MBIA INC
Form 8-K
January 31, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 25, 2007

MBIA INC.

(Exact name of registrant as specified in its charter)

Connecticut	1-9583	06-1185706
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

113 King Street,	
Armonk, New York	10504
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code:

914-273-4545

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On January 29, 2007, MBIA Inc. (MBIA) issued a press release announcing that MBIA and its principal operating subsidiary MBIA Insurance Corporation (together with MBIA, the Company) have concluded civil settlements with the Securities and Exchange Commission (SEC), the New York State Attorney General s Office (NYAG), and the New York State Insurance Department (NYSID) with respect to transactions entered into by the Company in 1998 following defaults on insured bonds issued by the Allegheny Health, Education and Research Foundation. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K.

The terms of the settlements, under which the Company neither admits nor denies wrongdoing, include:

- A restatement, which was completed and reported in MBIA s third quarter 2005 earnings release, of the Company s GAAP and statutory financial results for 1998 and subsequent years related to the agreements with AXA Re Finance S.A. and Muenchener Rueckversicherungs-Gesellshaft;

- Payment of penalties and disgorgement totaling $75 million, of which $60 million will be distributed to MBIA shareholders pursuant to the Fair Fund provisions of the Sarbanes-Oxley Act of 2002 and $15 million will be paid to the State of New York. MBIA accounted for the $75 million in penalties and disgorgement as a charge in the third quarter of 2005;

- The Company s consent to a cease and desist order with respect to future violations of securities laws;

- A report by the Company s independent auditors, PricewaterhouseCoopers, to MBIA s Board of Directors, the SEC staff, the NYAG and the NYSID concerning the Company s accounting for and disclosure of advisory fees and the assets of certain conduits; and

- Retention of an Independent Consultant to review and report to the SEC, the NYAG and the NYSID on the evaluation previously undertaken at the direction of the Audit Committee of MBIA s Board of Directors by Promontory Financial Group LLC of the Company s controls, policies and procedures with respect to compliance, internal audit, governance, risk management and records management; the Company s implementation of Promontory s recommendations; the Company s accounting for and disclosure of its investment in Capital Asset Holdings GP, Inc.; and the Company s accounting for and disclosure of its exposure to the US Airways 1998-1 Repackaging Trust and any other transaction in which the Company paid or acquired all or substantially all of an issue of insured securities other than as a result of a claim under the related policy.

The foregoing summary description of the terms of the settlements are qualified in their entirety by reference to the documents attached hereto as Exhibits 10.82-10.85.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.82	Offer of Settlement of MBIA Inc., dated December 15, 2006.
Exhibit 10.83	Consent of Defendant MBIA Inc. to Final Judgment, filed with the United States District Court for the Southern District of New York on January 29, 2007.
Exhibit 10.84	Assurance of Discontinuance in the matter of the People of the State of New York by the Attorney General of the State of New York against MBIA Inc. and MBIA Insurance Corporation, dated January 25, 2007.
Exhibit 10.85	Stipulation of the State of New York Insurance Department dated January 25, 2007.
Exhibit 99.1	Press Release issued by MBIA Inc. dated January 29, 2007 *(furnished but not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended).*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MBIA INC.

By: /s/ Ram D. Wertheim
Ram D. Wertheim
General Counsel

Date: January 31, 2007

EXHIBIT INDEX TO CURRENT REPORT ON FORM 8-K

Dated January 25, 2007

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Sugar and Bioenergy

(60) (637) (20)

Edible Oil Products

163 80 137

Milling Products

125 115 104

Fertilizer

69 23 63

Total

$1,329 $628 $1,189

Depreciation, depletion and amortization:

Agribusiness

$(240) $(221) $(184)

Sugar and Bioenergy

(184) (175) (171)

Edible Oil Products

(99) (93) (87)

Milling Products

	(28)	(30)	(27)
Fertilizer			
	(17)	(18)	(24)
Total			
	$(568)	$(537)	$(493)
Net income attributable to Bunge			
	$306	$64	$942

(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-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.

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

	Year Ended December 31,		
(US$ in millions)	2013	2012	2011
Total segment earnings from continuing operations before interest and tax	**$ 1,329**	$ 628	$ 1,189
Interest income	**76**	53	96
Interest expense	**(363)**	(294)	(295)
Income tax (expense) benefit	**(904)**	6	(55)
Income from discontinued operations	**97**	(342)	(25)
Noncontrolling interests' share of interest and tax	**71**	13	32
Net income attributable to Bunge	**$ 306**	$ 64	$ 942

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. 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.

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.

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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.

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.

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 a gain of $2 million 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

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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 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.

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, that were partially offset by a 5% increase in volumes, primarily in Europe and Asia.

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.

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 $3 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.

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.

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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%.

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 (NOL) 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 International 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.

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2012 Compared to 2011

Agribusiness Segment Agribusiness segment net sales increased $5.7 billion compared to 2011. Volume increases, primarily in Europe and the Middle East, represented approximately $5.3 billion of the increase with the remaining $0.4 billion of the increase from higher average commodity selling prices, largely related to product mix. Higher volumes in Europe in 2012 related primarily to very weak volumes in the first half of 2011 particularly the first half of the year as a result of a severe drought in Eastern Europe in the last half of 2010 that significantly reduced grain availability in the region through early 2011. Strong merchandising demand, particularly in EMEA, also increased our volumes, as did our recent expansions, including additional origination capacity to support our export terminal in the U.S. Pacific Northwest and our Ukraine port facility as well as additional oilseed processing capacity in Asia.

Cost of goods sold increased $5.6 billion over 2011 primarily due to the higher volumes mentioned above and, to a lesser extent, slightly higher commodity prices. Cost of goods sold was also favorably impacted by the effect of the weaker average Brazilian *real* on functional currency costs when translated to U.S. dollars. Cost of goods sold for 2012 also includes a charge of $25 million related to certain value-added taxes in Brazil.

Gross profit increased to $1.8 billion from $1.7 billion in 2011 driven by improved oilseed processing margins in South America as a result of strong export demand due to the drought-reduced 2012 U.S. grain harvests and in grain merchandising in EMEA which also benefited from strong regional demand and strong oilseed processing margins in North America. These margin increases were partially offset by the $25 million provision related to value-added taxes in cost of goods sold.

SG&A expenses increased 11% to $858 million in 2012 from $774 million in 2011 and driven by $44 million of credit related expenses, primarily in Brazil and Europe, expansions in the U.S. and Asia and higher employee related costs, primarily in South America.

Foreign exchange gains were $111 million in 2012 compared to losses of $16 million in 2011, related primarily to the volatility of most global currencies relative to the U.S. dollar during both periods. Foreign exchange results in both 2012 and 2011 were partially offset by inventory mark-to-market impacts included in cost of goods sold.

Gain on sale of investments in affiliates of $85 million was the result of the sale of our investment in Solae, a North American soy ingredients joint venture, to our joint venture partner. Gain on sale of investments in affiliates of $37 million in 2011 resulted from the sale of our interest in a European oilseed processing joint venture.

Noncontrolling interests were $9 million in 2012 and $18 million in 2011 and represents the noncontrolling interests' share of income at our non-wholly-owned subsidiaries, primarily our oilseed processing operations in China.

Other income (expense) for 2012 was expense of $68 million compared to expense of $11 million in 2011. Included in this line item were a charge of $66 million in 2012 resulting from the sale of certain recoverable tax assets in Brazil at a discount and an impairment charge of $9 million related to two equity method investments in European biodiesel producers.

Agribusiness segment EBIT increased 16% as a result of the combination of factors discussed above.

Sugar and Bioenergy Segment Sugar and bioenergy segment net sales decreased $1.2 billion from 2011. Lower selling prices for sugar and ethanol in both our trading and merchandising and industrial operations resulted in a reduction in net sales of $1.4 billion. Increased volumes related primarily to higher sales volumes of sugar and ethanol in our industrial business in 2012, which increased net sales by $0.2 billion when compared with 2011.

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Cost of goods sold decreased $1.1 billion primarily due to the impact of lower global sugar prices on our trading and merchandising business and on purchases of sugarcane in our industrial business. These price-related decreases in cost of goods sold were partially offset by the impact of slightly higher industrial volumes in 2012.

Gross profit decreased to $64 million in 2012 from $149 million in 2011 primarily due to the impact of lower sugar and ethanol selling prices on our industrial business. These decreases were partially offset by improved merchandising margins resulting from strong demand, particularly in the Middle East. Slightly higher volumes in our industrial operations also increased gross profit, but the benefit of the higher industrial volumes on fixed cost absorption could not be fully realized as a result of lower sugar content in the sugarcane that we processed.

SG&A expenses increased to $194 million in 2012 from $167 million in 2011, primarily due to a charge of $29 million due to write-down of a loan to our North American corn ethanol joint venture. SG&A expenses in 2011 included approximately $11 million of acquisition related expenses and $3 million of restructuring charges.

Foreign exchange losses were $15 million in 2012 compared to losses of $4 million in 2011 driven by the impact of continued volatility of the Brazilian *real* relative to the U.S. dollar.

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. Compared to 2011 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.

Noncontrolling interests were $25 million in 2012 and $(2) million in 2011 and represents the noncontrolling interests' share of period (income) loss at our non-wholly-owned Brazilian sugarcane mills. In 2012, $18 million of the noncontrolling interests' share of period loss was attributable to the noncontrolling interests' share of the goodwill impairment.

Other income (expense) for 2012 was a net expense of $3 million compared to income of $4 million in 2011. Impairment charges of $10 million were recorded in 2012 associated with the write-down of an investment in a North American corn ethanol joint venture.

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Segment EBIT decreased by $617 million to a loss of $637 million in 2012 from a loss of $20 million in 2011 primarily as a result of the 2012 non-cash impairment charges for goodwill and an equity method investment and related loan as well as the unfavorable impact of lower sugar and ethanol prices and of higher unit costs due to lower sugarcane yields and ATR, on gross profit.

Edible Oil Products Segment Net sales increased $633 million from 2011 as the impact of higher sales volumes (which increased 11%) of approximately $949 million was partially offset by the impact of lower average selling prices (which decreased 4%) of approximately $316 million. Volumes increased primarily in Asia resulting from the expansion of our operations in China and our Amrit acquisition in India; volumes also increased in Europe.

Cost of goods sold increased 8% as a result of the increased volumes in 2012, partially offset by a 3% decline in average raw material costs. Cost of goods sold in 2012 includes charges of $16 million related to certain value-added taxes in Brazil, impairment charges of $5 million related to the write-down of a European refining facility and certain inventory adjustments in the U.S.

Gross profit of $446 million in 2012 declined 3% when compared to gross profit of $462 million in 2011 due primarily to the impact of the value-added tax charge in Brazil and the write-down of the European refining facility.

SG&A increased $28 million to $353 million in 2012 compared to $325 million in 2011 primarily due to increased expenses and costs associated with the implementation of SAP in Brazil as well as the impact of acquisitions in India and North America. These increases were partially offset by the favorable impact of the weaker average Brazilian *real* on the translation of functional currency costs into U.S. dollars. SG&A for 2011 included a provision of $12 million for expiring tax credits in Brazil.

Foreign exchange results for 2012 were losses of $8 million compared to gains of $3 million for 2011 driven by the impact of continued volatility of global currencies relative to the U.S. dollar.

Noncontrolling interests were $2 million in 2012 and $(6) million in 2011 and represents the noncontrolling interests' share of period income at our non-wholly-owned subsidiaries, primarily in our European operations.

Other income (expense) was $7 million of net expense in 2012 compared to $3 million of net income in 2011. Other income (expense) for 2011 included a $6 million gain related to the sale of an idled facility in Canada.

Segment EBIT decreased by $57 million to $80 million in 2012 from $137 million in 2011. This decrease primarily resulted from lower gross profit driven by $20 million of charges related to certain value-added taxes in Brazil, $5 million of impairment charges in Europe and higher SG&A costs.

Milling Products Segment Milling products segment net sales decreased 9% from 2011 primarily due to an 8% decline in volumes, which accounts for approximately 88% of the decrease in net sales. Volumes in our Brazilian wheat milling business were well below last year, primarily as a result of lost sales opportunities due to the impact of an SAP implementation on operations in the first half of the year. Volumes were also significantly below last year in our U.S. corn milling business, resulting from a decline in demand for food-aid products in North America. These decreases were partially offset by the consolidation upon acquisition of a controlling interest in a North American wheat milling operation in the second quarter of 2012. The remaining 12% decrease in net sales resulted from lower average selling prices.

Cost of goods sold decreased 8% from 2011 primarily due to lower corn and wheat milling sales volumes, lower average prices for corn and wheat and the favorable impact of the devaluation of the Brazilian *real* on local currency costs when translated into U.S. dollars. These decreases were partially offset by a charge of $6 million of charges related to certain value-added taxes in Brazil.

Gross profit decreased 14% from 2011 primarily as a result of a lower value product mix, particularly in corn milling, lower overall volumes in both wheat and corn milling and the $7 million of charges related to certain value-added taxes in Brazil.

SG&A expenses decreased 7% primarily due to the impact of the weaker average Brazilian *real* on the translation of functional currency costs into U.S. dollars which was partially offset by higher selling costs in Brazil. In addition, costs increased as a result of the consolidation of a North American wheat milling business following our acquisition of a controlling interest in the second quarter of 2012.

Other income (expense) was zero in 2012 compared to income of $2 million in 2011 which included a $6 million gain on the sale of a wheat milling facility in Brazil.

Gain on acquisition of controlling interest was $36 million related to the fair value adjustment of our minority investment in a North American wheat milling business upon acquisition of a controlling interest in the second quarter of 2012.

Segment EBIT increased to $115 million in 2012 from $104 million in 2011 as lower gross profit and higher SG&A costs were more than offset by the gain on acquisition of controlling interest in a North American wheat milling business as described above.

Fertilizer Segment Fertilizer segment net sales decreased 18% in 2012 when compared to 2011 as a result of a decline in fertilizer sales volumes, primarily in Argentina, a decline in international fertilizer prices and a decline in port services provided by us, primarily in Brazil. Volumes declined 14%, mainly as a result of weaker demand for nitrogen fertilizers which impacted our Argentine operations. These volume declines accounted for approximately 73% of the decrease in net sales, with lower selling prices accounting for approximately 27% of the decline. Net sales were also reduced by the impact of the devaluation of the Brazilian *real* on local currency revenues when translated into U.S. dollars.

Cost of goods sold decreased 17% primarily as a result of lower volumes, lower raw material costs in Argentina, and the impact of the *real* devaluation. These decreases were partially offset by higher industrial costs in Argentina.

Gross profit of $76 million in 2012 declined from $95 million in 2011 primarily as a result of lower sales volumes. Our port operations in Brazil also reported lower margins resulting from lower throughput of import volumes as a result of a strike by federal customs workers during the year.

SG&A declined to $35 million in 2012 from $38 million in 2011 primarily as a result of cost reduction efforts related to the Brazilian port operations and the favorable impact of the devaluation of the Brazilian *real* on local currency costs when translated to U.S. dollars.

Foreign exchange results were a loss of $1 million in 2012 compared to a gain of $1 million in 2011.

