $96 million, respectively, and is included in other current assets in the consolidated balance sheets (see Note 6). The DPP will be repaid in cash as receivables are collected, generally within 30 days. Delinquencies and credit losses on trade receivables sold under the Program during the years ended December 31, 2014 and 2013 were insignificant. Bunge has reflected all cash flows under the Program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2014, 2013 and 2012.

**19. PENSION PLANS**

*Employee Defined Benefit Plans* Certain U.S., Canadian, European and Brazilian based subsidiaries of Bunge sponsor non-contributory defined benefit pension plans covering substantially all employees of the subsidiaries. The plans provide benefits based primarily on participants' salary and length of service.

The funding policies for Bunge's defined benefit pension plans are determined in accordance with statutory funding requirements. The most significant defined benefit plan is in the United States. The U.S. funding policy requires at least those amounts required by the Pension Protection Act of 2006. Assets of the plans consist primarily of equity and fixed income investments.

*Plan Amendments and Transfers In and Out* There were no significant amendments, settlements or transfers into or out of Bunge's employee benefit plans during the years ended December 31, 2014 or 2013.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. PENSION PLANS (Continued)**

The following table sets forth in aggregate the changes in the U.S. and foreign defined benefit pension plans' benefit obligations, assets and funded status at December 31, 2014 and 2013. A measurement date of December 31 was used for all plans.

| (US$ in millions) | U.S. Pension Benefits December 31, 2014 | 2013 | Foreign Pension Benefits December 31, 2014 | 2013 |
|---|---|---|---|---|
| **Change in benefit obligations:** | | | | |
| Benefit obligation at the beginning of year | **$ 569** | $ 607 | **$ 176** | $ 163 |
| Service cost | **19** | 21 | **11** | 9 |
| Interest cost | **29** | 25 | **7** | 5 |
| Plan curtailments | | (2) | | |
| Actuarial (gain) loss, net | **97** | (65) | **41** | (5) |
| Employee contributions | | | **4** | 3 |
| Net transfers in (out) | | | | 4 |
| Plan settlements | **(1)** | 3 | **(1)** | (9) |
| Effect of plan combinations | | | **10** | 6 |
| Benefits paid | **(23)** | (19) | **(7)** | 3 |
| Expenses paid | **(1)** | (1) | **(2)** | (2) |
| Impact of foreign exchange rates | | | **(22)** | (1) |
| Benefit obligation at the end of year | **$ 689** | $ 569 | **$ 217** | $ 176 |
| **Change in plan assets:** | | | | |
| Fair value of plan assets at the beginning of year | **$ 454** | $ 396 | **$ 153** | $ 131 |
| Actual return on plan assets | **54** | 53 | **10** | 8 |
| Employer contributions | **4** | 25 | **14** | 16 |
| Employee contributions | | | **4** | 3 |
| Plan settlements | **(1)** | | **(1)** | (9) |
| Effect of plan combinations | | | **7** | 5 |
| Benefits paid | **(23)** | (19) | **(7)** | 3 |
| Expenses paid | **(1)** | (1) | **(2)** | (2) |
| Impact of foreign exchange rates | | | **(15)** | (2) |
| Fair value of plan assets at the end of year | **$ 487** | $ 454 | **$ 163** | $ 153 |
| **Funded (unfunded) status and net amounts recognized:** | | | | |
| Plan assets (less than) in excess of benefit obligation | **$ (202)** | $ (115) | **$ (54)** | $ (23) |
| Net (liability) asset recognized in the balance sheet | **$ (202)** | $ (115) | **$ (54)** | $ (23) |

| | | | | |
|---|---|---|---|---|
| **Amounts recognized in the balance sheet consist of:** | | | | |
| Non-current assets | **$ 3** | $ 7 | **$ 9** | $ 12 |
| Current liabilities | **(3)** | (3) | **(2)** | (2) |
| Non-current liabilities | **(202)** | (119) | **(61)** | (33) |
| Net liability recognized | **$ (202)** | $ (115) | **$ (54)** | $ (23) |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. PENSION PLANS (Continued)**

Included in accumulated other comprehensive income at December 31, 2014 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized prior service cost of $4 million ($2 million, net of tax) and unrecognized actuarial loss of $207 million ($134 million, net of tax). The prior service cost included in accumulated other comprehensive income that is expected to be recognized in net periodic benefit costs in 2015 is $1 million ($1 million, net of tax) and unrecognized actuarial loss of $12 million ($8 million, net of tax).

Bunge has aggregated certain U.S. and foreign defined benefit pension plans with projected benefit obligations in excess of fair value of plan assets with pension plans that have fair value of plan assets in excess of projected benefit obligations. At December 31, 2014, the $689 million and $217 million projected benefit obligations for U.S. and foreign plans, respectively, include plans with projected benefit obligations of $625 million and $145 million, which were in excess of the fair value of related plan assets of $420 million and $82 million. At December 31, 2013, the $569 million and $176 million projected benefit obligations for U.S. and foreign plans, respectively, include plans with projected benefit obligations of $498 million and $121 million, which were in excess of the fair value of related plan assets of $375 million and $85 million. The accumulated benefit obligation for the U.S. and foreign defined benefit pension plans, respectively, was $627 million and $187 million at December 31, 2014 and $521 million and $165 million at December 31, 2013.

The following table summarizes information relating to aggregated U.S. and foreign defined benefit pension plans with an accumulated benefit obligation in excess of plan assets:

| | U.S. Pension Benefits December 31, | | Foreign Pension Benefits December 31, | |
|---|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2014** | **2013** |
| Projected benefit obligation | **$ 625** | $ 498 | **$ 136** | $ 38 |
| Accumulated benefit obligation | **$ 563** | $ 449 | **$ 114** | $ 36 |
| Fair value of plan assets | **$ 420** | $ 375 | **$ 76** | $ 5 |

The components of net periodic benefit costs are as follows for U.S. and foreign defined benefit pension plans:

| | U.S. Pension Benefits December 31, | | | Foreign Pension Benefits December 31, | | |
|---|---|---|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** | **2014** | **2013** | **2012** |
| Service cost | **$ 19** | $ 21 | $ 18 | **$ 11** | $ 9 | $ 8 |
| Interest cost | **29** | 25 | 25 | **7** | 5 | 6 |
| Expected return on plan assets | **(33)** | (30) | (26) | **(7)** | (5) | (6) |
| Amortization of prior service cost | **1** | 1 | 2 | | | |
| Amortization of net loss | **3** | 16 | 13 | **1** | 3 | 1 |
| Curtailment loss | | | | | 1 | |
| Settlement loss recognized | | | | | | 1 |
| Special termination benefit | | 3 | | | | |
| Net periodic benefit costs | **$ 19** | $ 36 | $ 32 | **$ 12** | $ 13 | $ 10 |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. PENSION PLANS (Continued)**

The weighted-average actuarial assumptions used in determining the benefit obligation under the U.S. and foreign defined benefit pension plans are as follows:

| | U.S. Pension Benefits December 31, | | Foreign Pension Benefits December 31, | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Discount rate | **4.2%** | 5.2% | **2.4%** | 3.6% |
| Increase in future compensation levels | **3.8%** | 3.8% | **2.6%** | 2.7% |

The weighted-average actuarial assumptions used in determining the net periodic benefit cost under the U.S. and foreign defined benefit pension plans are as follows:

| | U.S. Pension Benefits December 31, | | | Foreign Pension Benefits December 31, | | |
|---|---|---|---|---|---|---|
| | **2014** | **2013** | **2012** | **2014** | **2013** | **2012** |
| Discount rate | **5.2%** | 4.2% | 5.0% | **3.8%** | 3.3% | 4.2% |
| Expected long-term rate of return on assets | **7.5%** | 7.5% | 7.5% | **4.3%** | 4.0% | 4.6% |
| Increase in future compensation levels | **3.8%** | 3.8% | 3.8% | **2.8%** | 3.0% | 2.7% |

The sponsoring subsidiaries select the expected long-term rate of return on assets in consultation with their investment advisors and actuaries. These rates are intended to reflect the average rates of earnings expected on the funds invested or to be invested to provide required plan benefits. The plans are assumed to continue in effect as long as assets are expected to be invested.

In estimating the expected long-term rate of return on assets, appropriate consideration is given to historical performance for the major asset classes held or anticipated to be held by the applicable plan trusts and to current forecasts of future rates of return for those asset classes. Cash flows and expenses are taken into consideration to the extent that the expected returns would be affected by them. As assets are generally held in qualified trusts, anticipated returns are not reduced for taxes.

*Plan Assets* The objectives of the U.S. plans' trust funds are to sufficiently diversify plan assets to maintain a reasonable level of risk without imprudently sacrificing returns, with a target asset allocation of approximately 40% fixed income securities and approximately 60% equities. Bunge implements its investment strategy through a combination of indexed mutual funds and a proprietary portfolio of fixed income securities. Bunge's policy is not to invest plan assets in Bunge Limited shares.

Plan investments are stated at fair value which is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan classifies its investments in Level 1, which refers to securities that are actively traded on a public exchange and valued using quoted prices from active markets for identical assets, Level 2, which refers to securities not traded in an active market but for which observable market inputs are readily available and Level 3, which refers to other assets valued based on significant unobservable inputs.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. PENSION PLANS (Continued)**

The fair values of Bunge's U.S. and foreign defined benefit pension plans' assets at the measurement date, by category, are as follows:

| | Fair Value Measurements at December 31, 2014 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | | Quoted Prices in Active Markets for Identical Assets (Level 1) | | Significant Observable Inputs (Level 2) | | Significant Unobservable Inputs (Level 3) | |
| (US$ in millions) Asset Category | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits |
| Cash | $ 2 | $ 1 | $ 2 | $ 1 | $ | $ | $ | $ |
| **Equities:** | | | | | | | | |
| Mutual Funds[1] | 309 | 59 | 309 | 1 | | 58 | | |
| **Fixed income securities:** | | | | | | | | |
| Mutual Funds[2] | 176 | 87 | 89 | 3 | 87 | 84 | | |
| Others[3] | | 16 | | 2 | | 14 | | |
| Total | $ 487 | $ 163 | $ 400 | $ 7 | $ 87 | $ 156 | $ | $ |

| | Fair Value Measurements at December 31, 2013 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | | Quoted Prices in Active Markets for Identical Assets (Level 1) | | Significant Observable Inputs (Level 2) | | Significant Unobservable Inputs (Level 3) | |
| (US$ in millions) Asset Category | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits | U.S. Pension Benefits | Foreign Pension Benefits |
| Cash | $ 2 | $ 9 | $ 2 | $ 9 | $ | $ | $ | $ |
| **Equities:** | | | | | | | | |
| Mutual Funds[1] | 297 | 58 | 297 | 1 | | 57 | | |
| **Fixed income securities:** | | | | | | | | |
| Mutual Funds[2] | 155 | 80 | 77 | 5 | 78 | 75 | | |
| Others[3] | | 6 | | | | 6 | | |
| Total | $ 454 | $ 153 | $ 376 | $ 15 | $ 78 | $ 138 | $ | $ |

(1) This category represents a portfolio of equity investments comprised of equity index funds that invest in U.S. equities and non-U.S. equities. The U.S. equities are comprised of investments focusing on large, mid and small cap companies and non-U.S. equities are comprised of international, emerging

markets and real estate investment trusts.

(2) This category represents a portfolio of fixed income investments in mutual funds comprised of investment grade U.S. government bonds and notes, foreign government bonds and corporate bonds from diverse industries.

(3) This category represents a portfolio consisting of a mixture of equity, fixed income and cash.

Bunge expects to contribute $3 million and $12 million, respectively, to its U.S. and foreign-based defined benefit pension plans in 2015.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. PENSION PLANS (Continued)**

The following benefit payments, which reflect future service as appropriate, are expected to be paid related to U.S. and foreign defined benefit pension plans:

| (US$ in millions) | U.S. Pension Benefit Payments | Foreign Pension Benefit Payments |
|---|---|---|
| 2015 | $ 26 | $ 9 |
| 2016 | 28 | 9 |
| 2017 | 30 | 9 |
| 2018 | 32 | 10 |
| 2019 | 35 | 9 |
| 2020 - 2024 | 201 | 45 |

*Employee Defined Contribution Plans* Bunge also makes contributions to qualified defined contribution plans for eligible employees. Contributions to these plans amounted to $12 million, $12 million and $14 million during the years ended December 31, 2014, 2013 and 2012, respectively.

**20. POSTRETIREMENT HEALTHCARE BENEFIT PLANS**

Certain United States and Brazil based subsidiaries of Bunge have benefit plans to provide certain postretirement healthcare benefits to eligible retired employees of those subsidiaries. The plans require minimum retiree contributions and define the maximum amount the subsidiaries will be obligated to pay under the plans. Bunge's policy is to fund these costs as they become payable.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**20. POSTRETIREMENT HEALTHCARE BENEFIT PLANS (Continued)**

The following table sets forth a reconciliation of the changes in the postretirement healthcare benefit plans' benefit obligations and funded status at December 31, 2014 and 2013. A measurement date of December 31 was used for all plans.

| | U.S. Postretirement Healthcare Benefits December 31, | | Foreign Postretirement Healthcare Benefits December 31, | |
|---|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2014** | **2013** |
| **Change in benefit obligations:** | | | | |
| Benefit obligation at the beginning of year | **$ 14** | $ 16 | **$ 54** | $ 80 |
| Plan amendments | **(1)** | | | |
| Plan curtailments | | | **(2)** | (2) |
| Interest cost | **1** | 1 | **6** | 6 |
| Actuarial (gain) loss, net | | (2) | **11** | (15) |
| Employee contributions | **1** | 1 | | |
| Benefits paid | **(2)** | (2) | **(6)** | (6) |
| Impact of foreign exchange rates | | | **(8)** | (9) |
| Benefit obligation at the end of year | **$ 13** | $ 14 | **$ 55** | $ 54 |
| **Change in plan assets:** | | | | |
| Employer contributions | **$ 1** | $ 1 | **$ 6** | $ 6 |
| Employee contributions | **1** | 1 | | |
| Benefits paid | **(2)** | (2) | **(6)** | (6) |
| Fair value of plan assets at the end of year | **$** | $ | **$** | $ |
| **Funded status and net amounts recognized:** | | | | |
| Plan assets (less than) of benefit obligation | **$ (13)** | $ (14) | **$ (55)** | $ (54) |
| Net (liability) recognized in the balance sheet | **$ (13)** | $ (14) | **$ (55)** | $ (54) |
| **Amounts recognized in the balance sheet consist of:** | | | | |
| Current liabilities | **$ (1)** | $ (1) | **$ (5)** | $ (5) |
| Non-current liabilities | **(12)** | (13) | **(50)** | (49) |
| Net liability recognized | **$ (13)** | $ (14) | **$ (55)** | $ (54) |

Included in accumulated other comprehensive income at December 31, 2014 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized prior service credit of $1 million ($1 million, net of tax), and unrecognized actuarial gain (loss) of $2 million ($1 million, net of tax). Bunge does not expect to recognize any unrecognized prior service credits or unrecognized actuarial losses as components of net periodic benefit costs for its postretirement healthcare benefit plans in 2015.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**20. POSTRETIREMENT HEALTHCARE BENEFIT PLANS (Continued)**

The components of net periodic benefit costs for U.S. and foreign postretirement healthcare benefit plans are as follows:

| | U.S. Postretirement Healthcare Benefits Year Ended December 31, | | | Foreign Postretirement Healthcare Benefits Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** | **2014** | **2013** | **2012** |
| Service cost | **$** | $ | $ | **$** | $ | $ 1 |
| Interest cost | **1** | 1 | 1 | **6** | 6 | 9 |
| Amortization of prior service cost | | | | | | (7) |
| Amortization of net (gain) loss | **(1)** | (1) | | **(1)** | 1 | 8 |
| Curtailment gain | | | | **(2)** | (2) | |
| Net periodic benefit costs | **$** | $ | $ 1 | **$ 3** | $ 5 | $ 11 |

The weighted-average discount rates used in determining the actuarial present value of the accumulated benefit obligations under the U.S. and foreign postretirement healthcare benefit plans are as follows:

| | U.S. Postretirement Healthcare Benefits December 31, | | Foreign Postretirement Healthcare Benefits December 31, | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Discount rate | **3.9%** | 4.7% | **11.3%** | 11.4% |

The weighted-average discount rate assumptions used in determining the net periodic benefit costs under the U.S. and foreign postretirement healthcare benefit plans are as follows:

| | U.S. Postretirement Healthcare Benefits Year Ended December 31, | | | Foreign Postretirement Healthcare Benefits Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2014** | **2013** | **2012** | **2014** | **2013** | **2012** |
| Discount rate | **4.7%** | 3.8% | 4.8% | **11.4%** | 8.8% | 10.3% |

At December 31, 2014, for measurement purposes related to U.S. plans, an 8.4% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2015, decreasing to 4.5% by 2029, remaining at that level thereafter. At December 31, 2013, for measurement purposes related to U.S. plans, a 9.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2014. For foreign plans, the assumed annual rate of increase in the per capita cost of covered healthcare benefits averaged 7.74% and 7.74% for 2014 and 2013, respectively.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**20. POSTRETIREMENT HEALTHCARE BENEFIT PLANS (Continued)**

A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

| (US$ in millions) | | One-percentage point increase | One-percentage point decrease |
|---|---|---|---|
| Effect on total service and interest cost | U.S. plans | $ | $ |
| Effect on total service and interest cost | Foreign plans | $ 1 | $ (1) |
| Effect on postretirement benefit obligation | U.S. plans | $ 1 | $ (1) |
| Effect on postretirement benefit obligation | Foreign plans | $ 4 | $ (4) |

Bunge expects to contribute $2 million to its U.S. postretirement healthcare benefit plan and $6 million to its foreign postretirement healthcare benefit plans in 2015.