Noncontrolling interests were $3 million in 2012 and $4 million in 2011 and represents the noncontrolling interests' share of period income at our non-wholly-owned subsidiaries in our Brazilian port operations.

Other income (expense) was expense of $14 million in 2012 compared to income of $9 million in 2011 primarily as a result of lower results in our Moroccan joint venture.

Segment EBIT decreased 63% in 2012 to $23 million primarily as a result of lower fertilizer volumes, weaker results in our Moroccan joint venture and our Brazilian port operations.

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

(US$ in millions)	Year Ended December 31, 2012	2011
Interest income	$ 53	$ 96
Interest expense	(294)	(295)

Interest income decreased 45% primarily due to lower income from interest bearing receivables and lower average interest bearing cash balances. Interest expense was substantially unchanged from 2011. 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 2012, we recorded an income tax benefit of $6 million compared to expense of $55 million in 2011. 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%. The effective tax rate for 2011 was 5%. The lower effective tax rate for 2012 resulted primarily from the impact of the tax benefit on the goodwill impairment charge which more than offset higher taxable income in higher tax jurisdictions in 2012.

Discontinued Operations In December 2012, Bunge entered into a definitive agreement with Yara International ASA (Yara) under which Yara will acquire Bunge's Brazilian fertilizer business including blending facilities, brands and warehouses. As a result of this transaction, Bunge will exit its Brazilian fertilizer business and has reported the results from these operations as discontinued operations. Additionally, in December 2012 Bunge announced the sale of its interest in its fertilizer distribution venture to its partner GROWMARK, Inc. and would cease its North American fertilizer distribution operations in 2013, and has classified the results of those operations as discontinued operations. The net after-tax loss of $342 million in 2012 is primarily the result of nonrecurring charges associated with the pending sale of the Brazilian fertilizer 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 has 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. Results from discontinued operations for 2011 were a loss of $25 million.

Net Income Attributable to Bunge 2012 net income attributable to Bunge declined by $878 million to $64 million from $942 million in 2011. This decrease was primarily the result of an after-tax charge of $327 million related to the impairment of sugar and bioenergy segment goodwill, a loss of $342 million for results of discontinued operations, net of tax as noted above and after-tax impairment charges of $34 million related to the write-down of equity method investments and related loans.

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

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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 1.42 and 1.50 at December 31, 2013 and 2012, respectively.

Cash and Cash Equivalents Cash and cash equivalents were $742 million at December 31, 2013 and $569 million at December 31, 2012. 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. Under our policy, cash balances have been primarily invested in short term deposits with highly-rated financial institutions and U.S. government securities. Investment criteria for selecting counterparties are the short-term credit rating and credit default swap spread of the counterparty and the long-term sovereign rating of the country where the counterparty is domiciled.

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 reported at fair value and were $4,163 million at December 31, 2013 and $4,892 million at December 31, 2012. Of these amounts $2,927 million and $3,442 million were attributable to merchandising activities at December 31, 2013 and December 31, 2012, respectively. The sugar and bioenergy segment included readily marketable sugar inventories of $182 million and $199 million at December 31, 2013 and December 31, 2012, respectively. Of these, $109 million and $144 million were inventories carried at fair value at December 31, 2013 and December 31, 2012, respectively, in our trading and merchandising business. Sugar inventories in our industrial production business are readily marketable, but are carried at lower of cost or market. Readily marketable inventories at fair value in the aggregate amount of $67 million and $215 million at December 31, 2013 and December 31, 2012, respectively, were included in our edible oil products segment inventories.

We recorded interest expense on debt financing readily marketable inventories of $77 million and $133 million in the years ended December 31, 2013 and 2012, respectively.

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, 2013, we had approximately $4,800 million of aggregate committed borrowing capacity under our commercial paper program and revolving credit

facilities, of which $4,300 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, 2013	Borrowings Outstanding December 31, 2013	December 31, 2012
			(US$ in millions)	
Commercial Paper	2016	$ **600**	$ **100**	$
Long-Term Revolving Credit Facilities[1]	2014 - 2018	**4,200**	**400**	
Total		$ **4,800**	$ **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.

In November 2013 we entered into five unsecured $100 million bilateral three-year revolving credit agreements with certain lenders. Borrowings under the credit agreements bear interest at LIBOR plus a margin ranging from 0.90% to 1.55%, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit agreements that remain undrawn are subject to a commitment fee at a rate of 0.25%. There was $200 million outstanding under these credit agreements at December 31, 2013.

On June 24, 2013, we entered into an unsecured $200 million three-year revolving credit agreement with a certain lender. Borrowings under the credit agreement bear interest at LIBOR plus a margin ranging from 0.90% to 1.55%, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit agreement that remain undrawn are subject to a commitment fee at a rate of 0.25%. There was $200 million outstanding under this credit agreement at December 31, 2013.

On May 30, 2013, we entered into an unsecured $665 million five-year syndicated revolving credit agreement with CoBank, ACB, as administrative agent and certain lenders party thereto. Under the terms of the agreement, the lenders initially made available up to $368 million of loans, which has been increased to $665 million in December 2013 concurrent with the scheduled repayment in full of our obligations under an existing term loan facility under which $300 million of principal amount was outstanding. Borrowings under the revolving credit agreement 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 revolving credit agreement that remain undrawn are subject to a commitment fee at rates ranging from 0.125% to 0.275% per annum based also on the ratings of our long-term senior unsecured debt. There were no borrowings outstanding under this credit agreement at December 31, 2013.

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 borrowing under our commercial paper program. In January 2013, we increased the commitments under the Liquidity Facility by $74 million to $600 million and therefore simultaneously increased the size of our commercial paper program to $600 million. At December 31, 2013, there was $100 million outstanding under the commercial paper program and no borrowings under the Liquidity Facility. Our commercial paper program is our only revolving credit facility that requires lenders to maintain minimum credit ratings.

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We had no borrowings outstanding at December 31, 2013 under our syndicated $1,085 million revolving credit facility that matures on November 17, 2016. Borrowings under this credit facility bear interest at LIBOR plus an applicable margin ranging from 1.125% to 1.75%, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit facility that remain undrawn are subject to commitment fees payable each quarter based on the average undrawn portion of the credit facility at rates ranging from 0.125% to 0.275% per annum, based generally on the credit ratings of our long-term senior unsecured debt.

We had no borrowings outstanding at December 31, 2013 under our $1,750 million revolving credit facility that matures on April 19, 2014. Borrowings under this credit facility bear interest at LIBOR plus an applicable margin ranging from 1.30% to 2.75%, per annum, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit facility that remain undrawn are subject to a commitment fee payable quarterly on the average undrawn portion of the credit facility at 35% of the applicable margin. We are in the process of renewing this credit facility, which is expected to close in March, 2014.

In addition to the committed facilities discussed above, from time-to-time, we enter into bilateral short-term credit lines as necessary based on our financing requirements. At December 31, 2013 and 2012, $120 million and $1,000 million, respectively, were outstanding under these bilateral short-term credit lines.

Short and long-term debt Our short and long-term debt decreased by $1,205 million at December 31, 2013 from December 31, 2012, primarily due to lower working capital financing requirements, driven by lower commodity prices and the sale of our Brazilian fertilizer blending and distribution business. For the year ended December 31, 2013, our average short and long-term debt outstanding was approximately $6,465 million compared to $6,338 million for the year ended December 31, 2012. Our long-term debt outstanding balance was $3,941 million at December 31, 2013 compared to $4,251 million at December 31, 2012. The following table summarizes our short-term debt activity at December 31, 2013.

(US$ in millions)	Outstanding Balance at December 31, 2013	Weighted Average Interest Rate at December 31, 2013	Highest Balance Outstanding During 2013[(1)]	Average Balance During 2013[(1)]	Weighted Average Interest Rate During 2013
Bank Borrowings	$ 603	8.09%	$ 2,253	$ 2,013	5.32%
Commercial Paper	100	0.37%	276	152	0.38%
Total	$ 703	6.99%	$ 2,529	$ 2,165	4.97%

(1) Based on quarter end balances.

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

(US$ in millions)	December 31, 2013	2012
Short-term debt:		
Short-term debt[1][2]	**$ 703**	$ 1,598
Current portion of long-term debt	**762**	719
Total short-term debt	**1,465**	2,317
Long-term debt[3]:		
Bilateral revolving credit facilities expiry 2016[4]	**400**	
Term loan due 2013 fixed interest rate of 3.32% (Tranche A)		300
Term loan due 2013 variable interest rate of LIBOR plus 1.38% (Tranche B)		100
5.875% Senior Notes due 2013		300
5.35% Senior Notes due 2014	**500**	500
5.10% Senior Notes due 2015	**382**	382
4.10% Senior Notes due 2016	**500**	500
5.90% Senior Notes due 2017	**250**	250
3.20% Senior Notes due 2017	**600**	600
8.50% Senior Notes due 2019	**600**	600
BNDES loans, variable interest rate indexed to TJLP plus 3.20% payable through 2016[5][6]	**27**	42
Other	**348**	323
Subtotal	**3,607**	3,897
Less: Current portion of long-term debt	**(762)**	(719)
Total long-term debt excluding investment fund debt	**2,845**	3,178
Consolidated investment fund debt due 2014[7]	**334**	354
Total debt	**$ 4,644**	$ 5,849

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(1) Includes $285 million of local currency borrowings in certain Eastern European, South American and Asian countries at a weighted-average interest rate of 14.91% as of December 31, 2013 and $378 million at a weighted-average interest rate of 18.78% as of December 31, 2012.

(2) Includes secured debt of $2 million at December 31, 2013.

(3) Includes secured debt of $198 million and $130 million at December 31, 2013 and December 31, 2012, respectively.

(4) In June and November of 2013, we entered into unsecured bilateral three-year revolving credit agreements totaling $700 million with certain lenders, maturing in 2016.

(5) Industrial development loans provided by BNDES, an agency of the Brazilian government.

(6) TJLP is a long-term interest rate published by the BNDES on a quarterly basis; TJLP was 5.00% per annum at December 31, 2013 and 2012, respectively.

(7) Consolidated investment fund debt matures at various dates through 2019 with no recourse to Bunge. Bunge elected to account for $257 million and $259 million at fair value as of December 31, 2013 and 2012, 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, 2013 were as follows:

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

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, 2013.

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 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 $10,088 million at December 31, 2013, as set forth in the following table:

	December 31,	
(US$ in millions)	**2013**	**2012**
Convertible perpetual preference shares	**$ 690**	$ 690
Common shares	**1**	1
Additional paid-in capital	**4,967**	4,909
Retained earnings	**6,891**	6,792
Accumulated other comprehensive income	**(2,572)**	(1,410)
Treasury shares, at cost (2013 and 2012 1,933,286)	**(120)**	(120)
Total Bunge shareholders' equity	**9,857**	10,862
Noncontrolling interests	**231**	393
Total equity	**$ 10,088**	$ 11,255

Total Bunge shareholders' equity decreased to $10,088 million at December 31, 2013 from $11,255 million at December 31, 2012. The change in equity was due primarily to cumulative translation losses of $(1,221) million and declared dividends to common and preferred shareholders of $173 million and $34 million, respectively, partially offset by net income attributable to Bunge for the year ended December 31, 2013 of $306 million.

Noncontrolling interest decreased to $231 million at December 31, 2013 from $393 million at December 31, 2012 due to net losses, including significant losses in certain of our sugar and bioenergy joint ventures, and losses in the investment funds which are consolidated in our financial statements.

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At December 31, 2013, 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 1.1131 Bunge Limited common shares, based on the conversion price of $89.8378 per share, subject to certain additional anti-dilution adjustments (which represents 7,680,390 Bunge Limited common shares at December 31, 2013). 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.

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 U.S. drought.

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

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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 U.S. and Canada, 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 wet corn milling entity and investments in a port operation, both in Argentina, and investments in our Solazyme-Bunge 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 wet corn 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.

2012 Compared to 2011 In 2012, our cash and cash equivalents decreased by $266 million reflecting the net effect of cash flows from operating, investing and financing activities. For the year ended December 31, 2011, our cash and cash equivalents increased by $257 million.

Our operating activities used cash of $457 million for the year ended December 31, 2012 compared to generated cash of $2,614 million in 2011. The negative cash flows from operating activities for the year ended December 31, 2012 resulted primarily from higher average working capital needs. The positive cash flows from operating activities for the year ended December 31, 2011 resulted primarily from improved cash earnings from operations. Operating cash inflows in 2011 also included the net proceeds of approximately $640 million from sales of accounts receivable under our new global trade receivables securitization program that we entered into in June. Cash outflows included approximately

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$500 million of trade accounts payable related to fertilizer imports as we can more efficiently fund fertilizer imports through internal sources and $112 million of payments of accrued export tax obligations in Argentina.

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, 2012 and December 31, 2011, we recorded a foreign exchange gain of $74 million and a loss of $113 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 $967 million in the year ended December 31, 2012 compared to $1,220 million in 2011. Cash used for investing activities during 2012 related primarily to capital expenditures of $1,095 million and included investments related to the expansion of our sugar business in Brazil, investments in edible oil refining and packaging facilities in the U.S. and Canada, construction of a refining facility in India and construction of a port terminal in Brazil.

In 2012, 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 acquired debt of $17 million. In addition, we acquired an asset management company in Europe for $9 million net of cash acquired, a controlling interest in a North American wheat milling and bakery mix business for $102 million in cash (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 a 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 during the year 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.

During 2011, we acquired a port terminal in Ukraine for $100 million (net of $2 million cash acquired), consisting of $83 million in cash and $17 million of obligations related to assets under construction, a tomato products business in Brazil for $97 million, consisting of $81 million in cash and $16 million in contingent liabilities, and a margarine business and grain elevator operations in North America for a total of $28 million. We also sold our investment in a European oilseed processing facility joint venture for cash proceeds of $54 million and a cost method investment in Russia for net proceeds of $16 million. Proceeds from the sale or disposal of property, plant and equipment of $141 million in 2011 included the sale of certain buildings and other equipment.

Investments in affiliates in 2012 included activities related to the construction of an oilseed processing plant in Paraguay, construction of a wet corn milling plant in Argentina, an investment in a palm plantation joint venture in Indonesia and an additional investment in a North America corn ethanol joint venture. Investments in affiliates in 2011 included expansion of grain elevator operations and the acquisition of a fertilizer storage terminal in the U.S., construction of an oilseed processing facility in Paraguay, as well as the establishment of a shipping joint venture.

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Cash provided by financing activities was $1,206 million in the year ended December 31, 2012 compared to cash used of $1,060 million in 2011. For the year ended December 31, 2012, we had a net increase of $1,368 million in borrowings primarily due to increased working capital requirements. In 2011, we had a net decrease of $824 million in borrowings due primarily to debt maturities within the year which were repaid with cash generated from operations. Dividends paid to our common shareholders in the years ended December 31, 2012 and 2011 were $151 million and $140 million, respectively. Dividends paid to holders of our convertible preference shares was $34 million for the years ended December 31, 2012 and 2011. During the year ended December 31, 2011, in connection with our common share repurchase program, we repurchased 1,933,286 common shares at a cost of $120 million. There were no shares repurchased during the year ended December, 31, 2012. Bunge repurchased 8,647,859 common shares for $474 million from inception of the program in June 2010 through December 31, 2012.