**21. RELATED PARTY TRANSACTIONS**

On September 5, 2014, Bunge agreed to acquire Itochu Corporation's 20% interest in two sugarcane mills operating in the sugar and bioenergy segment in Brazil. Prior to this transaction, Bunge had an 80% interest in these entities which were consolidated. The acquisition of the minority interest resulted in a $23 million decrease to equity which represents the noncontrolling interests share.

*Notes receivable* At December 31, 2013, Bunge held a note receivable from Southwest Iowa Renewable Energy, a 25% owned United States investment having a carrying value of approximately $27 million. This note was renewed in August 2014 with interest payable at a rate of LIBOR plus 7.5% and fully repaid in December 2014.

At December 31, 2014, Bunge held a note receivable from PT Bumiraya Investido, a 35% owned investment in Indonesia, having a carrying value of approximately $5 million and interest payable at a rate of 9.6%. This note matured in January 2014.

Bunge holds a note receivable from DII, a 40% owned investment in France, having a carrying value of approximately $6 million at December 31, 2014 which matures in March 2015 with interest payable at a rate of 3.6%. Bunge held a note receivable having a carrying value of approximately $15 million at December 31, 2013 which matured in March 2014 with interest payable at a rate of 3.7%.

Bunge holds a note receivable from Biodiesel Bilbao S.A., a 20% owned investment in Spain, having a carrying value of approximately $3 million at December 31, 2014 and 2013, respectively. This note matures in December 2015 with interest payable at a rate of 2.5%. In October 2013, Bunge recorded an impairment of $3 million related to the note receivable.

Bunge has a note receivable from Senwes Limited, its partner in the Bunge Senwes joint venture in South Africa, having a carrying value of $9 million at December 31, 2014, and is included in other current assets in Bunge's consolidated balance sheets.

In addition, Bunge held notes receivables from related parties totaling $11 million and $14 million at December 31, 2014, and 2013, respectively.

Bunge has recognized interest income related to these notes receivable of approximately $1 million for December 31, 2014 and $2 million for each of the years ended December 31, 2013 and 2012,

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**21. RELATED PARTY TRANSACTIONS (Continued)**

respectively, in interest income in its consolidated statements of income. Notes receivable are included in other current assets or other non-current assets in the consolidated balance sheets, according to payment terms.

*Notes payable* Bunge holds a note payable with its joint venture Bunge SCF Grain LLC with a carrying value of $11 million at December 31, 2014. This note matures on March 21, 2017 with an interest rate of 1 month LIBOR and is included in other long-term liabilities in Bunge's consolidated balance sheet.

*Other* Bunge purchased soybeans and other commodity products and received port services from certain of its unconsolidated ventures, totaling $746 million, $446 million and $685 million for the years ended December 31, 2014, 2013 and 2012, respectively. Bunge also sold soybeans and other commodity products and provided port services to certain of its unconsolidated ventures, totaling $345 million, $440 million and $592 million for the years ended December 31, 2014, 2013 and 2012, respectively. At December 31, 2014 and 2013, Bunge had approximately $75 million and $90 million of receivables from these ventures included in trade accounts receivable in the consolidated balance sheets as of those dates. In addition, at December 31, 2014 and 2013, Bunge had approximately $73 million and $29 million of payables to these ventures included in trade accounts payable in the consolidated balance sheets as of those dates.

In addition, Bunge provided services during the years ended December 31, 2014, 2013 and 2012, to its unconsolidated ventures totaling $111 million, $81 million and $78 million, respectively, for services including primarily tolling and administrative support. Bunge believes all of these transaction values are similar to those that would be conducted with third parties.

**22. COMMITMENTS AND CONTINGENCIES**

Bunge is party to a large number of claims and lawsuits, primarily tax and labor claims in Brazil and tax claims in Argentina, arising in the normal course of business. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. Bunge records liabilities related to its general claims and lawsuits when the exposure item becomes probable and can be reasonably estimated. Bunge management does not expect these matters to have a material adverse effect on Bunge's financial condition, results of operations or liquidity. However, these matters are subject to inherent uncertainties and there exists the remote possibility of an adverse impact on Bunge's position in the period the uncertainties are resolved whereby the settlement of the identified contingencies could exceed the amount of provisions included in the consolidated balance sheets. Included in other non-current liabilities at December 31, 2014 and December 31, 2013 are the following amounts related to these matters:

| (US$ in millions) | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Tax claims | **$ 225** | $ 59 |
| Labor claims | **86** | 76 |
| Civil and other claims | **107** | 101 |
| **Total** | **$ 418** | $ 236 |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**22. COMMITMENTS AND CONTINGENCIES (Continued)**

*Tax claims* These tax claims relate principally to claims against Bunge's Brazilian subsidiaries, primarily value added tax claims (ICMS, IPI, PIS and COFINS). The determination of the manner in which various Brazilian federal, state and municipal taxes apply to the operations of Bunge is subject to varying interpretations arising from the complex nature of Brazilian tax law. In addition to the matter discussed below, Bunge monitors other potential claims in Brazil regarding these value-added taxes. In particular, Bunge monitors the Brazilian federal and state governments' responses to recent Brazilian Supreme Court decisions invalidating on constitutional grounds certain ICMS incentives and benefits granted by various states. While Bunge was not a recipient of any of the incentives and benefits that were the subject of these Supreme Court decisions, it has received other similar tax incentives and benefits. Bunge has not received any tax assessment from the states that granted these incentives or benefits related to their validity and, based on the Company's evaluation of this matter as required by U.S. GAAP, no liability has been recorded in the consolidated financial statements. On February 13, 2015 Brazil's Supreme Federal Court (the "Court") published a ruling that certain state ICMS tax credits related to staple foods, including soy oil, margarine, mayonnaise and wheat flours, are unconstitutional (see Note 29).

In May 2014, the Brazilian tax authorities concluded an examination of the ICMS tax returns of one of Bunge's sugar milling subsidiaries for the years 2010-2011 and proposed adjustments totaling approximately 45 million Brazilian *reais* (approximately $17 million as of December 31, 2014), plus applicable interest and penalties. Management, in consultation with external legal advisors, has determined that no reserves are required.

In December 2012, July 2013 and November 2014, the Brazilian tax authorities concluded examinations of the PIS COFINS tax returns of one of Bunge's Brazilian subsidiaries for the years 2004-2007, 2008 and 2009, and proposed adjustments totaling approximately 430 million Brazilian *reais* (approximately $162 million as of December 31, 2014), plus applicable interest and penalties. Management, in consultation with external legal advisors, has established appropriate reserves for potential exposures.