Trade Receivable Securitization Program Our trade receivable securitization program initially entered into in June 2011, provides us with an additional source of liquidity. The program provides funding for up to $700 million against receivables sold into the program. The securitization program terminates on June 1, 2016. However, each committed purchaser's commitment to fund trade receivables sold under the securitization program will terminate on May 28, 2014 unless extended for additional 364-day periods in accordance with the terms of the receivables transfer agreement.

At December 31, 2013 and 2012, $696 million and $772 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 $12,596 million and $13,823 million for the years ended December 31, 2013 and 2012, respectively. In addition, cash collections from customers on receivables previously sold were $12,769 million and $14,031 million for the years ended December 31, 2013 and 2012, 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, 2013 and 2012 were $12,779 million and $14,054 million, respectively. These sales resulted in discounts of $7 million and $8 million for the years ended December 31, 2013 and 2012, respectively, and $5 million for the period from inception of the program through December 31, 2011, 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 accounts receivable is limited to the deferred purchase price receivable, ("DPP"), which at December 31, 2013 and 2012 had a fair value of $96 million and $134 million, respectively, and is included in other current assets in Bunge's 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 accounts receivable sold under the program during the years ended December 31, 2013 and 2012 and the period from inception of the program through December 31, 2011 were insignificant. Bunge has reflected all cash flows under the securitization program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2013 and 2012 and the period from inception of the program through December 31, 2011, including collections on DPP of $1,465 million, $1,661 million, and $814 million, respectively.

Brazilian Farmer Credit

Background We advance funds to farmers, primarily in Brazil, through secured advances to suppliers and prepaid commodity purchase contracts. We have also sold fertilizer to farmers, primarily in Brazil, on credit. All of 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

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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, 2012 to December 31, 2013, the Brazilian *real* devalued by approximately 14%, 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 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.

On August 8, 2013, Bunge sold its Brazilian fertilizer distribution business, including blending facilities, brands and warehouses to Yara International ASA for $750 million in cash. As a result of the transaction, Bunge will no longer have significant ongoing cash flows related to the Brazilian fertilizer business or any significant ongoing participation in the operations of this business. Included in this transaction were current fertilizer trade accounts receivables. Long-term fertilizer receivables were excluded from the transaction. As a result of the entry into the agreement for the sale of the Brazilian fertilizer operations in 2012, we reassessed the collectability of certain of the long-term receivables as a result of our exit from the Brazilian fertilizer market. This resulted in additional reserves of $49 million being recorded in the year ended December 31, 2012.

The table below details our Brazilian fertilizer trade accounts receivable balances and the related allowances for doubtful accounts as of the dates indicated:

	December 31,	
(US$ in millions, except percentages)	**2013**	**2012**
Trade accounts receivable (current)[1]	**$ 24**	$ 27
Allowance for doubtful accounts (current)	**4**	5
Trade accounts receivable (non-current)[2]	**148**	176
Allowance for doubtful accounts (non-current)[2]	**141**	159
Total trade accounts receivable (current and non-current)	**172**	203
Total allowance for doubtful accounts (current and non-current)	**145**	164
Total allowance for doubtful accounts as a percentage of total trade accounts receivable	**84%**	81%

(1) 2012 amounts exclude $189 million of accounts receivable net of a reserve of $2 million classified as held for sale at December 31, 2012 (see Note 3 to the notes to the consolidated financial statements).

(2) Recorded in other non-current assets in the consolidated balance sheets.

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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 $32 million, $27 million and $25 million for the years ended December 31, 2013, 2012 and 2011, 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 Note 12 of the notes to the consolidated financial statements for more information.

	December 31,	
(US$ in millions)	**2013**	**2012**
Prepaid commodity contracts	**$ 203**	$ 277
Secured advances to suppliers (current)	**570**	396
Total (current)	**773**	673
Commodities not yet priced[1]	**(16)**	(5)
Net	**757**	668
Secured advances to suppliers (non-current)	**183**	212
Total (current and non-current)	**940**	880
Allowance for uncollectible amounts (current and non-current)	**$ (75)**	$ (78)

(1) Soybeans delivered by suppliers that are yet to be priced are reflected at prevailing market prices at December 31, 2013 and December 31, 2012, respectively.

Capital Expenditures

Our cash payments made for capital expenditures were $1,042 million, $1,095 million and $1,125 million for the years ended December 31, 2013, 2012 and 2011, respectively. We intend to make capital expenditures of approximately $900 million in 2014. Our priorities for 2014 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, 2013:

(US$ in millions)	Maximum Potential Future Payments Future Payments
Unconsolidated affiliates financing[1]	$ 25
Residual value guarantee[2]	90
Total	$ 115

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(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 2014 through 2017. There are no recourse provisions or collateral that would enable us to recover any amounts paid under these guarantees. At December 31, 2013, we had no outstanding obligation recorded 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, 2013, our recorded obligation related to these guarantees was $3 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, 2013, debt with a carrying amount of $3,302 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, 2013, 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	2014	2015 - 2016	2017 - 2018	2019 and there after
Short-term debt[1]	$ 703	$ 703	$	$	$
Variable interest rate obligations[1]	26	12	11	2	1
Long-term debt[1][2]	3,916	760	1,444	870	842
Interest obligations on fixed rate debt	517	161	212	118	26
Non-cancelable operating lease obligations[3]	996	193	310	173	320
Capital commitments	105	100	5		
Freight supply agreements[4]	921	284	148	144	345
Inventory purchase commitments	241	241			
Power supply purchase commitments	16	4	12		
Total contractual cash obligations[5][6]	$ 7,441	$ 2,458	$ 2,142	$ 1,307	$ 1,534

(1) We also have variable interest rate obligations on certain of our outstanding borrowings.

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(2) Excludes unamortized net gains of $25 million related to terminated interest rate swap agreements recorded in long-term debt.

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

(4) 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 $9 million in 2014. These agreements range from two months to approximately five 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.

(5) Does not include estimated payments of liabilities associated with uncertain income tax positions. As of December 31, 2013, Bunge had gross unrecognized tax liabilities of $171 million, including related 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 of the notes to the consolidated financial statements.

(6) Does not include obligations for pension and postretirement benefits for which we expect to make employer contributions of $23 million in 2014. 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 five years and cover approximately 214,000 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, 2013, 2012 and 2011, Bunge made payments related to these agreements of $169 million, $181 million and $91 million, respectively. Of these amounts $107 million , $127 million and $40 million for the years ended December 31, 2013, 2012 and 2011, respectively, were advances for future production and $62 million, $54 million and $51 million were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2013, 2012 and 2011, respectively.

Employee Benefit Plans

We expect to contribute $16 million to our defined benefit pension plans and $7 million to our postretirement healthcare benefit plans in 2014.

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 III 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.

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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 considered in determining the allowance for credit losses, we have determined that the long-term receivables from farmers in Brazil is 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, 2013 or 2012.

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.

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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 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, 2013 and 2012, the allowance for recoverable taxes was $70 million and $105 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 approximately $22 million for certain agricultural and industrial assets in its sugar and bioenergy segment during the year ended December 31, 2013. There were no significant impairment charges related to property, plant and equipment or other finite-lived assets during the year ended December 31, 2012.

Investments in Affiliates

We continually review our equity investments to determine whether a decline in fair value below the cost basis is other-than-temporary. We consider various factors in determining whether to recognize an impairment charge, including the length of time that the fair value of the investment is less than our carrying value, the financial condition, operating performance and near term prospects of the investment, which include general market conditions specific to the investment or the industry in which it operates, and our intent and ability to hold the investment for a period of time sufficient to allow for the recovery in fair value. During the year ended December 31, 2012, we recorded $9 million of pre-tax, non-cash impairment charges in other income (expense)-net and $1 million in selling, general and administrative expenses in our agribusiness segment relating to the write-down of two separate equity method investments in European biodiesel producers and a related loan to a European biodiesel joint venture. We also recorded $10 million of pre-tax, non-cash impairment charges in other income (expense)-net and $29 million in selling, general and administrative expenses in our sugar and bioenergy segment relating to an equity investment in and a related loan to a North American corn ethanol joint venture. The fair values of the investments were determined utilizing projected cash flows of the joint ventures. We did not have any significant impairment charges relating to our equity investments for the years ended December 31, 2013 or 2011.

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Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of tangible and identifiable intangible net assets acquired in a business acquisition. Goodwill is not amortized, but is tested for impairment annually in the fourth quarter of each fiscal year or whenever there are indicators that the carrying value of the assets may not be fully recoverable.

We use a two-step process to test goodwill at the reporting unit level. Fair value is estimated using a discounted cash flow model which considers forecasted cash flows discounted at an estimated weighted-average cost of capital for each reporting unit. We selected the discounted cash flow methodology as we believe it is comparable to what would be used by market participants. The weighted-average cost of capital is an estimate of the overall after-tax rate of return required by equity and debt market participants of a business enterprise. These analyses require the use of significant judgments, including judgments about appropriate discount rates, growth rates and terminal values and the timing of expected future cash flows. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the respective reporting unit. Sensitivity analyses are performed in order to assess the reasonableness of assumptions.

The first step involves a comparison of the estimated fair value of each reporting unit with its carrying value. If the carrying value exceeds the fair value, the second step of the process is necessary. The second step measures the difference between the carrying value and implied fair value of goodwill. To test indefinite-lived intangible assets for impairment, we compare the fair value of the intangible assets with their carrying values. The fair values of indefinite-lived intangible assets are determined using estimated discount rates. If the carrying value of an intangible asset exceeds its estimated fair value, the intangible asset is considered impaired and is reduced to its fair value. Definite-lived intangible assets are amortized over their estimated useful lives. If estimates or related projections of the fair values of reporting units or indefinite-lived intangible assets change in the future, we may be required to record impairment charges.

We performed our annual impairment tests in the fourth quarters of each of the years ended December 31, 2013, 2012 and 2011. For the year ended December 31, 2012, we recorded pre-tax impairment charges of $514 million for the goodwill in our sugar and bioenergy segment. For all other reporting units, the estimated fair values of the reporting units were determined to be sufficiently in excess of their respective carrying values with no indication of impairment. There were no significant impairment charges relating to goodwill or other indefinite-lived intangible assets for either of the years ended December 31, 2013 and 2011.

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."

Employee Benefit Plans

We sponsor various U.S. and foreign (primarily in Canada, Europe and Brazil) pension and postretirement benefit plans. In connection with the plans, we make various assumptions in the determination of projected benefit obligations and expense recognition related to pension and postretirement obligations. Key assumptions include discount rates, long-term rates of return on plan assets, asset allocations and rates of future compensation increases. Management develops its

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assumptions based on its experience and by reference to market related data. All assumptions are reviewed periodically and adjusted as necessary.

A one percentage point decrease in the assumed discount rate on the U.S. and foreign defined benefit pension plans would have increased the 2013 annual expense by $11 million and $2 million respectively, and would have increased the projected benefit obligation at December 31, 2013 by $83 million and $28 million, respectively. A one percentage point increase in the assumed discount rate on the U.S. and foreign defined benefit pension plans would have decreased the 2013 annual expense by $9 million and $2 million, respectively, and would have decreased the projected benefit obligation at December 31, 2013 by $67 million and $24 million, respectively. A one percentage point increase or decrease in the long-term return assumptions on the US and foreign defined benefit pension plan assets would have decreased or increased the 2013 pension expense by $4 million and $1 million, respectively.

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.

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 U.S., 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, 2013 and 2012, we had recorded uncertain tax positions of $171 million and $108 million, respectively, in our consolidated balance sheets.

New Accounting Pronouncements

Adoption of New Accounting Pronouncements In December 2011 and January 2013, Financial Accounting Standards Board (FASB) amended the guidance in ASC Topic 210, *Balance Sheet*. This amendment requires an entity to disclose both gross and net information about financial instruments that are eligible for offset in the statement of financial position and/or subject to a master netting arrangement or similar agreement. Our derivative assets and liabilities are presented on a gross basis in our consolidated balance sheets. The adoption of this amendment on January 1, 2013 did not have a significant impact on our consolidated financial statements.

In February 2013, FASB amended the guidance in ASC Topic 220, *Comprehensive Income*. This amendment requires an entity to disclose on a prospective basis the impact on income statement line items for significant items reclassified from other comprehensive income to net income during the period. The adoption of this amendment expanded our disclosures in our consolidated financial statements.

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New Accounting Pronouncements In March 2013, FASB amended existing guidance of ASC Topic 830*Foreign Currency Matters* (Topic 830). This amended guidance is related to the transfer of currency translation adjustments from other comprehensive income into net income in certain circumstances. The amended guidance aims to resolve diversity in practice as to whether ASC Topic 810, *Consolidation* or Topic 830 applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity, or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business. We will be required to apply the amended guidance prospectively for fiscal years beginning after December 31, 2013. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In July 2013, the FASB issued guidance in ASC Topic 740, (Topic 740) *Income Taxes* (Topic 740). Topic 740 provided guidance regarding the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exist at the reporting date.

We will be required to apply the amended guidance prospectively for fiscal years beginning after December 31, 2013. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

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 and 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 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 over-the-counter (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

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

	Year Ended December 31, 2013		Year Ended December 31, 2012	
(US$ in millions)	**Fair Value**	**Market Risk**	**Fair Value**	**Market Risk**
Highest long position	**$ 154**	**$ (15)**	$ 2,500	$ (250)
Highest short position	**(1,849)**	**(185)**	(129)	(13)

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 *Euro* 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, 2013 was not material.

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 income (loss) in the consolidated balance sheets. Included in other comprehensive income (loss) are foreign exchange losses of $344 million and $295 million for the years ended December 31, 2013 and 2012, 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, 2013, was $4,877 million with a carrying value of $4,644 million.

A hypothetical 100 basis point increase in the interest yields on our debt at December 31, 2013 would result in a decrease of approximately $83 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, 2013 would cause an increase of approximately $87 million in the fair value of our debt.

A hypothetical 1% change in LIBOR would result in a change of approximately $22 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.

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Derivative Instruments

Interest Rate Derivatives Interest rate swaps 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, 2013 or 2012.

We recognized gains of approximately $20 million, $20 million and $13 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, 2013, 2012 and 2011, respectively.

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.

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

December 31, 2013

	Exchange Traded	Non-exchange Traded		Unit of
(US$ in millions)	**Net (Short) & Long[1]**	**(Short)[2]**	**Long[2]**	**Measure**
Foreign Exchange				
Options	$ (26)	$ (2)	$ 2	Delta
Forwards	3	(15,951)	20,719	Notional
Swaps		(129)	121	Notional

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

(2) Non-exchange traded swaps, options and forwards 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 wholly-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

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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, 2013			
	Exchange Traded	Non-exchange Traded		
	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Agricultural Commodities				
Futures	(7,517,109)			Metric Tons
Options	(333,796)			Metric Tons
Forwards		(33,142,299)	27,823,848	Metric Tons
Swaps		(486,211)	39,735	Metric Tons

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

(2) Non-exchange traded swaps, options and forwards 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 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, 2013			
	Exchange Cleared	Non-exchange Cleared		
	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Ocean Freight				
FFA	(7,660)			Hire Days
FFA Options	(2,082)			Hire Days

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

(2) Non-exchange cleared options and forwards 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.