The Argentine tax authorities have been conducting a review of income and other taxes paid by exporters and processors of cereals and other agricultural commodities in the country. In that regard, in October 2010, the Argentine tax authorities carried out inspections at several of Bunge's locations in Argentina relating to allegations of income tax evasion covering the periods from 2007 to 2009. In December 2012, Bunge's Argentine subsidiary received an income tax assessment relating to fiscal years 2006 and 2007 with a claim of approximately 436 million Argentine *pesos* (approximately $51 million as of December 31, 2014), plus previously accrued interest on the outstanding amount due of approximately 907 million Argentine *pesos* (approximately $106 million as of December 31, 2014). Bunge's Argentine subsidiary has appealed this assessment before the National Tax Court. Fiscal years 2008 and 2009 are currently being audited by the tax authorities and it is likely that the tax authorities will also audit fiscal years 2010-2013, although no notice has been rendered to Bunge's Argentine subsidiary. Additionally, in April 2011, the Argentine tax authorities conducted inspections of Bunge's locations and those of several other grain exporters with respect to allegations of evasion of liability for value-added taxes and an inquest proceeding was initiated in the first quarter of 2012 to determine whether there is any potential criminal culpability relating to these matters. Also during 2011, Bunge paid $112 million of accrued export tax obligations in Argentina under protest while reserving all of its rights in respect of such payment. In the first quarter of 2012, the Argentine tax authorities assessed interest on these paid export taxes, which as of December 31, 2014, totaled approximately $176 million.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**22. COMMITMENTS AND CONTINGENCIES (Continued)**

In April 2012, the Argentine government suspended Bunge's Argentine subsidiary from a registry of grain traders and, in October 2012, the government excluded Bunge's subsidiary from this registry in connection with the income tax allegations discussed above. While the suspension and exclusion have not had a material adverse effect on Bunge's business in Argentina. These actions have resulted in additional administrative requirements and increased logistical costs on domestic grain shipments within Argentina. Bunge is challenging these actions in the Argentine courts. Management believes that these tax-related allegations and claims are without merit and intends to vigorously defend against them. However, management is, at this time, unable to predict their outcome.

*Labor claims* The labor claims are principally claims against Bunge's Brazilian subsidiaries. The labor claims primarily relate to dismissals, severance, health and safety, salary adjustments and supplementary retirement benefits.

*Civil and other* The civil and other claims relate to various disputes with third parties, including suppliers and customers.

*Guarantees* Bunge has issued or was a party to the following guarantees at December 31, 2014:

| (US$ in millions) | Maximum Potential Future Payments |
|---|---|
| Unconsolidated affiliates financing[1] | $ 106 |
| Residual value guarantee[2] | 149 |
| **Total** | **$ 255** |

(1) Bunge issued guarantees to certain financial institutions related to debt of certain of its unconsolidated joint ventures. The terms of the guarantees are equal to the terms of the related financings which have maturity dates in 2015 through 2018. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At December 31, 2014, Bunge had no outstanding recorded obligation related to these guarantees.

(2) Bunge issued guarantees to certain financial institutions which are party to certain operating lease arrangements for railcars and barges. These guarantees provide for a minimum residual value to be received by the lessor at conclusion of the lease term. These leases expire at various dates from 2016 through 2019. At December 31, 2014, Bunge's recorded obligation related to these guarantees was $6 million.

In addition, Bunge Limited has provided full and unconditional parent level guarantees of the outstanding indebtedness under certain credit facilities entered into and senior notes issued by, its subsidiaries. At December 31, 2014, Bunge's consolidated balance sheet includes debt with a carrying amount of $3,284 million related to these guarantees. This debt includes the senior notes issued by two of Bunge's 100% owned finance subsidiaries, Bunge Limited Finance Corp. and Bunge N.A. Finance L.P. There are no significant restrictions on the ability of Bunge Limited Finance Corp., Bunge N.A. Finance L.P. or any other Bunge subsidiary to transfer funds to Bunge Limited.

*Freight Supply Agreements* In the ordinary course of business, Bunge enters into time charter agreements for the use of ocean freight vessels and freight service on railroad lines for the purpose of transporting agricultural commodities. In addition, Bunge sells the right to use these ocean freight vessels when excess freight capacity is available. These agreements generally range from two months to approximately seven years, in the case of ocean freight vessels, depending on market conditions, and 5

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**22. COMMITMENTS AND CONTINGENCIES (Continued)**

to 17 years in the case of railroad services. Future minimum payment obligations due under these agreements are as follows:

| (US$ in millions) | Ocean Freight Vessels | Railroad Services | Future Minimum Payment Obligations |
|---|---|---|---|
| 2015 | $ 95 | $ 110 | $ 205 |
| 2016 and 2017 | 115 | 47 | 162 |
| 2018 and 2019 | 100 | 42 | 142 |
| 2020 and thereafter | 128 | 154 | 282 |
| Total | $ 438 | $ 353 | $ 791 |

Actual amounts paid under these contracts may differ due to the variable components of these agreements and the amount of income earned on the sales of excess capacity. The agreements for the freight service on railroad lines require a minimum monthly payment regardless of the actual level of freight services used by Bunge. The costs of Bunge's freight supply agreements are typically passed through to the customers as a component of the prices charged for its products.

Also in the ordinary course of business, Bunge enters into relet agreements related to ocean freight vessels. Such relet agreements are similar to sub-leases. Bunge received approximately $98 million during the year ended December 31, 2014 and expects to receive payments of approximately $11 million in 2015, $5 million in 2016 and $2 million in 2017 under such relet agreements.

*Commitments* At December 31, 2014, Bunge had approximately $154 million of purchase commitments related to its inventories, $138 million of power supply contracts and $128 million of contractual commitments related to construction in progress.

**23. EQUITY**

*Share Repurchase Program* Bunge has established a program for the repurchase of up to $975 million of Bunge's issued and outstanding common shares. The program runs indefinitely. Bunge repurchased 3,780,987 common shares for $300 million during the year ended December 31, 2014. Total repurchases under the program from its inception on June 8, 2010 through December 31, 2014 were 12,428,846 shares for a total amount of $774 million. Bunge did not repurchase any shares under the program during the year ended December 31, 2013.

*Cumulative Convertible Perpetual Preference Shares* Bunge has 6,900,000, 4.875% cumulative convertible perpetual preference shares (convertible preference shares), par value $0.01 outstanding at December 31, 2014. Each convertible preference share has an initial liquidation preference of $100 per share plus accumulated unpaid dividends up to a maximum of an additional $25 per share. As a result of adjustments made to the initial conversion price because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each convertible preference share is convertible at any time at the holder's option into approximately 1.1220 common shares based on a conversion price of $89.1299 per convertible preference share, subject in each case to certain specified anti-dilution adjustments (which represents 7,741,800 Bunge Limited common shares at December 31, 2014).

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**23. EQUITY (Continued)**

At any time on or after December 1, 2011, if the closing market price of Bunge's common shares equals or exceeds 130% of the conversion price of the convertible preference shares, for 20 trading days within any period of 30 consecutive trading days (including the last trading day of such period), Bunge may elect to cause all outstanding convertible preference shares to be automatically converted into the number of common shares that are issuable at the conversion price. The convertible preference shares are not redeemable by Bunge at any time.

The convertible preference shares accrue dividends at an annual rate of 4.875%. Dividends are cumulative from the date of issuance and are payable, quarterly in arrears, on each March 1, June 1, September 1 and December 1, commencing on March 1, 2007, when, as and if declared by Bunge's Board of Directors. The dividends may be paid in cash, common shares or a combination thereof. Accumulated but unpaid dividends on the convertible preference shares will not bear interest. In each of the years ended December 31, 2014, 2013 and 2012, Bunge recorded $34 million of dividends on its convertible preference shares.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**23. EQUITY (Continued)**

*Accumulated Other Comprehensive Income (Loss) Attributable to Bunge* The following table summarizes the balances of related after-tax components of accumulated other comprehensive income (loss) attributable to Bunge:

| (US$ in millions) | Foreign Exchange Translation Adjustment[1] | Deferred Gains (Losses) on Hedging Activities | Pension and Other Postretirement Liability Adjustments | Unrealized Gains (Losses) on Investments | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|---|
| Balance January 1, 2012 | $ (460) | $ (24) | $ (124) | $ (2) | $ (610) |
| Other comprehensive income (loss) before reclassifications | (805) | 5 | (33) | 11 | (822) |
| Amount reclassified from accumulated other comprehensive income | | 22 | | | 22 |
| Net-current period other comprehensive income (loss) | (805) | 27 | (33) | 11 | (800) |
| **Balance, December 31, 2012** | (1,265) | $ 3 | (157) | 9 | (1,410) |
| Other comprehensive income (loss) before reclassifications | (1,217) | | 88 | 5 | (1,124) |
| Amount reclassified from accumulated other comprehensive income (loss) | (4) | (25) | | (9) | (38) |
| Net-current period other comprehensive income (loss) | (1,221) | (25) | 88 | (4) | (1,162) |
| **Balance, December 31, 2013** | (2,486) | $ (22) | (69) | 5 | (2,572) |
| Other comprehensive income (loss) before reclassifications | (1,411) | 21 | (85) | (2) | (1,477) |
| Amount reclassified from accumulated other comprehensive income (loss) | | (9) | | | (9) |
| Net-current period other comprehensive income (loss) | (1,411) | 12 | (85) | (2) | (1,486) |
| **Balance, December 31, 2014** | **$ (3,897)** | **$ (10)** | **$ (154)** | **$ 3** | **$ (4,058)** |

(1) Bunge has significant operating subsidiaries in Brazil, Argentina, North America, Europe and Asia-Pacific. The functional currency of Bunge's subsidiaries is the local currency. The assets and liabilities of these subsidiaries are translated into U.S. dollars from local currency at month-end exchange rates, and the resulting foreign exchange translation gains (losses) are recorded in the consolidated balance sheets as a component of accumulated other comprehensive income (loss).

**24. EARNINGS PER COMMON SHARE**

Basic earnings per share is computed by dividing net income available to Bunge common shareholders by the weighted-average number of common shares outstanding, excluding any dilutive effects of stock options, restricted stock unit awards, convertible preference shares and convertible notes during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include additional shares from the assumed exercise of stock options,

restricted stock unit awards and convertible securities and notes, if dilutive. The number of additional shares is calculated by assuming

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**24. EARNINGS PER COMMON SHARE (Continued)**

that outstanding stock options, except those which are not dilutive, were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period. In addition, Bunge accounts for the effects of convertible securities and convertible notes, using the if-converted method. Under this method, the convertible securities and convertible notes are assumed to be converted and the related dividend or interest expense, net of tax, is added back to earnings, if dilutive.

The following table sets forth the computation of basic and diluted earnings per common share:

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions, except for share data)** | **2014** | **2013** | **2012** |
| Income from continuing operations | **$ 485** | $ 110 | $ 378 |
| Net (income) loss attributable to noncontrolling interests | **(2)** | 99 | 28 |
| Income (loss) from continuing operations attributable to Bunge | **483** | 209 | 406 |
| Other redeemable obligations[1] | **(14)** | (42) | (2) |
| Convertible preference share dividends | **(34)** | (34) | (34) |
| Income (loss) from discontinued operations, net of tax | **32** | 97 | (342) |
| Net income (loss) available to Bunge common shareholders | **$ 467** | $ 230 | $ 28 |
| **Weighted-average number of common shares outstanding:** | | | |
| Basic | **146,209,508** | 147,204,082 | 146,000,541 |
| Effect of dilutive shares: | | | |
| stock options and awards[2] | **1,021,270** | 1,053,227 | 1,134,945 |
| convertible preference shares[3] | | | |
| Diluted | **147,230,778** | 148,257,309 | 147,135,486 |
| **Basic earnings per common share:** | | | |
| Net income (loss) from continuing operations | **$ 2.98** | $ 0.91 | $ 2.53 |
| Net income (loss) from discontinued operations | **0.22** | 0.66 | (2.34) |
| Net income (loss) to Bunge common shareholders basic | **$ 3.20** | $ 1.57 | $ 0.19 |
| **Diluted earnings per common share:** | | | |
| Net income (loss) from continuing operations | **$ 2.96** | $ 0.90 | $ 2.51 |
| Net income (loss) from discontinued operations | **0.21** | 0.65 | (2.32) |
| Net income (loss) to Bunge common shareholders diluted | **$ 3.17** | $ 1.55 | $ 0.19 |

(1) Accretion of redeemable noncontrolling interest of $14 million, $42 million and $2 million for the years ended December 31, 2014, 2013 and 2012, respectively, relates to a non-fair value variable put arrangement whereby the noncontrolling interest holder may require Bunge to purchase the remaining shares of an oilseed processing operation in Central and Eastern Europe. Accretion for the respective periods includes the effect of losses incurred by the operations for the years ended December 31, 2014, 2013 and 2012, respectively.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**24. EARNINGS PER COMMON SHARE (Continued)**

(2) The weighted-average common shares outstanding-diluted excludes approximately 2 million, 3 million and 4 million stock options and contingently issuable restricted stock units, which were not dilutive and not included in the computation of earnings per share for the years ended December 31, 2014, 2013 and 2012, respectively.

(3) Weighted-average common share outstanding-diluted for the years ended December 31, 2014, 2013 and 2012 excludes approximately 8 million weighted-average common shares that are issuable upon conversion of the convertible preference shares that were not dilutive and not included in the weighted-average number of common shares outstanding.

**25. SHARE-BASED COMPENSATION**

For the years ended December 31, 2014, 2013 and 2012, Bunge recognized approximately $49 million, $53 million and $44 million, respectively, of total compensation expense for awards classified as equity awards related to its stock option and restricted stock unit awards in additional paid-in capital.

*2009 Equity Incentive Plan and Equity Incentive Plan* During the year ended December 31, 2009, Bunge established the 2009 Equity Incentive Plan (the "2009 EIP"), which was approved by shareholders at the 2009 annual general meeting. Under the 2009 EIP, the compensation committee of Bunge's Board of Directors may grant equity-based awards to officers, employees, consultants and independent contractors. Awards under the 2009 EIP may be in the form of stock options, restricted stock units (performance-based or time-vested) or other equity-based awards. Prior to May 8, 2009, the date of shareholder approval of the 2009 EIP, Bunge granted equity-based awards under the Equity Incentive Plan, a shareholder approved plan (the "Equity Incentive Plan"). Under the Equity Incentive Plan, the compensation committee of Bunge's Board of Directors was authorized to grant equity-based awards to officers, employees, consultants and independent contractors. The Equity Incentive Plan provided that awards may be in the form of stock options, restricted stock units (performance-based or time-vested) or other equity-based awards. Effective May 8, 2009, no further awards can be granted under the Equity Incentive Plan.

(i) *Stock Option Awards* Stock options to purchase Bunge Limited common shares are non-statutory and granted with an exercise price equal to the market value of Bunge Limited common shares on the date of the grant, as determined under the Equity Incentive Plan or the 2009 EIP, as applicable. Options expire ten years after the date of the grant and generally vest and become exercisable on a pro-rata basis over a three-year period on each anniversary of the date of the grant. Vesting may be accelerated in certain circumstances as provided in the Equity Incentive Plan and the 2009 EIP. Compensation expense is recognized for option grants beginning in 2006 on a straight-line basis and for options granted prior to 2006, compensation expense is recognized on an accelerated basis over the vesting period of each grant.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**25. SHARE-BASED COMPENSATION (Continued)**

(ii) *Restricted Stock Units* Performance-based restricted stock units and time-vested restricted stock units are granted at no cost to employees. Performance-based restricted stock units are awarded at the beginning of a three-year performance period and vest following the end of that three-year period. Performance-based restricted stock units fully vest on the third anniversary of the date of grant. Payment of the units is subject to Bunge attaining certain targeted cumulative earnings per share ("EPS") during the three-year performance period. Beginning in 2014, payment of the units is also subject to Bunge attaining certain average Return on Invested Capital ("ROIC") targets during the same three-year performance period. Targeted cumulative EPS under the Equity Incentive Plan or the 2009 EIP, as applicable, is based on income per share from continuing operations and targeted ROIC is based on ROIC adjusted for non-recurring charges and other one-time events at the discretion of the compensation committee. Vesting may be accelerated in certain circumstances as provided in the Equity Incentive Plan and the 2009 EIP. Payment of the award is calculated based on a sliding scale for each of cumulative EPS and average ROIC whereby 50% of the performance-based restricted stock unit award vests if the minimum performance target is achieved. No vesting occurs if actual performance is less than the minimum performance target. The award is capped at 200% of the grant for actual performance in excess of the maximum performance target for an award. Awards are paid solely in Bunge Limited common shares.

Time-vested restricted stock units are subject to vesting periods varying from three to five years and vest on either a pro-rata basis over the applicable vesting period or 100% at the end of the applicable vesting period, as determined by the compensation committee at the time of the grant. Vesting may be accelerated in certain circumstances as provided in the Equity Incentive Plan and the 2009 EIP. Time-vested restricted stock units are paid in Bunge Limited common shares upon satisfaction of the applicable vesting terms.

At the time of payout, a participant holding a vested restricted stock unit will also be entitled to receive corresponding dividend equivalent share payments. Dividend equivalents on performance-based restricted stock units are capped at the target level. Compensation expense for restricted stock units is equal to the market value of Bunge Limited common shares at the date of the grant and is recognized on a straight-line basis over the vesting period of each grant.

*2007 Non-Employee Directors' Equity Incentive Plan* Bunge has established the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (the "2007 Directors' Plan"), a shareholder approved plan. Under the 2007 Directors' Plan, the compensation committee may grant equity based awards to non-employee directors of Bunge Limited. Awards may consist of restricted stock, restricted stock units, deferred restricted stock units and non-statutory stock options.