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The table below summarizes the open energy positions.

	December 31, 2013			
	Exchange Traded	**Non-exchange Cleared**		**Unit of Measure**
	Net (Short) & Long[1]	**(Short)[2]**	**Long[2]**	
Natural Gas[3]				
Futures	4,096,009			MMBtus
Swaps			687,204	MMBtus
Options	(6,015,361)			MMBtus
Energy-Other				
Futures	2,417,741			Metric Tons
Forwards		(47,055)	38,239,063	Metric Tons
Swaps	275,000			Metric Tons
Options	(318)			Metric Tons

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

(2) Non-exchange cleared swaps, options and forwards 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-74 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.

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 Securities 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, 2013, 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.

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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 (1992)* 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

In connection with the restructuring and consolidation of Bunge's operations in Brazil and related commercial, organizational and personnel changes, management has been and continues to review and, in some cases, implement new or enhanced systems and procedures that have led, or are expected to lead, to changes in internal control over financial reporting in Bunge's Brazilian operations.

Except as described above, there has been no change in our internal control over financial reporting during the fourth fiscal quarter ended December 31, 2013 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 all error 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, 2013, based on criteria established in *Internal Control Integrated Framework (1992)* 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, 2013, based on the criteria established in *Internal Control Integrated Framework (1992)* 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, 2013 of the Company and our report dated February 28, 2014 expressed an unqualified opinion on the consolidated financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 28, 2014

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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 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 E-1 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, as amended 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 for Cumulative Convertible Perpetual Preference Shares (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006)
4.3	Form of 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 February 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*	Tenth Amended and Restated Liquidity Agreement, dated as of January 31, 2013, among Bunge Asset Funding Corp., the financial institutions party thereto, BNP Paribas and The Bank of Tokyo Mitsubishi UFJ, Ltd., as Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-K filed March 1, 2013)
10.4	Annex X, dated as of November 17, 2011 (incorporated by reference from the Registrant's Form 8-K filed on November 23, 2011)
10.5	Seventh Amended and Restated Guaranty, dated as of November 17, 2011, 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 23, 2011)
10.6	Facility Agreement, dated as of March 23, 2011, among Bunge Finance Europe B.V., as Borrower, ABN AMRO Bank N.V., BNP Paribas, Crédit Agricole Corporate and Investment Bank, ING Bank N.V., The Royal Bank of Scotland plc, Standard Chartered Bank, UniCredit Bank AG, New York Branch, SG Americas Securities LLC, Natixis, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) and Lloyds TSB Bank plc, 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 25, 2011)
10.7	Amended and Restated Guaranty, dated as of April 23, 2012, by Bunge Limited, as Guarantor, to ABN AMRO Bank N.V., as Agent (incorporated by reference from the Registrant's Form 10-Q filed on May 7, 2012)
10.8	Five-Year Revolving Credit Agreement, dated as of November 17, 2011, among Bunge Limited Finance Corp., as borrower, Citibank, N.A. and CoBank, ACB, as syndication agents, BNP Paribas, The Bank of Tokyo Mitsubishi UFJ, Ltd. and CoBank, ACB, as 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 23, 2011)
10.9	Guaranty, dated as of November 17, 2011, by Bunge Limited to JPMorgan Chase Bank, N.A., as administrative agent under the 5-Year Revolving Credit Agreement (incorporated by reference from the Registrant's Form 8-K filed on November 23, 2011)

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Exhibit Number	Description
10.10	Credit Agreement, dated May 30, 2013, among Bunge Limited Finance Corp., as borrower, CoBank ACB, as administrative agent and lead arranger and certain lenders party thereto (incorporated by reference from the Registrant's Form 8-K filed June 3, 2013)
10.11	Guaranty, dated as of May 30, 2013, between Bunge Limited, as guarantor, and CoBank ACB, as administrative agent (incorporated by reference from the Registrant's Form 8-K filed June 3, 2013)
++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 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 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 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 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 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 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)
++10.17	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)

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Exhibit Number	Description
10.18	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)
10.19	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)
10.20	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)
++10.21	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)
10.22	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)
++10.23	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)
10.24	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)
10.25	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)
10.26	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)
10.27	Form of Restricted Stock Unit Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 8-K filed July 8, 2005)
10.28	Bunge Limited 2009 Equity Incentive Plan (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 3, 2009)
10.29	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)

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Exhibit Number	Description
10.30	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)
10.31	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)
10.32	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)
10.33	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)
10.34	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)
10.35	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)
10.36	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)
10.37	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)
10.38	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)
10.39	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)
10.40	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)
10.41	Bunge Limited Employee Deferred Compensation Plan (effective January 1, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.42	Bunge Limited Annual Incentive Plan (effective January 1, 2011) (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 16, 2010)
10.43*	Description of Non-Employee Directors' Compensation (effective as of January 1, 2014)
10.44	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)
10.45	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)
10.46	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)

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Exhibit Number	Description
10.47	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)
10.48	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)
10.49	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)
10.50	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)
10.51	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)
10.52	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
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, 2013 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.

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Filed herewith.

**
Users of this interactive data file are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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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, 2011					
Allowances for doubtful accounts[a]	$ 300	62	(23)	(92)[c]	$ 247
Allowances for secured advances to suppliers	$ 87	6	(9)	(11)	$ 73
Allowances for recoverable taxes	$ 118	14	(6)	(28)	$ 98
Income tax valuation allowances	$ 245	(11)	(47)[d]		$ 187
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

(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) This includes a deferred tax asset adjustment.

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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, 2013 and 2012, 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, 2013. 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, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, 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, 2013, based on the criteria established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 28, 2014

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BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

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

	Year Ended December 31,		
	2013	**2012**	**2011**
Net sales	**$ 61,347**	$ 60,991	$ 56,097
Cost of goods sold	**(58,587)**	(58,418)	(53,470)
Gross profit	**2,760**	2,573	2,627
Selling, general and administrative expenses	**(1,559)**	(1,563)	(1,436)
Interest income	**76**	53	96
Interest expense	**(363)**	(294)	(295)
Foreign exchange gains (losses)	**53**	88	(16)
Other income (expense) net	**44**	(92)	7
Goodwill impairment (Note 8)		(514)	
Gains on sales of investments in affiliates	**3**	85	37
Gain on acquisition of controlling interests		36	
Income from continuing operations before income tax	**1,014**	372	1,020
Income tax (expense) benefit	**(904)**	6	(55)
Income from continuing operations	**110**	378	965
Income (loss) from discontinued operations, net of tax (including pre-tax gain on disposal of $148 million in 2013) (Note 3)	**97**	(342)	(25)
Net income	**207**	36	940
Net (income) loss attributable to noncontrolling interests	**99**	28	2
Net income attributable to Bunge	**306**	64	942
Convertible preference share dividends and other obligations	**(76)**	(36)	(34)
Net income available to Bunge common shareholders	**$ 230**	$ 28	$ 908
Earnings per common share basic (Note 25)			
Net income (loss) from continuing operations	**$ 0.91**	$ 2.53	$ 6.37
Net income (loss) from discontinued operations	**0.66**	(2.34)	(0.17)
Net income (loss) to Bunge common shareholders	**$ 1.57**	$ 0.19	$ 6.20

Earnings per common share diluted (Note 25)			
Net income (loss) from continuing operations	**$ 0.90**	$ 2.51	$ 6.23
Net income (loss) from discontinued operations	**0.65**	(2.32)	(0.16)
Net income (loss) to Bunge common shareholders	**$ 1.55**	$ 0.19	$ 6.07

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,		
	2013	**2012**	**2011**
Net income	**$ 207**	$ 36	$ 940
Other comprehensive income (loss):			
Foreign exchange translation adjustment	**(1,212)**	(797)	(1,161)
Unrealized gains (losses) on designated cash flow and net investment hedges, net of tax (expense) benefit $11, $(3), $(4)		5	5
Unrealized gains (losses) on investments, net of tax (expense) benefit $(2), $(1), $0	**5**	11	
Reclassification of realized net (gains) losses to net income, net of tax expense (benefit) $(5), $(12), $15	**(38)**	22	(27)
Pension adjustment, net of tax (expense) benefit $(45), $14, $20	**88**	(33)	(41)
Total other comprehensive income (loss)	**(1,157)**	(792)	(1,224)
Total comprehensive income (loss)	**(950)**	(756)	(284)
Less: Comprehensive (income) loss attributable to noncontrolling interests	**94**	20	33
Total comprehensive income (loss) attributable to Bunge	**$ (856)**	$ (736)	$ (251)

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,	
	2013	**2012**
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 742**	$ 569
Time deposits under trade structured finance program (Note 4)	**4,470**	3,048
Trade accounts receivable (less allowance of $123 and $125) (Note 18)	**2,144**	2,471
Inventories (Note 5)	**5,796**	6,590
Deferred income taxes (Note 14)	**183**	108
Current assets held for sale (Note 3)	**55**	660
Other current assets (Note 6)	**4,382**	3,818
Total current assets	**17,772**	17,264
Property, plant and equipment, net (Note 7)	**6,075**	5,888
Goodwill (Note 8)	**392**	351
Other intangible assets, net (Note 9)	**326**	295
Investments in affiliates (Note 11)	**241**	273
Deferred income taxes (Note 14)	**564**	1,213
Non-current assets held for sale (Note 3)	**46**	250
Other non-current assets (Note 12)	**1,365**	1,746
Total assets	**$ 26,781**	$ 27,280

	2013	2012
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt (Note 16)	**$ 703**	$ 1,598
Current portion of long-term debt (Note 17)	**762**	719
Letter of credit obligations under trade structured finance program (Note 4)	**4,470**	3,048
Trade accounts payable	**3,522**	3,319
Deferred income taxes (Note 14)	**60**	86
Current liabilities held for sale (Note 3)		297
Other current liabilities (Note 13)	**3,018**	2,494
Total current liabilities	**12,535**	11,561
Long-term debt (Note 17)	**3,179**	3,532
Deferred income taxes (Note 14)	**185**	84
Non-current liabilities held for sale (Note 3)		13
Other non-current liabilities	**757**	797
Commitments and contingencies (Note 22)		
Redeemable noncontrolling interests (Note 23)	**37**	38

Equity (Note 24):		
Convertible perpetual preference shares, par value $.01; authorized, issued and outstanding: 2013 and 2012 6,900,000 shares (liquidation preference $100 per share)	**690**	690
Common shares, par value $.01; authorized 400,000,000 shares; issued and outstanding 2013 147,796,784 shares, 2012 146,348,499 shares	**1**	1
Additional paid-in capital	**4,967**	4,909
Retained earnings	**6,891**	6,792
Accumulated other comprehensive income (loss)	**(2,572)**	(1,410)
Treasury shares, at cost (2013 and 2012 1,933,286 shares)	**(120)**	(120)
Total Bunge shareholders' equity	**9,857**	10,862
Noncontrolling interests	**231**	393
Total equity	**10,088**	11,255
Total liabilities and equity	**$ 26,781**	$ 27,280

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,		
	2013	**2012**	**2011**
OPERATING ACTIVITIES			
Net income	**$ 207**	$ 36	$ 940
Adjustments to reconcile net income to cash provided by (used for) operating activities:			
Goodwill and other impairment charges	**35**	574	3
Foreign exchange loss (gain) on debt	**(48)**	(74)	113
Gain on sale of Brazilian fertilizer distribution business	**(148)**		
Gains on sales of investments in affiliates	**(3)**	(85)	(37)
Gain on acquisition of controlling interest		(36)	
Bad debt expense	**26**	115	40
Depreciation, depletion and amortization	**568**	570	526
Stock-based compensation expense	**53**	44	49
Gains on sales of property, plant and equipment	**(29)**	(36)	(17)
Deferred income tax expense/(benefit)	**460**	(35)	(217)
Equity in earnings of affiliates	**15**	35	(7)
Other	**14**	3	2
Changes in operating assets and liabilities, excluding the effects of acquisitions:			
Trade accounts receivable	**148**	(373)	267
Inventories	**238**	(1,567)	530
Secured advances to suppliers	**(216)**	(217)	(126)
Trade accounts payable	**436**	554	(295)
Advances on sales	**309**	38	(15)
Net unrealized gain/loss on derivative contracts	**(71)**	(112)	622
Margin deposits	**57**	(8)	573
Recoverable and income taxes, net	**128**	(7)	(270)
Accrued liabilities	**(6)**	177	(67)
Other net	**52**	(53)	
Cash provided by (used for) operating activities	**2,225**	(457)	2,614
INVESTING ACTIVITIES			
Payments made for capital expenditures	**(1,042)**	(1,095)	(1,125)
Acquisitions of businesses (net of cash acquired)	**(355)**	(298)	(192)
Proceeds from the sale of Brazilian fertilizer distribution business	**750**		
Proceeds from investments	**134**	108	95
Payments for investments	**(68)**	(83)	(55)
Proceeds from disposals of property, plant and equipment	**11**	28	141
Change in restricted cash	**137**	45	(43)
Proceeds from sales of investments in affiliates	**47**	483	
Payments for investments in affiliates	**(40)**	(125)	(44)
Other	**(3)**	(30)	3
Cash provided by (used for) investing activities	**(429)**	(967)	(1,220)
FINANCING ACTIVITIES			
Net change in short-term debt with maturities of 90 days or less	**(1,153)**	630	(43)
Proceeds from short-term debt with maturities greater than 90 days	**934**	1,574	710
Repayments of short-term debt with maturities greater than 90 days	**(737)**	(1,385)	(1,686)
Proceeds from long-term debt	**8,118**	5,295	2,989
Repayments of long-term debt	**(8,480)**	(4,746)	(2,794)
Proceeds from sale of common shares	**43**	23	23
Repurchases of common shares			(120)
Dividends paid to preference shareholders	**(34)**	(34)	(34)
Dividends paid to common shareholders	**(167)**	(151)	(140)

Dividends paid to noncontrolling interests		**(3)**		(7)		(12)
Capital contributions (return of capital) from noncontrolling interests, net		**(82)**		14		73
Financing related fees		**(4)**		(7)		(26)
Cash provided by (used for) financing activities		**(1,565)**		1,206		(1,060)
Effect of exchange rate changes on cash and cash equivalents		**(60)**		(46)		(77)
Net increase (decrease) in cash and cash equivalents		**171**		(264)		257
Change in cash related to assets held for sale		**2**		(2)		
Cash and cash equivalents, beginning of period		**569**		835		578
Cash and cash equivalents, end of period	**$**	**742**	$	569	$	835

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 Noncontrolling Interests	Convertible Preference Shares		Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss) (Note 24)	Treasury Shares	Noncontrolling Interests	Total Equity
		Shares	Amount	Shares	Amount						
Balance, January 1, 2011	$	6,900,000	$ 690	146,635,083	$ 1	$ 4,793	$ 6,153	$ 583	$	$ 334	$ 12,554
Net income (loss)							942			(2)	940
Other comprehensive income (loss)								(1,193)		(31)	(1,224)
Dividends on common shares							(144)				(144)
Dividends on preference shares							(34)				(34)
Dividends to noncontrolling interests on subsidiary common stock										(18)	(18)
Return of capital to noncontrolling interests										(21)	(21)
Capital contributions from noncontrolling interests										95	95
Acquisition of noncontrolling interests (Note 2)						(31)				11	(20)
Stock-based compensation expense						49					49
Repurchase of common shares				(1,933,286)					(120)		(120)
Issuance of common shares:											
stock options and award plans, net of shares withheld for taxes				908,232		18					18
Balance, December 31, 2011	$	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 interests	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 interests (Note 2)	45									40	40
Reversal of uncertain tax positions						12					12
Stock-based compensation expense						44					44
Issuance of common shares:											
stock options and award plans, net of shares withheld for taxes				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 interests	42					(42)					(42)
Other comprehensive income (loss)								(1,162)		5	(1,157)
Dividends on common shares							(173)				(173)
Dividends on preference shares							(34)				(34)
										(3)	(3)

Dividends to noncontrolling interests on subsidiary common stock											
Return of capital to noncontrolling interests	(9)					(8)				(65)	(73)
Reversal of uncertain tax positions						13					13
Stock-based compensation expense						53					53
Issuance of common shares:											
stock options and award plans, net of shares withheld for taxes				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**

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, sugar and bioenergy, edible oil products, milling products 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 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 and developing private investment vehicles to invest in businesses complementary to Bunge's commodities operations.