(i) *Stock Option Awards* Stock options to purchase Bunge Limited common shares are granted with an exercise price equal to the market value of Bunge Limited common shares on the date of the grant, as determined under the 2007 Directors' Plan. Options expire ten years after the date of the grant and generally vest and are exercisable on the third anniversary of the grant date. Vesting may be accelerated in certain circumstances as provided in the 2007 Directors' Plan. Compensation expense is recognized on a straight-line basis.

(ii) *Restricted Stock Units* Restricted stock units and deferred restricted stock units are granted at no cost to the non-employee directors. Restricted stock units generally vest on the third anniversary of the grant date and payment is made in Bunge Limited common shares. Deferred restricted stock units

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**25. SHARE-BASED COMPENSATION (Continued)**

generally vest on the first anniversary of the grant date and payment is deferred until after the third anniversary of the date of grant and made in Bunge Limited common shares. Vesting may be accelerated in certain circumstances as provided in the 2007 Directors' Plan.

At the time of payment, a participant holding a restricted stock unit or deferred restricted stock unit is also entitled to receive corresponding dividend equivalent share payments. Compensation expense is equal to the market value of Bunge Limited common shares at the date of grant and is recognized on a straight-line basis over the vesting period of each grant.

*Non-Employee Directors' Equity Incentive Plan* Prior to the May 25, 2007 shareholder approval of the 2007 Directors' Plan, Bunge granted equity-based awards to its non-employee directors under the Non-Employee Directors' Equity Incentive Plan (the "Directors' Plan") which is also a shareholder approved plan. The Directors' Plan provides for awards of non-statutory stock options to non-employee directors. The options vest and are exercisable on the January 1st following the grant date. Vesting may be accelerated in certain circumstances as provided in the Directors' Plan. Compensation expense has been recognized for option grants beginning in 2006 on a straight-line basis and for options granted prior to 2006 on an accelerated basis over the vesting period of each grant. Effective May 25, 2007, no further awards are granted under the Directors' Plan.

The fair value of each stock option granted under any of Bunge's equity incentive plans is estimated on the grant date using the Black-Scholes-Merton option-pricing model with the assumptions noted in the following table. The expected volatility of Bunge's common shares is based on historical volatility calculated using the daily closing price of Bunge's shares up to the grant date. Bunge uses historical employee exercise behavior for valuation purposes. The expected option term of granted options represents the period of time that the granted options are expected to be outstanding based on historical experience and giving consideration for the contractual terms, vesting periods and expectations of future employee behavior. The risk-free interest rate is based on U.S. Treasury zero-coupon bonds with a term equal to the expected option term of the respective grants and grant dates.

| | December 31, | | |
|---|---|---|---|
| **Assumptions:** | **2014** | **2013** | **2012** |
| Expected option term (in years) | **6.02** | 6.00 | 5.94 |
| Expected dividend yield | **1.51%** | 1.45% | 1.48% |
| Expected volatility | **40.91%** | 43.23% | 44.26% |
| Risk-free interest rate | **1.84%** | 1.01% | 1.15% |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**25. SHARE-BASED COMPENSATION (Continued)**

A summary of option activity under the plans for the year ended December 31, 2014 is presented below:

| Options | Shares | Weighted-Exercise Price | Weighted-Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at January 1, 2014 | 5,164,168 | $ 69.30 | | |
| Granted | 891,975 | 79.33 | | |
| Exercised | (1,406,385) | 60.32 | | |
| Forfeited or expired | (116,266) | 82.98 | | |
| **Outstanding at December 31, 2014** | **4,533,492** | **$ 73.70** | **6.13** | **$ 85** |
| **Exercisable at December 31, 2014** | **3,034,910** | **$ $72.53** | **4.92** | **$ 63** |

The weighted-average grant date fair value of options granted during the years ended December 31, 2014, 2013 and 2012 was $28.25, $26.95 and $25.06, respectively. The total intrinsic value of options exercised during the years ended December 31, 2014, 2013 and 2012 was approximately $34 million, $29 million and $19 million, respectively. The excess tax benefit classified as a financing cash flow was not significant for any of the periods presented.

At December 31, 2014, $19 million of total unrecognized compensation cost related to non-vested stock options granted under the Equity Incentive Plan is expected to be recognized over the next two years.

A summary of activity under Bunge's restricted stock unit plans for the year ended December 31, 2014 is presented below.

| Restricted Stock Units | Shares | Weighted-Grant-Date Fair Value |
|---|---|---|
| Restricted stock units at January 1, 2014[(1)] | 1,282,326 | $ 71.07 |
| Granted | 510,573 | 79.26 |
| Vested/issued[(2)] | (416,703) | 71.32 |
| Forfeited/cancelled[(2)] | (226,658) | 71.74 |
| Restricted stock units at December 31, 2014[(1)] | 1,149,538 | $ 74.49 |

(1) Excludes accrued unvested dividends, which are payable in shares upon vesting of Bunge's common shares. At December 31, 2014, there were 16,699 unvested dividends accrued. Accrued unvested share dividends are revised upon non-achievement of performance targets.

(2) During the year ended December 31, 2014, Bunge issued 416,703 common shares, net of common shares withheld to cover taxes, including related common shares representing accrued dividends, with a weighted-average fair value of $79.33 per share. At December 31, 2014, Bunge has

approximately 18,014 deferred common share units including common shares representing accrued dividends. During the year ended December 31, 2014, Bunge canceled approximately 191,161 shares related to performance-based restricted stock unit awards that did not vest due to non-achievement of performance targets and performance-based restricted stock unit awards that were withheld to cover payment of employee related taxes.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**25. SHARE-BASED COMPENSATION (Continued)**

The weighted-average grant date fair value of restricted stock units granted during the years ended December 31, 2014, 2013 and 2012 was $79.26, $74.40 and $67.08, respectively.

At December 31, 2014, there was approximately $35 million of total unrecognized compensation cost related to restricted stock units share-based compensation arrangements under the 2009 EIP, the Equity Incentive Plan and the 2007 Non-Employee Directors' Plan, which is expected to be recognized over the next two years. The total fair value of restricted stock units vested during the year ended December 31, 2014 was approximately $28 million.

*Common Shares Reserved for Share-Based Awards* The 2007 Directors' Plan and the 2009 EIP provide that 600,000 and 10,000,000 common shares, respectively, are to be reserved for grants of stock options, stock awards and other awards under the plans. At December 31, 2014, 276,442 and 3,408,967 common shares were available for future grants under the 2007 Directors' Plan and the 2009 EIP, respectively.

**26. LEASE COMMITMENTS**

Bunge routinely leases storage facilities, transportation equipment and office facilities under operating leases. Future minimum lease payments by year and in the aggregate under non-cancelable operating leases with initial or remaining terms of one year or more at December 31, 2014 are as follows:

| (US$ in millions) | Minimum Lease Payments |
|---|---|
| 2015 | $ 223 |
| 2016 | 194 |
| 2017 | 131 |
| 2018 | 104 |
| 2019 | 77 |
| Thereafter | 274 |
| Total | $ 1,003 |

Net rent expense under non-cancelable operating leases is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| (US$ in millions) | 2014 | 2013 | 2012 |
| Rent expense | **$ 259** | $ 204 | $ 189 |
| Sublease income | **(22)** | (23) | (35) |
| Net rent expense | **$ 237** | $ 181 | $ 154 |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**26. LEASE COMMITMENTS (Continued)**

In addition, Bunge enters into agricultural partnership agreements for the production of sugarcane. These agreements have an average remaining life of six years and cover approximately 230,000 hectares of land under cultivation. Amounts owed under these agreements are dependent on several variables including the quantity of sugarcane produced per hectare, the total recoverable sugar ("ATR") per ton of sugarcane produced and the price for each kilogram of ATR as determined by Consecana, the São Paulo state sugarcane and sugar and ethanol council. During the years ended December 31, 2014, 2013 and 2012, Bunge made payments related to these agreements of $162 million, $169 million and $181 million, respectively. Of these amounts $95 million, $107 million and $127 million, respectively, were payments for advances on future production and $67 million, $62 million and $54 million, respectively, were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2014, 2013 and 2012, respectively.

**27. SEGMENT INFORMATION**

Bunge has five reportable segments agribusiness, edible oil products, milling products, sugar and bioenergy, and fertilizer which are organized based upon similar economic characteristics and are similar in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The agribusiness segment is characterized by both inputs and outputs being agricultural commodities and thus high volume and low margin. The edible oil products segment involves the processing, production and marketing of products derived from vegetable oils. The milling products segment involves the processing, production and marketing of products derived primarily from wheat and corn. The sugar and bioenergy segment involves sugarcane growing and milling in Brazil, sugar merchandising in various countries, as well as sugarcane-based ethanol production and corn-based ethanol investments and related activities. Following the classification of the Brazilian fertilizer distribution and North American fertilizer businesses as discontinued operations, the activities of the fertilizer segment include its port operations in Brazil and Argentina and its blending and retail operations in Argentina.

The "Discontinued Operations & Unallocated" column in the following table contains the reconciliation between the totals for reportable segments and Bunge consolidated totals, which consist primarily of amounts attributable to discontinued operations, corporate items not allocated to the operating segments and inter-segment eliminations. Transfers between the segments are generally

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. SEGMENT INFORMATION (Continued)**

valued at market. The revenues generated from these transfers are shown in the following table as "Inter-segment revenues" segments.

| (US$ in millions) | Agribusiness | Edible Oil Products | Milling Products | Sugar and Bioenergy | Fertilizer | Discontinued Operations & Unallocated[1] | Total |
|---|---|---|---|---|---|---|---|
| **2014** | | | | | | | |
| Net sales to external customers | **$ 42,109** | **$ 7,972** | **$ 2,064** | **$ 4,542** | **$ 474** | **$** | **$ 57,161** |
| Inter-segment revenues | **3,510** | **161** | **88** | | | **(3,759)** | |
| Gross profit | **1,742** | **548** | **311** | **(41)** | **61** | | **2,621** |
| Foreign exchange gains (losses) | **39** | **(4)** | **(8)** | **19** | **1** | | **47** |
| Noncontrolling interests[1] | **(23)** | **(9)** | | **(1)** | **(5)** | **36** | **(2)** |
| Other income (expense) net | **8** | **5** | **(4)** | **10** | **(2)** | | **17** |
| Segment EBIT | **890** | **58** | **131** | **(168)** | **45** | | **956** |
| Discontinued operations[2] | | | | | | **32** | **32** |
| Depreciation, depletion and amortization | **(240)** | **(96)** | **(47)** | **(208)** | **(16)** | | **(607)** |
| Investments in affiliates | **178** | | | **116** | | | **294** |
| Total assets | **14,275** | **2,235** | **1,174** | **3,143** | **356** | **249** | **21,432** |
| Capital expenditures | **411** | **95** | **103** | **193** | **16** | **21** | **839** |
| | | | | | | | |
| **2013** | | | | | | | |
| Net sales to external customers | $ 45,507 | $ 9,165 | $ 2,012 | $ 4,215 | $ 448 | $ | $ 61,347 |
| Inter-segment revenues | 4,978 | 138 | 9 | 61 | 3 | (5,189) | |
| Gross profit | 1,797 | 540 | 262 | 92 | 69 | | 2,760 |
| Foreign exchange gains (losses) | 41 | 5 | (1) | 3 | 5 | | 53 |
| Noncontrolling interests[1] | 31 | (7) | | 9 | (5) | 71 | 99 |
| Other income (expense) net | (2) | 10 | 2 | | 34 | | 44 |
| Segment EBIT | 1,032 | 163 | 125 | (60) | 69 | | 1,329 |
| Discontinued operations[2] | | | | | | 97 | 97 |
| Depreciation, depletion and amortization | (240) | (99) | (28) | (184) | (17) | | (568) |
| Investments in affiliates | 185 | | | 56 | | | 241 |
| Total assets | 18,898 | 2,420 | 1,242 | 3,512 | 353 | 356 | 26,781 |
| Capital expenditures | 395 | 146 | 56 | 346 | 23 | 76 | 1,042 |
| | | | | | | | |
| **2012** | | | | | | | |
| Net sales to external customers | $ 44,561 | $ 9,472 | $ 1,833 | $ 4,659 | $ 466 | $ | $ 60,991 |
| Inter-segment revenues | 5,377 | 119 | 1 | | 58 | (5,555) | |
| Gross profit | 1,786 | 446 | 201 | 64 | 76 | | 2,573 |
| Foreign exchange gains (losses) | 111 | (8) | 1 | (15) | (1) | | 88 |
| Noncontrolling interests[1] | (9) | 2 | | 25 | (3) | 13 | 28 |
| Other income (expense) net | (68) | (7) | | (3) | (14) | | (92) |
| Segment EBIT[3] | 1,047 | 80 | 115 | (637) | 23 | | 628 |
| Discontinued operations[2] | | | | | | (342) | (342) |
| Depreciation, depletion and amortization | (221) | (93) | (30) | (175) | (18) | | (537) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Investments in affiliates | 195 | | | 37 | 41 | | 273 |
| Total assets | 18,178 | 2,723 | 806 | 3,691 | 972 | 910 | 27,280 |
| Capital expenditures | 365 | 179 | 27 | 421 | 31 | 72 | 1,095 |

(1) Includes the noncontrolling interests' share of interest and tax to reconcile to consolidated noncontrolling interests.

(2) Represents net income (loss) from discontinued operations.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. SEGMENT INFORMATION (Continued)**

(3) During the year ended December 31, 2012, Bunge recorded a pre-tax impairment charge of $514 million in its sugar and bioenergy segment for the write-down of goodwill. In addition, Bunge recorded pre-tax impairment charges of $30 million and $19 million in selling, general and administrative expenses and other income (expense) net, respectively related to the write-down of two separate affiliate loans to joint ventures and three separate equity method investments. Of these pre-tax impairment charges, $1 million and $9 million were allocated to the agribusiness segment in selling, general and administrative expenses and other income (expense) net, respectively, and $29 million and $10 million was allocated to the sugar and bioenergy segment in selling, general and administrative expenses and other income (expense) net, respectively.

Total segment earnings before interest and taxes ("EBIT") is an operating performance measure used by Bunge's management to evaluate segment operating activities. Bunge's management believes total segment EBIT is a useful measure of operating profitability, since the measure allows for an evaluation of the performance of its segments without regard to its financing methods or capital structure. In addition, EBIT is a financial measure that is widely used by analysts and investors in Bunge's industries.

A reconciliation of total segment EBIT to net income attributable to Bunge follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| Total segment EBIT from continuing operations | **$ 956** | $ 1,329 | $ 628 |
| Interest income | **87** | 76 | 53 |
| Interest expense | **(347)** | (363) | (294) |
| Income tax (expense) benefit | **(249)** | (904) | 6 |
| Income (loss) from discontinued operations, net of tax | **32** | 97 | (342) |
| Noncontrolling interests' share of interest and tax | **36** | 71 | 13 |
| Net income attributable to Bunge | **$ 515** | $ 306 | $ 64 |

Net sales by product group to external customers were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| Agricultural commodities products | **$ 42,109** | $ 45,507 | $ 44,561 |
| Edible oil products | **7,972** | 9,165 | 9,472 |
| Wheat milling products | **1,462** | 1,226 | 1,027 |
| Corn milling products | **602** | 786 | 806 |
| Sugar and bioenergy products | **4,542** | 4,215 | 4,659 |
| Fertilizer products | **474** | 448 | 466 |
| Total | **$ 57,161** | $ 61,347 | $ 60,991 |

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. SEGMENT INFORMATION (Continued)**

Geographic area information for net sales to external customers, determined based on the location of the subsidiary making the sale, and long-lived assets follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| Net sales to external customers: | | | |
| Europe | **$ 18,234** | $ 19,821 | $ 19,475 |
| United States | **12,199** | 12,764 | 15,249 |
| Brazil | **10,422** | 9,679 | 8,583 |
| Asia-Pacific | **10,932** | 12,516 | 11,160 |
| Argentina | **1,857** | 2,609 | 3,059 |
| Canada | **1,784** | 2,220 | 2,322 |
| Rest of world | **1,733** | 1,738 | 1,143 |
| Total | **$ 57,161** | $ 61,347 | $ 60,991 |

| | Year Ended December 31, | | |
|---|---|---|---|
| **(US$ in millions)** | **2014** | **2013** | **2012** |
| Long-lived assets[(1)]: | | | |
| Europe | **$ 1,181** | $ 1,301 | $ 1,238 |
| United States | **1,022** | 965 | 987 |
| Brazil | **2,711** | 3,145 | 3,341 |
| Asia-Pacific | **572** | 565 | 512 |
| Argentina | **257** | 248 | 330 |
| Canada | **347** | 316 | 236 |
| Rest of world | **480** | 540 | 163 |
| Total | **$ 6,570** | $ 7,080 | $ 6,807 |