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.

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, Europe, Brazil, Argentina, China and India.

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 Brazil and Mexico. Corn and rice milling activities are in the United States.

Fertilizer Bunge's fertilizer segment operates as a producer and blender of NPK (nitrogen, phosphate and potassium) fertilizer formulas, including phosphate based liquid and solid nitrogen fertilizers through our operations in Argentina to farmers and distributors in Argentina, Uruguay, Paraguay and Bolivia.

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 Fosfertil S.A., a phosphate and nitrogen producer. On August 8, 2013, Bunge sold its Brazilian fertilizer distribution business, including blending facilities, brands and warehouses to Yara International ASA (Yara), for $750 million in cash. As a result of the transaction, Bunge will no longer have

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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)

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 (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 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 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 (see Note 2).

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Nature of Business, Basis of Presentation, and Significant Accounting Policies (Continued)

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 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 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.

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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 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. The majority 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. Also included in readily marketable inventories is sugar produced by our sugar mills in Brazil; these inventories are stated at the lower of average cost or market.

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 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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Nature of Business, Basis of Presentation, and Significant Accounting Policies (Continued)

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 - 20
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.

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 LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Nature of Business, Basis of Presentation, and Significant Accounting Policies (Continued)

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 as a charge within other income (expense)-net.

Stock-Based Compensation Bunge maintains equity incentive plans for its employees and non-employee directors (see Note 26). 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.

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

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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)

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 $19 million, $19 million and $21 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Adoption of New Accounting Pronouncements In December 2011 and January 2013, Financial Accounting Standards Board (FASB) amended the guidance in ASC Topic 210, *Balance Sheet*. This amendment requires an entity to disclose both gross and net information about financial instruments that are eligible for offset in the statement of financial position and/or subject to a master netting arrangement or similar agreement. Bunge's derivative assets and liabilities subject to master netting arrangements are presented on a gross basis in its consolidated balance sheets. The adoption of this amendment on January 1, 2013 did not have a significant impact on Bunge's consolidated financial statements (see Note 24).

In February 2013, FASB amended the guidance in ASC Topic 220, *Comprehensive Income*. This amendment requires an entity to disclose on a prospective basis the impact on income statement line items for significant items reclassified from other comprehensive income to net income during the period. The adoption of this amendment expanded Bunge's disclosures in its consolidated financial statements (see Note 14).

New Accounting Pronouncements In March 2013, FASB amended existing guidance of ASC Topic 830, *Foreign Currency Matters* (Topic 830). This amended guidance is related to the transfer of currency translation adjustments from other comprehensive income into net income in certain circumstances. The amended guidance aims to resolve diversity in practice as to whether ASC Topic 810, *Consolidation* or Topic 830 applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity, or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business. Bunge will be required to apply the amended guidance prospectively for fiscal years beginning after December 31, 2013. The adoption of this standard is not expected to have a material impact on Bunge's consolidated financial statements.

In July 2013, the FASB issued guidance in ASC Topic 740, (Topic 740) *Income Taxes*. Topic 740 provided guidance regarding the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exist at the reporting date. Bunge will be required to apply the amended guidance prospectively for fiscal years beginning after December 31, 2013. The adoption of this standard is not expected to have a material impact on Bunge's consolidated financial statements.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Business Acquisitions

In December 2013, Bunge acquired Grupo Altex, S.A. de C.V. (Altex) in its milling products segment for $310 million, consisting of $214 million in cash, net of $7 million of cash acquired, and non-cash settlement of an existing loan from Bunge to Altex of $96 million. The purchase price is subject to a post-closing working capital adjustment to be finalized within 90 days after the acquisition.

Altex participates in the Mexican wheat milling industry, producing flour in six manufacturing facilities. Altex customers 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 allocation of the purchase price is based on the fair values of assets acquired and liabilities assumed on December 20, 2013, the effective date of the acquisition. Bunge's recorded fair values as of December 31, 2013 are preliminary, and may be adjusted for information that is currently not available to Bunge, primarily related to certain income tax contingencies.

Tangible assets acquired of $303 million included trade accounts receivable of $27 million, inventories of $35 million, property, plant and equipment of $198 million, and an indemnification asset of $21 million related to certain contingencies for which an indemnification was provided by the sellers. Finite-lived intangible assets acquired of $40 million were primarily related to customer relationships and trade names. The finite-lived intangible assets are being amortized on a straight-line basis over a weighted-average amortization period of 20 years. Liabilities assumed of $30 million primarily included trade accounts payable and certain contingencies. Additionally, Bunge assumed net deferred tax liabilities of $55 million. Goodwill of $59 million (assigned to our milling segment), which is non-deductible for income tax purposes, represents the excess of cost over the fair value of the net tangible and intangible assets acquired.

In the fourth quarter of 2013, Bunge acquired wheat milling assets in the municipality of Vera Cruz, 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 our milling operations.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Business Acquisitions (Continued)

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.

In November 2012, Bunge acquired a margarine plant in Poland in its edible oils products segment for $7 million in cash. The final purchase price allocation resulted in $6 million of property, plant and equipment and $1 million of finite-lived intangible assets.

In July 2012, Bunge acquired a 55% interest in a newly formed oilseed processing joint venture in its agribusiness segment in eastern Europe for $54 million comprised of $17 million in cash and $37 million in redeemable noncontrolling interest. Bunge consolidates the joint venture in its consolidated financial statements. In conjunction with the formation of the venture, Bunge entered into an agreement to acquire the remaining 45% interest at either Bunge's or the noncontrolling interest holder's option in the future. The exercise date and price of the option are reasonably determinable. As a result, Bunge reports the noncontrolling interest as redeemable noncontrolling interest in its consolidated balance sheets (see Note 23). The final purchase price allocation included $3 million to inventory, $23 million to other current assets, $131 million to property, plant and equipment, $14 million to other current liabilities and $89 million to long-term debt.

In June 2012, Bunge acquired sugarcane milling assets in Brazil in its sugar and bioenergy segment for $61 million in cash. The final purchase price allocation resulted in $10 million of biological assets, $43 million of property, plant and equipment, $1 million of finite-lived intangible assets and $7 million of goodwill.

In May 2012, Bunge acquired an additional 63.5% interest in a wheat mill and bakery dry mix operation in North America in its milling products segment for $102 million in cash, net of cash acquired, and $8 million in redeemable noncontrolling interest. Prior to this transaction, Bunge had a 31.5% interest in the entity which was accounted for under the equity method. Upon completion of the transaction, Bunge had a 95% interest in the entity, which it consolidates. Upon assuming control of the entity, Bunge recorded a non-cash, non-taxable gain of $36 million to adjust its previously existing noncontrolling interest to fair value of $52 million. The final purchase price allocation resulted in $21 million of inventories, $35 million of other current assets, $71 million of property, plant and equipment, $32 million of finite-lived intangible assets, $18 million of other liabilities, $24 million of deferred tax liabilities and $45 million of goodwill (see Note 23). In December 2013, Bunge acquired the remaining 5% interest in La Espiga for $10 million in cash.

In March 2012, Bunge acquired an asset management business in Europe in its agribusiness segment for $9 million, net of cash acquired. The final purchase price allocation resulted in $52 million of other assets, $344 million of long-term investments, $23 million of other finite-lived intangible assets, $54 million of other liabilities, $316 million of long-term debt and $40 million allocated to noncontrolling interest. Of these amounts, $14 million of other net assets, $344 million of long-term investments, $316 million of long-term debt and $40 million of noncontrolling interest are attributed to certain managed investment funds, which Bunge consolidates as it is deemed to be the primary beneficiary. The assets of the consolidated funds can only be used to settle the liabilities of such funds.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Business Acquisitions (Continued)

Consolidated liabilities at December 31, 2012 include total liabilities of $354 million for which the consolidated funds creditors do not have recourse to Bunge (see Notes 1, 12 and 17).

In February 2012, Bunge acquired an edible oils and fats business in India in its edible oil products segment for $94 million, net of cash acquired. The purchase price consisted of $77 million cash and $17 million acquired debt. The final purchase price allocation resulted in $15 million of inventories, $4 million of other current assets, $27 million of property, plant and equipment, $53 million of finite-lived intangible assets (primarily trademark and brands) and $5 million of other liabilities.

Also in 2012, Bunge acquired finite-lived intangible assets and property, plant and equipment in three separate transactions in North America and Africa in its agribusiness segment for a total of $24 million cash.

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 International ASA (Yara) for $750 million in cash. As a result of the transaction, Bunge will no longer have 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. Assets and liabilities subject to the purchase and sale agreement were classified as held for sale in Bunge's consolidated balance sheet as of December 31, 2012.

Additionally, in December 2012 Bunge sold its 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 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 28).

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Discontinued Operations and Business Divestitures (Continued)

The following table summarizes the results from discontinued operations.

(US$ in millions)	Year Ended December 31, 2013	2012	2011
Net sales	**$ 1,217**	$ 2,503	$ 2,646
Cost of goods sold	**(1,138)**	(2,498)	(2,545)
Gross profit	**79**	5	101
Selling, general and administrative expenses	**(64)**	(143)	(117)
Interest income	**14**	25	6
Interest expense	**(9)**	(23)	(7)
Foreign exchange gain (loss)	**(7)**	21	(3)
Other income (expenses) net	**(12)**	(30)	(16)
Gain on sale of Brazilian fertilizer business	**148**		
Income (loss) from discontinued operations before income tax	**149**	(145)	(36)
Income tax (expense) benefit	**(52)**	(197)	11
Income (loss) from discontinued operations, net of tax	**$ 97**	$ (342)	$ (25)

Assets held for sale associated with discontinued operations as of December 31, 2012 are as follows:

(US$ in millions)	December 31, 2012
Assets:	
Cash and cash equivalents	$ 2
Trade accounts receivable (less allowance of $2)	189
Inventories	402
Other current assets	67
Current assets held for sale	$ 660
Property, plant and equipment, net	$ 218
Deferred income taxes	40
Other non-current assets	(8)
Non-current assets held for sale	$ 250

Liabilities:		
Trade accounts payable	$	157
Other current liabilities		140
Current liabilities held for sale	$	297
Other non-current liabilities	$	13
Non-current liabilities held for sale	$	13

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, 2013 and 2012. 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, 2013 and 2012, time deposits (with weighted-average interest rates of 8.36% and 8.95%, respectively) and LCs (including foreign exchange contracts) totaled $4,470 million and $3,048 million, respectively. In addition, at December 31, 2013 and 2012, the fair values of the time deposits (Level 2 measurements) totaled approximately $4,470 million and $3,048 million, respectively, and the fair values of the LCs (Level 2 measurements) totaled approximately $4,360 million and $3,024 million, respectively. The fair values approximated the carrying amounts of the related financial instruments due to their short-term nature. The fair values of the foreign exchange forward contracts (Level 2 measurements) were a loss of $110 million and a loss of $24 million at December 31, 2013 and 2012, respectively.

During the years ended December 31, 2013, 2012 and 2011, total proceeds from issuances of LCs were $9,472 million, $5,210 million and $3,617 million, 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 refers to inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

	December 31,	
(US$ in millions)	**2013**	**2012**
Agribusiness[1]	**$ 4,498**	$ 5,240
Sugar and Bioenergy[2]	**549**	488
Edible Oil Products[3]	**487**	617
Milling Products[4]	**210**	184
Fertilizer[4][5]	**52**	61
Total	**$ 5,796**	$ 6,590

(1) Includes readily marketable agricultural commodity inventories carried at fair value of $4,163 million and $4,892 million at December 31, 2013 and 2012, respectively. Of these amounts $2,927 million and $3,442 million can be attributable to merchandising activities at December 31, 2013 and 2012, respectively. All other agribusiness segment inventories are carried at lower of cost or market.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Inventories (Continued)

(2) Includes readily marketable sugar inventories of $182 million and $199 million at December 31, 2013 and 2012, respectively. Of these sugar inventories, $109 million and $144 million are carried at fair value at December 31, 2013 and 2012, respectively, in Bunge's trading and merchandising business. Sugar and ethanol inventories in Bunge's industrial production business are carried at lower of cost or market.

(3) Edible oil products inventories are generally carried at lower of cost or market, with the exception of readily marketable inventories of bulk soybean and canola oil which are carried at fair value in the aggregate amount of $67 million and $215 million at December 31, 2013 and 2012, respectively.

(4) Milling products and fertilizer inventories are carried at lower of cost or market.

(5) Fertilizer inventories at December 31, 2012, exclude amounts classified as held for sale (see Note 3).

6. Other Current Assets

Other current assets consist of the following:

	December 31,	
(US$ in millions)	**2013**	**2012**
Prepaid commodity purchase contracts[1]	**$ 220**	$ 299
Secured advances to suppliers, net[2]	**555**	390
Unrealized gains on derivative contracts, at fair value	**1,561**	1,230
Recoverable taxes, net	**442**	465
Margin deposits[3]	**305**	363
Marketable securities, at fair value	**162**	105
Deferred purchase price receivable, at fair value[4]	**96**	134
Prepaid expenses	**261**	314
Other	**780**	518
Total	**$ 4,382**	$ 3,818

(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 $20 million and $12 million at December 31, 2013 and 2012, respectively. 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. Changes in the allowance for 2012 included an increase of $17 million for additional bad debt provisions and a reduction in the allowance for recoveries and write-offs of $7 million and $1 million, respectively.

Interest earned on secured advances to suppliers of $32 million, $27 million and $25 million for the years ended December 31, 2013, 2012, and 2011, 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)	**2013**	**2012**
Land	**$ 395**	$ 353
Biological assets	**501**	480
Buildings	**2,071**	1,886
Machinery and equipment	**5,135**	4,938
Furniture, fixtures and other	**423**	471
	8,525	8,128
Less: accumulated depreciation and depletion	**(3,591)**	(3,395)
Plus: construction in progress	**1,141**	1,155
Total	**$ 6,075**	$ 5,888

Bunge capitalized expenditures of $1,001 million, $1,139 million and $1,061 million during the years ended 2013, 2012 and 2011, respectively. Included in these capitalized expenditures was capitalized interest on construction in progress of $4 million, $13 million and $16 million for the years ended December 31, 2013, 2012 and 2011, respectively. Depreciation and depletion expense was $524 million, $504 million and $465 million for the years ended December 31, 2013, 2012 and 2011, 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 and sugar and bioenergy segment reporting units 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 and sugar and bioenergy reporting units 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 all other reporting units, the estimated fair value of the reporting unit is determined utilizing a discounted cash flow analysis.

There were no impairment charges resulting from Bunge's annual impairment testing of any of its reporting units goodwill for the year ended December 31, 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

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Goodwill (Continued)

value of Bunge's sugar and bioenergy reporting unit being below book value. Step 2 of the analysis was 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, 2013 and 2012 are as follows:

(US$ in millions)	Agribusiness	Sugar and Bioenergy	Edible Oil Products	Milling Products	Fertilizer	Total
Goodwill, gross	$ 216	$ 560	$ 110	$ 9	$ 1	$ 896
Accumulated impairment losses				(3)		(3)
Balance, December 31, 2011, net	**216**	**560**	**110**	**6**	**1**	**893**
Goodwill acquired[1]		7		45		52
Reallocation of acquired goodwill[2]	(1)		(13)		1	(13)
Impairment[4]		(514)				(514)
Tax benefit on goodwill amortization[3]	(6)					(6)
Foreign exchange translation	(12)	(53)	4			(61)
Goodwill, gross	197	514	101	54	2	868
Accumulated impairment losses		(514)		(3)		(517)
Balance, December 31, 2012, net	**197**		**101**	**51**	**2**	**351**
Goodwill acquired[1]				67		67
Tax benefit on goodwill amortization[3]	(5)					(5)
Foreign exchange translation	(18)		(2)	(1)		(21)
Goodwill, gross	174	514	99	120	2	909
Accumulated impairment losses		(514)		(3)		(517)
Balance, December 31, 2013, net	**$ 174**	**$**	**$ 99**	**$ 117**	**$ 2**	**$ 392**

(1)

See Note 2.

(2)

Beginning in the first quarter of 2012, the management responsibilities for certain Brazilian port facilities were moved from the agribusiness segment to the fertilizer segment. Accordingly, $1 million of goodwill attributable to these port facilities was reclassified to conform to the 2012 segment presentation.

Upon finalization of the purchase price allocation in 2012 for Bunge's acquisition of a tomato products business, finite-lived intangibles were increased by $14 million, inventories were reduced by $6 million, deferred tax liabilities were reduced by $5 million and goodwill was reduced by $13 million.

(3)

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.

(4)

See Note 10.

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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:

(US$ in millions)	December 31, 2013	December 31, 2012
Trademarks/brands, finite-lived	**$ 210**	$ 214
Licenses	**12**	11
Other	**286**	212
	508	437
Less accumulated amortization:		
Trademarks/brands[1]	**(63)**	(59)
Licenses	**(5)**	(4)
Other	**(114)**	(79)
	(182)	(142)
Intangible assets, net of accumulated amortization	**$ 326**	$ 295

(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 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.

In 2012, Bunge acquired $59 million of trademarks and $71 million of other intangible assets including $15 million of customer lists, $22 million of patents for developed technology and $23 million of favorable contractual arrangements. These amounts were allocated $45 million to the agribusiness segment, $1 million to the sugar and bioenergy segment, $52 million to the edible oils segment and $32 million to the milling products segment. Finite lives of these assets range from 5 to 20 years.

Aggregate amortization expense was $44 million, $34 million and $29 million for the years ended December 31, 2013, 2012 and 2011, respectively. The estimated future aggregate amortization expense is $30 million for 2014 and approximately $30 million annually for 2015 through 2018.

10. Impairments

Impairment 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 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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Impairments (Continued)

In 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 our sugar and bioenergy and agribusiness segments, respectively. The fair values of these investments were determined utilizing discounted future expected cash flows.

Bunge recorded no significant impairment charges during the year ended December 31, 2011.

Nonrecurring fair value measurements The following table summarizes assets measured at fair value on a nonrecurring basis subsequent to initial recognition at December 31, 2013 and December 31, 2012, respectively. There were no non-recurring fair value measurements at December 31, 2011. For additional information on Level 1, 2 and 3 inputs see Note 15.

		Fair Value Measurements Using			
(US$ in millions)	**Year Ended December 31, 2013**	**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)

		Fair Value Measurements Using			
(US$ in millions)	**Year Ended December 31, 2012**	**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, 2013 are described 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 Office Chérifien des Phosphates (OCP), for $37 million, recognizing a pre-tax gain of $1 million, and also sold its 50% interest in Bunge Ergon Vicksburg, LLC (BEV), 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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Investments in Affiliates (Continued)

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 a 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 Diester Industries, 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. (Augustea) 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

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.

Solazyme Incorporated In April 2012, Bunge entered into a joint venture with Solazyme Incorporated for the construction and operation of a renewable oils production facility in Brazil, which will use sugar supplied by one of Bunge's mills to produce renewable oils. Bunge has a 49.9% interest in this entity.

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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, 2013	2012
Recoverable taxes, net[(1)]	**$ 283**	$ 309
Long-term receivables from farmers in Brazil, net[(1)]	**134**	164
Judicial deposits[(1)]	**153**	169
Other long-term receivables	**40**	60
Income taxes receivable[(1)]	**304**	431
Long-term investments	**296**	414
Affiliate loan receivable, net	**25**	59
Other	**130**	140
Total	**$ 1,365**	$ 1,746

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

Recoverable taxes Recoverable taxes are reported net of valuation allowances of $57 million and $47 million at December 31, 2013 and 2012, respectively.

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. The long-term receivables from farmers in Brazil include defaulted receivables from the 2005 and 2006 Brazil poor crop years. These were commercial transactions intended to be short-term in nature with amounts expected to be repaid either in cash or through delivery to Bunge of agricultural commodities when the related crops were harvested.

Bunge evaluates this single portfolio segment by class of receivables, and has 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 Bunge 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, Bunge considers historical experience with the individual farmers, current weather and crop conditions, as well as the fair value of non-crop collateral.

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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)	2013	2012
Legal collection process[1]	**$ 213**	$ 269
Renegotiated amounts[2]	**117**	119
Total	**$ 330**	$ 388

(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, 2013 and 2012 was $363 million and $444 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, 2013		December 31, 2012	
(US$ in millions)	Recorded Investment	Allowance	Recorded Investment	Allowance
For which an allowance has been provided:				
Legal collection process	**$ 139**	**$ 132**	$ 178	$ 165
Renegotiated amounts	**84**	**64**	67	59
For which no allowance has been provided:				
Legal collection process	**74**		91	
Renegotiated amounts	**33**		52	
Total	**$ 330**	**$ 196**	$ 388	$ 224

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)	2013	2012
Beginning balance	**$ 224**	$ 199
Bad debt provision	**23**	92

Recoveries	**(24)**	(19)
Write-offs	**(3)**	(29)
Transfers[1]	**5**	(1)
Foreign exchange translation	**(29)**	(18)
Ending balance	**$ 196**	$ 224

(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)

12. Other Non-Current Assets (Continued)

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 (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 (the benchmark rate of the Brazilian central bank).

Long-term investments Long-term investments represent investments held by managed investment funds and other investments including available for sale securities included in Bunge's consolidated financial statements. The consolidated funds are, for 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 values of these investments (Level 3 measurements) totals $238 million and $349 million at December 31, 2013 and December 31, 2012, respectively.

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

13. Other Current Liabilities

Other current liabilities consist of the following:

	December 31,	
(US$ in millions)	**2013**	**2012**
Accrued liabilities	**$ 940**	$ 968
Unrealized losses on derivative contracts, at fair value	**1,401**	1,185
Advances on sales	**330**	223
Other	**347**	118
Total	**$ 3,018**	$ 2,494

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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Income Taxes (Continued)

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

	Year Ended December 31,		
(US$ in millions)	**2013**	**2012**	**2011**
United States	**$ 179**	$ 215	$ 77
Non-United States	**835**	157	943
Total	**$ 1,014**	$ 372	$ 1,020

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

	Year Ended December 31,		
(US$ in millions)	**2013**	**2012**	**2011**
Current:[1]			
United States	**$ (33)**	$ (87)	$ (12)
Non-United States	**(411)**	(128)	(238)
	(444)	(215)	(250)
Deferred:			
United States	**(18)**	22	(29)
Non-United States	**(442)**	199	224
	(460)	221	195
Total	**$ (904)**	$ 6	$ (55)

(1) Included in current income tax expense are $32 million, $7 million, and $19 million related to uncertain tax benefits, 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:

(US$ in millions)	Year Ended December 31, 2013	2012	2011
Income from operations before income tax	**$ 1,014**	$ 372	$ 1,020
Income tax rate	**35%**	35%	35%
Income tax expense at the U.S. Federal tax rate	**(355)**	(130)	(357)
Adjustments to derive effective tax rate:			
Foreign earnings taxed at different statutory rates	**30**	47	342
Valuation allowances	**(642)**	(1)	7
Goodwill amortization	**1**	29	43
Fiscal incentives[1]	**48**	51	46
Foreign exchange on monetary items	**(13)**	(12)	1
Tax rate changes	**(5)**	23	(4)
Non-deductible expenses	**(44)**	(6)	(3)
Uncertain tax positions	**(32)**	4	(18)
Deferred balance adjustments	**(52)**	(56)	
Foreign income taxed in Brazil	**136**	46	(108)
Other	**24**	11	(4)
Income tax benefit (expense)	**$ (904)**	$ 6	$ (55)

(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:

	December 31,	
(US$ in millions)	**2013**	**2012**
Deferred income tax assets:		
Net operating loss carryforwards	**$ 1,120**	$ 959
Property, plant and equipment	**90**	49
Employee benefits	**68**	90
Tax credit carryforwards	**10**	7
Inventories	**49**	17
Intangibles	**263**	258
Accrued expenses and other	**791**	589
Total deferred income tax assets	**2,391**	1,969
Less valuation allowances	**(1,048)**	(455)
Deferred income tax assets, net of valuation allowance	**1,343**	1,514
Deferred income tax liabilities:		
Property, plant and equipment	**277**	84
Undistributed earnings of affiliates not considered permanently reinvested	**22**	26
Intangibles	**115**	65
Investments	**97**	127
Inventories	**70**	60
Accrued expenses and other	**260**	1
Total deferred income tax liabilities	**841**	363
Net deferred income tax assets	**$ 502**	$ 1,151

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 our unremitted earnings that are not considered to be indefinitely reinvested, we have provided a deferred tax liability totaling $22 million and $26 million as of December 31, 2013 and 2012, respectively. As of December 31, 2013, we have determined the company has unremitted earnings that are considered to be indefinitely reinvested of approximately $971 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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Income Taxes (Continued)

At December 31, 2013, Bunge's pre-tax loss carryforwards totaled $5,055 million, of which $2,960 million have no expiration, including loss carryforwards of $2,272 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 years. The remaining tax loss carryforwards expire at various periods beginning in 2014 through the year 2029.

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 $512 million for the year ended December 31, 2013. Of this amount, $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 a 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, 2013 and 2012, respectively, Bunge had recorded uncertain tax positions of $169 million and $98 million in other non-current liabilities and $2 million and $10 million in current liabilities in its consolidated balance sheets. During 2013, 2012 and 2011, respectively, Bunge recognized $10 million, $1 million and $3 million of interest and penalty charges in income tax (expense) benefit in the consolidated statements of income. At December 31, 2013 and 2012, respectively, Bunge had included accrued interest and penalties of $20 million and $4 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)	2013	2012	2011
Balance at January 1,	**$ 104**	$ 113	$ 102
Additions based on tax positions related to the current year[(1)]	**22**	11	9
Additions based on tax positions related to prior years	**48**	8	14
Reductions for tax positions of prior years	**(1)**	(2)	
Settlement or clarification from tax authorities		(3)	(4)
Expiration of statute of limitations	**(21)**	(22)	(2)
Foreign currency translation	**(1)**	(1)	(6)
Balance at December 31,	**$ 151**	$ 104	$ 113

(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 $1 million of its unrecognized tax benefits may be recognized by the end of 2014 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	2006 - 2013
South America	2005 - 2013
Europe	2005 - 2013
Asia	2003 - 2013

As of December 31, 2013 and 2012, respectively, Bunge had received from the Brazilian tax authorities proposed adjustments totaling 1,410 million Brazilian *reais* ($603 million) and 370 million Brazilian *reais* ($181 million) 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, has reviewed and responded to the proposed adjustments and believes that it is more likely than not that it will prevail on the majority of the proposed adjustments. At December 31, 2013 and 2012, Bunge recognized uncertain tax positions related to these tax assessments of $82 million and $23 million, respectively.

In addition, as of December 31, 2013 and 2012, respectively, 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 $67 million and $89 million as of December 31, 2013 and 2012, respectively), plus previously accrued interest on the outstanding amount due of approximately 750 million Argentine *pesos* and 593 million Argentine *pesos* (approximately $115 million and $121 million as of December 31, 2013 and 2012, respectively). 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 2010-2012, 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 $156 million, $325 million and $277 million during the years ended December 31, 2013, 2012 and 2011, 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 (DPP) 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.

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,

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Financial Instruments and Fair Value Measurements (Continued)

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 topic 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, 2013				December 31, 2012			
(US$ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:								
Readily marketable inventories (Note 5)	$	$ 4,041	$ 298	$ 4,339	$	$ 4,815	$ 436	$ 5,251
Trade accounts receivable[1]		5	1	6		3		3
Unrealized gain on designated derivative contracts[2]:								
Foreign exchange		7		7		1		1
Unrealized gain on undesignated derivative contracts[2]:								
Foreign exchange	5	346		351		194		194
Commodities	408	585	138	1,131	61	697	264	1,022
Freight	59			59			1	1
Energy	11		2	13	9	2	1	12
Deferred purchase price receivable (Note 18)		96		96		134		134
Other[3]	59	22		81	234	32		266
Total assets	$ 542	$ 5,102	$ 439	$ 6,083	$ 304	$ 5,878	$ 702	$ 6,884
Liabilities:								
Trade accounts payable[1]	$	$ 381	$ 76	$ 457	$	$ 378	$ 40	$ 418
Unrealized loss on designated derivative contracts[4]:								
Foreign exchange		11		11				
Unrealized loss on undesignated derivative contracts[4]:								
Foreign exchange	5	373		378	1	119		120
Commodities	361	439	89	889	153	667	180	1,000
Freight	81		14	95	3			3
Energy	11		17	28	42		20	62
Total liabilities	$ 458	$ 1,204	$ 196	$ 1,858	$ 199	$ 1,164	$ 240	$ 1,603

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(1)

Trade accounts receivable and payable are generally accounted for at amortized cost, with the exception of $6 million and $457 million, at December 31, 2013 and $3 million and $418 million at December, 31, 2012, 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, 2013 and 2012, respectively.