(1) Long-lived assets include property, plant and equipment, net, goodwill and other intangible assets, net, investments in affiliates and non-current assets held for sale.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 28. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

| | Quarter | | | | |
|---|---|---|---|---|---|
| **(US$ in millions, except per share data)** | **First** | **Second** | **Third** | **Fourth** | **Year End** |
| **2014** | | | | | |
| Net sales | $ 13,461 | $ 16,793 | $ 13,676 | $ 13,231 | $ 57,161 |
| Gross profit | 414 | 793 | 719 | 695 | 2,621 |
| Income (loss) from discontinued operations, net of tax | (5) | 15 | 27 | (5) | 32 |
| Net income (loss) | (19) | 277 | 304 | (45) | 517 |
| Net income (loss) attributable to Bunge | (13) | 288 | 294 | (54) | 515 |
| **Earnings per common share basic[1]** | | | | | |
| Net income (loss) | $ (0.13) | $ 1.89 | $ 2.09 | $ (0.31) | $ 3.54 |
| Net income (loss) from continuing operations | $ (0.15) | $ 1.75 | $ 1.77 | $ (0.39) | $ 2.98 |
| Net income (loss) from discontinued operations | (0.03) | 0.10 | 0.19 | (0.04) | 0.22 |
| Net income (loss) to Bunge common shareholders | $ (0.18) | $ 1.85 | $ 1.96 | $ (0.43) | $ 3.20 |
| **Earnings per common share diluted[1]** | | | | | |
| Net income (loss) | $ (0.13) | $ 1.79 | $ 1.97 | $ (0.31) | $ 3.51 |
| Net income (loss) from continuing operations | $ (0.15) | $ 1.71 | $ 1.73 | $ (0.39) | $ 2.96 |
| Net income (loss) from discontinued operations | (0.03) | 0.10 | 0.17 | (0.04) | 0.21 |
| Net income (loss) to Bunge common shareholders | $ (0.18) | $ 1.81 | $ 1.90 | $ (0.43) | $ 3.17 |
| **Weighted-average number of shares:** | | | | | |
| Weighted-average number of shares outstanding basic | 147,497,638 | 146,477,301 | 145,528,313 | 145,365,696 | 146,209,508 |
| Weighted-average number of shares outstanding diluted | 147,497,638 | 155,039,427 | 154,189,825 | 146,458,981 | 147,230,778 |
| **Market price:** | | | | | |
| High | $ 81.92 | $ 81.38 | $ 86.36 | $ 92.91 | |
| Low | $ 73.51 | $ 74.68 | $ 73.54 | $ 80.97 | |
| **2013** | | | | | |
| Net sales | $ 14,785 | $ 15,491 | $ 14,701 | $ 16,370 | $ 61,347 |
| Gross profit | 647 | 616 | 688 | 809 | 2,760 |
| Income (loss) from discontinued operations, net of tax | (9) | 1 | 103 | 2 | 97 |
| Net income (loss) | 148 | 122 | (193) | 130 | 207 |
| Net income (loss) attributable to Bunge | 180 | 136 | (148) | 138 | 306 |
| **Earnings per common share basic[1]** | | | | | |
| Net income (loss) | $ 1.01 | $ 0.83 | $ (1.31) | $ 0.88 | $ 1.41 |

| | | | | | |
|---|---|---|---|---|---|
| Net income (loss) from continuing operations | $ 1.22 | $ 0.74 | $ (1.82) | $ 0.76 | $ 0.91 |
| Net income (loss) from discontinued operations | (0.06) | 0.02 | 0.69 | 0.02 | 0.66 |
| Net income (loss) to Bunge common shareholders | $ 1.16 | $ 0.76 | $ (1.13) | $ 0.78 | $ 1.57 |
| **Earnings per common share diluted(1)** | | | | | |
| Net income (loss) | $ 1.00 | $ 0.83 | $ (1.31) | $ 0.87 | $ 1.40 |
| Net income (loss) from continuing operations | $ 1.21 | $ 0.74 | $ (1.82) | $ 0.75 | $ 0.90 |
| Net income (loss) from discontinued operations | (0.06) | 0.01 | 0.69 | 0.03 | 0.65 |
| Net income (loss) to Bunge common shareholders | $ 1.15 | $ 0.75 | $ (1.13) | $ 0.78 | $ 1.55 |
| **Weighted-average number of shares:** | | | | | |
| Weighted-average number of shares outstanding basic | 146,648,822 | 147,128,500 | 147,349,175 | 147,678,707 | 147,204,082 |
| Weighted-average number of shares outstanding diluted | 147,867,817 | 147,873,841 | 147,349,175 | 148,803,918 | 148,257,309 |
| **Market price:** | | | | | |
| High | $ 79.92 | $ 73.51 | $ 79.15 | $ 83.11 | |
| Low | $ 72.12 | $ 66.40 | $ 71.35 | $ 76.11 | |

(1) Earnings per share to Bunge common shareholders for both basic and diluted is computed independently for each period presented. As a result, the sum of the quarterly earnings per share for the years ended December 31, 2014 and 2013 does not equal the total computed for the year.

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**BUNGE LIMITED AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**29. Subsequent Events**

On February 13, 2015, Brazil's Supreme Federal Court (the "Court") published a ruling that certain state ICMS tax credits related to staple foods, including soy oil, margarine, mayonnaise and wheat flours are unconstitutional. The Court previously had announced this ruling on October 16, 2014. The case that was the subject of the ruling is considered to be a "leading case" having general precedent authority on lower court cases regarding these tax credits. The main issue in the case related to products and their inputs that are acquired at a certain ICMS tax rate from one state and sold at a lower ICMS tax rate in a different state. Companies have historically taken a tax credit for the difference of the ICMS rates in the different states. Bunge, like other companies in the Brazilian food industry, is involved in several administrative and judicial disputes with Brazilian states regarding these tax credits. Management and its external legal advisors recognize that each case is unique, that certain facts in Bunge's cases may differ from the leading case and that state laws may differ. However, based on the ruling's general application across the staple foods industry in Brazil and based on an analysis of the ruling as published in relation to Bunge's pending state proceedings (without any evaluation of the future success of a recently filed motion to clarify or modulate the Court's ruling), management has evaluated the risk of loss and as a result of such evaluation, management has recorded a liability and a charge to earnings before income taxes of 468 million Brazilian *reais* (approximately $177 million as of December 31, 2014). Management intends to continue to vigorously defend against its pending state cases. It will likewise continue to evaluate its pending state cases relative to this leading case ruling and to monitor further actions in the leading case, including the pending motions for clarifications from the Court.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BUNGE LIMITED

Dated: February 27, 2015 By: /s/ ANDREW J. BURKE

Andrew J. Burke
*Chief Financial Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

February 27, 2015 By: /s/ SOREN SCHRODER

Soren Schroder
*Chief Executive Officer*

February 27, 2015 By: /s/ ANDREW J. BURKE

Andrew J. Burke
*Chief Financial Officer*

February 27, 2015 By: /s/ KAREN D. ROEBUCK

Karen D. Roebuck
*Controller and Principal Accounting Officer*

February 27, 2015 By: /s/ ERNEST G. BACHRACH

Ernest G. Bachrach
*Director*

February 27, 2015 By: /s/ ENRIQUE H. BOILINI

Enrique H. Boilini
*Director*

February 27, 2015 By: /s/ CAROL M. BROWNER

Carol M. Browner
*Director*

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| | | |
|---|---|---|
| February 27, 2015 | By: | /s/ FRANCIS COPPINGER |
| | | Francis Coppinger<br>*Director* |
| February 27, 2015 | By: | /s/ BERNARD DE LA TOUR D'AUVERGNE LAURAGUAIS |
| | | Bernard de La Tour d'Auvergne Lauraguais<br>*Director* |
| February 27, 2015 | By: | /s/ WILLIAM ENGELS |
| | | William Engels<br>*Director* |
| February 27, 2015 | By: | /s/ ANDREW FERRIER |
| | | Andrew Ferrier<br>*Director* |
| February 27, 2015 | By: | /s/ KATHLEEN HYLE |
| | | Kathleen Hyle<br>*Director* |
| February 27, 2015 | By: | /s/ JOHN E. MCGLADE |
| | | John E. McGlade<br>*Director* |
| February 27, 2015 | By: | /s/ L. PATRICK LUPO |
| | | L. Patrick Lupo<br>*Non-Executive Chairman and Director* |