(3) Other includes the fair values of marketable securities.

(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, 2013 and 2012, respectively.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Financial Instruments and Fair Value Measurements (Continued)

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.

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

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Financial Instruments and Fair Value Measurements (Continued)

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 over-the-counter 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, 2013 and 2012.

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, 2013 and 2012. 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 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)

(US$ in millions)	Derivatives, Net[(1)]	Readily Marketable Inventories	Trade Accounts Receivable/ Payable, Net[(2)]	Total
	Level 3 Instruments Fair Value Measurements			
Balance, January 1, 2012	$ (2)	$ 283	$	$ 281
Total gains and losses (realized/unrealized) included in cost of goods sold	199	(320)		(121)
Purchases	3	1,659		1,662
Sales	3	(2,282)		(2,279)
Issuances	(4)		(110)	(114)
Settlements	(191)		70	(121)
Transfers into Level 3	16	1,418		1,434
Transfers out of Level 3	42	(322)		(280)
Balance, December 31, 2012	$ 66	$ 436	$ (40)	$ 462

(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.

The table below summarizes changes in unrealized gains or (losses) recorded in earnings during the years ended December 31, 2013 and 2012 for Level 3 assets and liabilities that were held at December 31, 2013 and 2012:

(US$ in millions)	Derivatives, Net[(1)]	Readily Marketable Inventories	Trade Accounts Receivable and Payable, Net[(2)]	Total
	Level 3 Instruments Fair Value Measurements			
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2013:				
Cost of goods sold	$ 135	$ 101	$ (39)	$ 197
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2012:				
Cost of goods sold	$ 59	$ 202	$ (18)	$ 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.

Derivative Instruments

Interest rate derivatives Bunge recognized gains of approximately $20 million, $20 million and $13 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 previously designated as fair value hedges, for the years ended December 31, 2013, 2012 and 2011, respectively.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Financial Instruments and Fair Value Measurements (Continued)

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 swap 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.

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

	December 31, 2013			
	Exchange Traded	Non-exchange Traded		
(US$ in millions)	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Foreign Exchange				
Options	$ (26)	$ (2)	$ 2	Delta
Forwards	3	(15,951)	20,719	Notional
Swaps		(129)	121	Notional

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

(2) Non-exchange traded swaps, options and forwards are presented on a gross (short) and long position basis.

Commodity derivatives Bunge uses 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, 2013			
	Exchange Traded	Non-exchange Traded		
	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Agricultural Commodities				
Futures	(7,517,109)			Metric Tons
Options	(333,796)			Metric Tons
Forwards		(33,142,299)	27,823,848	Metric Tons
Swaps		(486,211)	39,735	Metric Tons

(1)

Exchange traded futures and options are presented on a net (short) and long position basis.

(2) Non-exchange traded swaps, options and forwards are presented on a gross (short) and long position basis.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Financial Instruments and Fair Value Measurements (Continued)

Ocean freight derivatives Bunge uses derivative instruments referred to as freight forward agreements, or 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 recorded in earnings. There were no designated hedges at December 31, 2013 and 2012, respectively.

The table below summarizes the open ocean freight positions.

	December 31, 2013			
	Exchange Cleared	Non-exchange Cleared		
	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Ocean Freight				
FFA	(7,660)			Hire Days
FFA Options	(2,082)			Hire Days

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

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

Energy derivatives Bunge uses 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.

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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 open energy positions.

	December 31, 2013			
	Exchange Traded	Non-exchange Cleared		
	Net (Short) & Long[1]	(Short)[2]	Long[2]	Unit of Measure
Natural Gas[3]				
Futures	4,096,009			MMBtus
Swaps			687,204	MMBtus
Options	(6,015,361)			MMBtus
Energy Other				
Futures	2,417,741			Metric Tons
Forwards		(47,055)	38,239,063	Metric Tons
Swaps	275,000			Metric Tons
Options	(318)			Metric Tons

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

(2) Non-exchange cleared swaps, options and forwards 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.

The Effect of Derivative Instruments on the Consolidated Statements of Income

The table below summarizes the effect of derivative instruments that are undesignated on the consolidated statements of income for the years ended December 31, 2013 and 2012.

		Gain or (Loss) Recognized in Income on Derivative	
		December 31,	
(US$ in millions)	Location	2013	2012
Undesignated Derivative Contracts			
Interest Rate	Other income (expenses) net	**$ (7)**	$ 1
Foreign Exchange	Foreign exchange gains (losses)	**(229)**	(135)
Foreign Exchange	Income (loss) from discontinued operations, net of tax		8
Foreign Exchange	Cost of goods sold	**(165)**	(7)
Commodities	Cost of goods sold	**651**	(561)
Freight	Cost of goods sold	**(20)**	(1)
Energy	Cost of goods sold		(6)
Total		**$ 230**	$ (701)

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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 the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges in the consolidated statements of income.

			December 31, 2013			
			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]	$ 344	$ (22)	Foreign exchange gains (losses)	$ (12)	Foreign exchange gains (losses)	$
Total	$ 344	$ (22)		$ (12)		$
Net Investment Hedge[3]:						
Foreign Exchange	$ 560	$ 22	Foreign exchange gains (losses)	$	Foreign exchange gains (losses)	$
Total	**$ 560**	**$ 22**		**$**		**$**

(1) The gain (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2013, Bunge expects to reclassify into income in the next 12 months $(22) million and zero after-tax gain (loss) related to its foreign exchange cash flow 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 relating to amounts excluded from the assessment of hedge effectiveness.

(3) The foreign exchange contracts mature at various dates in 2014.

December 31, 2012

(US$ in millions)	Notional Amount	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	
			Location	Amount	Location	Amount[2]
Cash Flow Hedge:						
Foreign Exchange[3]	$ 190	$ 5	Foreign exchange gains (losses)	$ (6)	Foreign exchange gains (losses)	$
Total	**$ 190**	**$ 5**		**$ (6)**		**$**

(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2012, Bunge expected to reclassify into income in the next 12 months $5 million after-tax losses related to its foreign exchange cash flow 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.

(3) The foreign exchange forward contracts mature at various dates in 2013.

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

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Short-Term Debt and Credit Facilities (Continued)

currency conversions in Brazil. The weighted-average interest rate on short-term borrowings at December 31, 2013 and 2012 was 6.99% and 6.59%, respectively.

(US$ in millions)	December 31, 2013	December 31, 2012
Lines of credit:		
Unsecured, variable interest rates from 0.37% to 30.00%[(1)]	**$ 703**	$ 1,598
Total short-term debt	**$ 703**	$ 1,598

(1) Includes $285 million of local currency borrowings in certain Eastern European, South American and Asian countries at a weighted-average interest rate of 14.91% as of December 31, 2013 and $378 million at a weighted-average interest rate of 18.78% as of December 31, 2012.

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. In January 2013, Bunge agreed with the Liquidity Facility banks for the amount of aggregate commitments under the Liquidity Facility to be increased from $526 million to $600 million, and simultaneously increased the size of its commercial paper program to $600 million. The Liquidity Facility, which matures in November 2016, permits Bunge, at its option, to set up direct borrowings or issue commercial paper. The cost of borrowing under the Liquidity Facility would typically be higher than the cost of borrowing under Bunge's commercial paper program. At December 31, 2013, there was $100 million outstanding under the commercial paper program and no borrowings under the Liquidity Facility. At December 31, 2012, there were no borrowings outstanding under the commercial paper program and the Liquidity Facility.

In addition to the committed facilities discussed above, from time-to-time, Bunge enters into bilateral short-term credit lines as necessary based on its financing requirements. At December 31, 2013, $120 million was outstanding under these bilateral short-term credit lines. In addition, Bunge's operating companies had $395 million in short-term borrowings outstanding from local bank lines of credit at December 31, 2013 to support working capital requirements.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-Term Debt

Long-term debt obligations are summarized below.

(US$ in millions)	December 31, 2013	December 31, 2012
Revolving credit facilities[1]	**$ 400**	$
Term loan due 2013 fixed interest rate of 3.32% (Tranche A)		300
Term loan due 2013 variable interest rate of LIBOR plus 1.38% (Tranche B)		100
5.875% Senior Notes due 2013		300
5.35% Senior Notes due 2014	**500**	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
BNDES loans, variable interest rate indexed to TJLP plus 3.20% payable through 2016[2][3]	**27**	42
Other	**348**	323
Subtotal	**3,607**	3,897
Less: Current portion of long-term debt	**(762)**	(719)
Total long-term debt excluding investment fund debt	**2,845**	3,178
Consolidated non-recourse investment fund debt[4]	**334**	354
Total long-term debt	**$ 3,179**	$ 3,532

(1) In June and November of 2013, we entered into unsecured bilateral three-year revolving credit agreements totaling $700 million with certain lenders, maturing in 2016.

(2) Industrial development loans provided by BNDES, an agency of the Brazilian government.

(3) TJLP is a long-term interest rate published by the BNDES on a quarterly basis; TJLP was 5.00% per annum at December 31, 2013 and 2012, respectively.

(4) Consolidated investment fund debt matures at various dates through 2019 with no recourse to Bunge. Bunge elected to account for $257 million and $259 million at fair value as of December 31, 2013 and 2012, respectively, and the remaining is accounted for at amortized cost.

The fair values of long-term debt, including current portion, at December 31, 2013 and 2012 were $4,174 million and $4,581 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, 2013			December 31, 2012		
(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	$ 3,941	$ 3,917	$ 257	$ 4,251	$ 4,322	$ 259

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-Term Debt (Continued)

On May 30, 2013, we entered into an unsecured $665 million five-year syndicated revolving credit agreement with CoBank, ACB, as administrative agent and certain lenders party thereto. Under the terms of the agreement, the Lenders initially made available up to $368 million of loans, which has been increased to $665 million in December 2013 concurrent with the scheduled repayment in full of our obligations under an existing term loan facility under which $300 million of principal amount was outstanding. Borrowings under the revolving credit agreement 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 revolving credit agreement 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. There were no borrowings outstanding under this credit agreement at December 31, 2013.

On June 24, 2013, we entered into an unsecured $200 million three-year revolving credit agreement with a certain lender. Borrowings under the credit agreement bear interest at LIBOR plus a margin ranging from 0.90% to 1.55%, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit agreement that remain undrawn are subject to a commitment fee at a rate of 0.25%. There was $200 million outstanding under this credit agreement at December 31, 2013.

In November 2013 we entered into five unsecured $100 million bilateral three-year revolving credit agreements with certain lenders. Borrowings under the credit agreement bear interest at LIBOR plus a margin ranging from 0.90% to 1.55%, based on the credit ratings of our long-term senior unsecured debt. Amounts under the credit agreement that remain undrawn are subject to a commitment fee at a rate of 0.25%. There was $200 million outstanding under these credit agreements at December 31, 2013.

At December 31, 2013, Bunge had approximately $3,800 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 $242 million at December 31, 2013 have been mortgaged or otherwise collateralized against long-term debt of $198 million at December 31, 2013.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-Term Debt (Continued)

Principal Maturities Principal maturities of long-term debt at December 31, 2013 are as follows:

(US$ in millions)	
2014	$ 760
2015	523
2016	921
2017	859
2018	11
Thereafter	842
Total[1]	$ 3,916

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(1) Excludes unamortized net gains of $25 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, 2013.

During the years ended December 31, 2013, 2012 and 2011, Bunge paid interest, net of interest capitalized, of $330 million, $259 million and $208 million, respectively.

18. Trade Receivables Securitization Program

Bunge and certain of its subsidiaries participate in a trade receivables securitization program (the 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 securitization program is designed to enhance Bunge's financial flexibility by providing an additional source of liquidity for its operations. In connection with the securitization 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 (DPP), which is expected to be generally between 10% and 15% of the aggregate amount of receivables sold through the program.

Bunge Finance B.V. (BFBV), a wholly-owned subsidiary of Bunge, acts as master servicer, responsible for servicing and collecting the accounts receivable for the securitization program. The securitization program terminates on June 1, 2016. However, each committed purchaser's commitment to fund trade receivables sold under the securitization program will terminate on May 28, 2014 unless extended for additional 364-day periods in accordance with the terms of the receivables transfer agreement. The trade receivables sold under the securitization program are subject to specified eligibility criteria, including eligible currencies, country and obligor concentration limits. At December 31, 2013, BFBV had a repurchase obligation with the administrative agent of $54 million. No obligation existed at December 31, 2012.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Trade Receivables Securitization Program (Continued)

At December 31, 2013 and 2012, $696 million and $772 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 $12,596 million and $13,823 million for the years ended December 31, 2013 and 2012, respectively. In addition, cash collections from customers on receivables previously sold were $12,769 million and $14,031 million for the years ended December 31, 2013 and 2012, 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, 2013 and 2012 were $12,779 million and $14,054 million, respectively. These sales resulted in discounts of $7 million and $8 million for the years ended December 31, 2013 and 2012, respectively, and $5 million for the period from inception of the program through December 31, 2011, 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 accounts receivable is limited to the DPP, which at December 31, 2013 and 2012 had a fair value of $96 million and $134 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 accounts receivable sold under the program during the year ended December 31, 2013 and 2012 were insignificant. Bunge has reflected all cash flows under the securitization program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2013 and 2012 and the period from inception of the program through December 31, 2011, including collections on DPP of $1,465 million, $1,661 million, and $814 million, respectively.

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, 2013 or 2012.

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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, 2013 and 2012. A measurement date of December 31 was used for all plans.

(US$ in millions)	U.S. Pension Benefits December 31, 2013	U.S. Pension Benefits December 31, 2012	Foreign Pension Benefits December 31, 2013	Foreign Pension Benefits December 31, 2012
Change in benefit obligations:				
Benefit obligation at the beginning of year	**$ 607**	$ 513	**$ 163**	$ 143
Plan amendments		2		
Service cost	**21**	18	**9**	8
Interest cost	**25**	25	**5**	6
Plan curtailments	**(2)**			
Actuarial (gain) loss, net	**(65)**	70	**(5)**	15
Employee contributions			**3**	3
Net transfers in (out)			**4**	
Plan settlements	**3**	(3)	**(9)**	(14)
Effect of plan combinations			**6**	
Benefits paid	**(19)**	(17)	**3**	(1)
Expenses paid	**(1)**	(1)	**(2)**	
Impact of foreign exchange rates			**(1)**	3
Benefit obligation at the end of year	**$ 569**	$ 607	**$ 176**	$ 163
Change in plan assets:				
Fair value of plan assets at the beginning of year	**$ 396**	$ 355	**$ 131**	$ 124
Actual return on plan assets	**53**	48	**8**	7
Employer contributions	**25**	14	**16**	10
Employee contributions			**3**	3
Plan settlements		(3)	**(9)**	(14)
Effect of plan combinations			**5**	
Divestitures				
Benefits paid	**(19)**	(17)	**3**	(1)
Expenses paid	**(1)**	(1)		
Impact of foreign exchange rates			**(4)**	2
Fair value of plan assets at the end of year	**$ 454**	$ 396	**$ 153**	$ 131
Funded (unfunded) status and net amounts recognized:				
Plan assets (less than) in excess of benefit obligation	**$ (115)**	$ (211)	**$ (23)**	$ (32)

Net (liability) asset recognized in the balance sheet	**$**	**(115)**	$	(211)	**$**	**(23)**	$	(32)

Amounts recognized in the balance sheet consist of:								
Non-current assets	**$**	**7**	$		**$**	**12**	$	4
Current liabilities		**(3)**		(1)		**(2)**		(2)
Non-current liabilities		**(119)**		(210)		**(33)**		(34)
Net liability recognized	**$**	**(115)**	$	(211)	**$**	**(23)**	$	(32)

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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, 2013 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized initial net asset of $1 million (zero, net of tax), unrecognized prior service cost of $5 million ($3 million, net of tax) and unrecognized actuarial loss of $102 million ($66 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 2014 is $1 million ($1 million, net of tax) and unrecognized actuarial loss of $4 million ($3 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, 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. At December 31, 2012, the $607 million and $163 million projected benefit obligations for U.S. and foreign plans, respectively, include plans with projected benefit obligations of $607 million and $116 million, which were in excess of the fair value of related plan assets of $396 million and $80 million. The accumulated benefit obligation for the U.S. and foreign defined benefit pension plans, respectively, was $521 million and $165 million at December 31, 2013 and $548 million and $153 million at December 31, 2012.

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)	**2013**	**2012**	**2013**	**2012**
Projected benefit obligation	**$ 498**	$ 607	**$ 38**	$ 54
Accumulated benefit obligation	**$ 449**	$ 548	**$ 36**	$ 52
Fair value of plan assets	**$ 375**	$ 396	**$ 5**	$ 21

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)	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Service cost	**$ 21**	$ 18	$ 15	**$ 9**	$ 8	$ 7
Interest cost	**25**	25	25	**5**	6	6
Expected return on plan assets	**(30)**	(26)	(26)	**(5)**	(6)	(6)
Amortization of prior service cost	**1**	2	2			
Amortization of net loss	**16**	13	5	**3**	1	1
Curtailment loss				**1**		
Settlement loss recognized					1	
Special termination benefit	**3**					
Net periodic benefit costs	**$ 36**	$ 32	$ 21	**$ 13**	$ 10	$ 8

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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,	
	2013	**2012**	**2013**	**2012**
Discount rate	**5.2%**	4.2%	**3.6%**	3.3%
Increase in future compensation levels	**3.8%**	3.8%	**2.7%**	3.0%

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,		
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Discount rate	**4.2%**	5.0%	6.0%	**3.3%**	4.2%	4.4%
Expected long-term rate of return on assets	**7.5%**	7.5%	8.0%	**4.0%**	4.6%	5.3%
Increase in future compensation levels	**3.8%**	3.8%	4.2%	**3.0%**	2.7%	2.4%

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, 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	$	$

	Fair Value Measurements at December 31, 2012							
	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**	**$**	$ 2	$	$	$	$	$
Equities:								
Mutual Funds[(1)]	**251**	**19**	251			19		
Fixed income securities:								
Mutual Funds[(2)]	**143**	**106**	72	7	71	99		
Others[(3)]		**6**				6		
Total	**$ 396**	**$ 131**	$ 325	$ 7	$ 71	$ 124	$	$

(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 $13 million, respectively, to its U.S. and foreign-based defined benefit pension plans in 2014.

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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
2014	$ 24	$ 9
2015	26	8
2016	28	8
2017	31	8
2018	33	8
2019-2023	193	43

Employee Defined Contribution Plans Bunge also makes contributions to qualified defined contribution plans for eligible employees. Contributions to these plans amounted to $12 million, $14 million and $14 million during the years ended December 31, 2013, 2012 and 2011, respectively.

20. Postretirement Healthcare Benefit Plans

Certain U.S. 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, 2013 and 2012. 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)	**2013**	**2012**	**2013**	**2012**
Change in benefit obligations:				
Benefit obligation at the beginning of year	**$ 16**	$ 17	**$ 80**	$ 97
Plan amendments				(3)
Plan curtailments			**(2)**	
Service cost				1
Interest cost	**1**	1	**6**	9
Actuarial (gain) loss, net	**(1)**		**(15)**	(2)
Employee contributions	**1**	1		
Plan settlements/divestitures				(6)
Benefits paid	**(2)**	(3)	**(6)**	(9)
Impact of foreign exchange rates	**(1)**		**(9)**	(7)
Benefit obligation at the end of year	**$ 14**	$ 16	**$ 54**	$ 80
Change in plan assets:				
Employer contributions	**$ 1**	$ 2	**$ 6**	$ 9
Employee contributions	**1**	1		
Benefits paid	**(2)**	(3)	**(6)**	(9)
Fair value of plan assets at the end of year	**$**	$	**$**	$
Funded status and net amounts recognized:				
Plan assets (less than) of benefit obligation	**$ (14)**	$ (16)	**$ (54)**	$ (80)
Net (liability) recognized in the balance sheet	**$ (14)**	$ (16)	**$ (54)**	$ (80)

Amounts recognized in the balance sheet consist of:				
Current liabilities	**$ (1)**	$ (2)	**$ (5)**	$ (3)
Non-current liabilities	**(13)**	(14)	**(49)**	(77)
Net liability recognized	**$ (14)**	$ (16)	**$ (54)**	$ (80)

Included in accumulated other comprehensive income at December 31, 2013 are the following amounts for U.S. and foreign postretirement healthcare benefit plans that have not yet been recognized in net periodic benefit costs: unrecognized prior service credit of $1 million (zero, net of tax) and zero (zero, net of tax), respectively, and unrecognized actuarial gain (loss) of $5 million ($3 million, net of tax) and $9 million ($6 million, net of tax), respectively. 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 2014.

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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:

(US$ in millions)	U.S. Postretirement Healthcare Benefits Year Ended December 31,			Foreign Postretirement Healthcare Benefits Year Ended December 31,		
	2013	2012	2011	**2013**	2012	2011
Service cost	**$**	$	$	**$**	$ 1	$ 1
Interest cost	**1**	1	1	**6**	9	10
Amortization of prior service cost					(7)	(1)
Amortization of net (gain) loss	**(1)**			**1**	8	1
Curtailment gain				**(2)**		
Net periodic benefit costs	**$**	$ 1	$ 1	**$ 5**	$ 11	$ 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,	
	2013	2012	**2013**	2012
Discount rate	**4.7%**	3.8%	**11.4%**	8.8%

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,		
	2013	2012	2011	**2013**	2012	2011
Discount rate	**3.8%**	4.8%	5.3%	**8.8%**	10.3%	10.8%

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, decreasing to 4.5% by 2029, remaining at that level thereafter. At December 31, 2012, for measurement purposes related to U.S. plans, a 9.7% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2013. 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 2013 and 2012, 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	$ 5	$ (4)

Bunge expects to contribute $2 million to its U.S. postretirement healthcare benefit plan and $5 million to its foreign postretirement healthcare benefit plans in 2014.

21. Related Party Transactions

Notes receivable Bunge holds a note receivable from Southwest Iowa Renewable Energy, a 25% owned U.S. investment, having a carrying value of approximately $27 million and $37 million at December 31, 2013 and 2012, respectively. This note matures in August 2014 with interest payable at a rate of LIBOR plus 7.5%.

Bunge holds a note receivable from Societe Diester Industrie International, a 40% owned investment in France, having a carrying value of approximately $15 million at December 31, 2013. This note matures in March 2014 with interest payable at a rate of 3.7%.

Bunge holds a note receivable from PT Bumiraya Investido, a 35% owned investment in Indonesia, having a carrying value of approximately $5 million at December 31, 2013. This note matures in January 2014 with interest payable at a rate of 9.6%.

Bunge held a note receivable under a revolving credit facility from Bunge-Ergon Vicksburg LLC, a 50% owned U.S. joint venture in the amount of $9 million at December 31, 2012. During the year ended December 31, 2012, Bunge recorded an impairment of $29 million related to the note receivable. Concurrent with the impairment of the note receivable, Bunge ceased recognition of interest income associated with this loan.

Bunge holds a note receivable from Biodiesel Bilbao S.A., a 20% owned investment in Spain, having a carrying value of approximately $3 million and $6 million at December 31, 2013 and 2012, 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 held notes receivables from related parties totaling $14 million and $34 million at December 31, 2013 and 2012, respectively.

Bunge has recognized interest income related to these notes receivable of approximately $2 million for each of the years ended December 31, 2013, 2012 and 2011, 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 has a note payable with a carrying value of $2 million at December 31, 2013, to Senwes Limited, its partner in the Bunge Senwes joint venture in South Africa. Bunge had a

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Related Party Transactions (Continued)

note payable with a carrying value of $7 million at December 31, 2012, to a joint venture partner in a port terminal in Brazil. These notes are included in other current liabilities in Bunge's consolidated balance sheet as of December 31, 2013.

Other Bunge purchased soybeans, other commodity products and phosphate-based products from certain of its unconsolidated joint ventures, which totaled $446 million, $685 million and $835 million for the years ended December 31, 2013, 2012 and 2011, respectively. Bunge also sold soybean and other commodity products to certain of these joint ventures, which totaled $440 million, $592 million and $452 million for the years ended December 31, 2013, 2012 and 2011, respectively. At December 31, 2013 and 2012, Bunge had approximately $90 million and $169 million, respectively, of receivables from these joint ventures recorded in trade accounts receivable in the consolidated balance sheets as of those dates. In addition, at December 31, 2013 and 2012, Bunge had approximately $29 million and $128 million, respectively, of payables to these joint ventures recorded in trade accounts payable in the consolidated balance sheets.

In addition, Bunge provided services during the years ended December 31, 2013 and 2012, to its unconsolidated investees totaling $81 million and $78 million, respectively, for services including primarily tolling and administrative support. Bunge believes 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 believes none of these matters are expected 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, 2013 and 2012 are the following amounts related to these matters:

	December 31,	
(US$ in millions)	**2013**	**2012**
Tax claims	**$ 59**	$ 70
Labor claims	**76**	75
Civil and other claims	**101**	109
Total	**$ 236**	$ 254

Tax claims The 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. Bunge monitors the Brazilian federal and state governments' responses to recent Brazilian Supreme Court decisions

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Commitments and Contingencies (Continued)

invalidating certain ICMS incentives and benefits granted by various states on constitutional grounds. While Bunge was not a recipient of any of the incentives and benefits that were the subject of the Supreme Court decisions, it has received certain similar tax incentives and benefits. Bunge has not received any tax assessment related to the validity of ICMS incentives or benefits it has received and, based on its assessment of the matter under the provisions of GAAP, no liability has been recorded in the consolidated financial statements. (See also Note 14 related to tax return examinations of certain Brazilian subsidiaries).

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 $67 million as of December 31, 2013), plus previously accrued interest on the outstanding amount due of approximately 750 million Argentine *pesos* (approximately $115 million as of December 31, 2013). 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. It is likely that the tax authorities will also audit fiscal years 2010-2012, 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 has been 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, 2013, would total approximately $147 million. Additionally, 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. These actions primarily result in additional administrative requirements and increased logistical costs on domestic grain shipments within Argentina. While the suspension and exclusion have not had a material adverse effect on Bunge's business in Argentina, Bunge is challenging the exclusion from the grain registry 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.

In December, 2012, the Brazilian tax authorities concluded an examination of the PIS COFINS tax returns of one of Bunge's Brazilian subsidiaries for the years 2004-2007 and proposed adjustments totaling approximately $140 million plus applicable interest and penalties. Management, in consultation with external legal advisors, has reviewed and responded to the proposed adjustments. In conjunction with this review, management has established appropriate reserves for potential exposures.

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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Commitments and Contingencies (Continued)

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, 2013:

(US$ in millions)	Maximum Potential Future Payments
Unconsolidated affiliates financing[1]	$ 25
Residual value guarantee[2]	90
Total	$ 115

(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 2014 through 2017. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At December 31, 2013, 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, 2013, Bunge's recorded obligation related to these guarantees was $3 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, 2013, Bunge's consolidated balance sheet includes debt with a carrying amount of $3,302 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 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
2014	$ 209	$ 75	$ 284
2015 and 2016	94	54	148
2017 and 2018	93	51	144
2019 and thereafter	132	213	345
Total	$ 528	$ 393	$ 921

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Commitments and Contingencies (Continued)

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 $91 million during the year ended December 31, 2013 and expects to receive payments of approximately $9 million in 2014 under such relet agreements.

Commitments At December 31, 2013, Bunge had approximately $241 million of purchase commitments related to its inventories, $17 million of power supply contracts, $79 million of rail car purchase commitments and $105 million of contractual commitments related to construction in progress.

23. Redeemable Noncontrolling Interests

In July 2012, Bunge acquired a controlling interest in a newly formed oilseed processing venture in Europe (see Note 2). As part of the transaction, Bunge entered into a variable price put arrangement subject to a floor and ceiling price, whereby the noncontrolling interest holder can require the Company to acquire the remaining shares of the operation during specific option exercise periods from April to May 2016, 2017 and 2018, respectively. Bunge has elected to accrete the changes in the redemption value through additional paid-in capital over the period from the date of issuance to the earliest redemption date following the effective interest method. At December 31, 2013 and 2012, $37 million and $29 million, respectively, is included in redeemable noncontrolling interests in the consolidated balance sheets. The difference between redemption value and carrying amount was insignificant.

In May 2012, Bunge acquired a controlling interest in a wheat mill and bakery mix operation (see Note 2) and, as part of the transaction, Bunge entered into a variable price put arrangement whereby the noncontrolling interest holder can require Bunge to acquire the remaining shares of the operation on or after May 4, 2015. In December 2013, Bunge acquired the remaining 5% interest of the noncontrolling interest for $10 million. At December 31, 2012, $9 million is included in redeemable noncontrolling interests in Bunge's consolidated balance sheets.

24. Equity

Share Repurchase Program On June 8, 2010, Bunge announced that its Board of Directors had approved a program for the repurchase of up to $700 million of Bunge's issued and outstanding common shares. The program was approved to run through December 31, 2011. On December 7, 2011, the Board of Directors approved a one-year extension of Bunge's existing share repurchase program through December 31, 2012. On December 5, 2012, the Board of Directors approved a $275 million increase in the size of the share repurchase program and extended the program for an indefinite period. Bunge repurchased 1,933,286 common shares for $120 million during the year ended December 31, 2011 and 6,714,573 common shares for $354 million during the year ended December 31, 2010, bringing total repurchases under the program from inception through December 31, 2013 to

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. Equity (Continued)

8,647,859 shares for $474 million. Bunge did not repurchase any shares under the program during the years ended December 31, 2013 and 2012.

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, 2013. 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 1.1131 common shares based on a conversion price of $89.8378 per convertible preference share, subject in each case to certain specified anti-dilution adjustments (which represents 7,680,390 Bunge Limited common shares at December 31, 2013).

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, 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)

24. 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 and Losses on Hedging Activities	Pension and Other Postretirement Liability Adjustment	Unrealized Gains and Losses on Investments	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2011	$ 670	$ (2)	$ (83)	$ (2)	$ 583
Other comprehensive income (loss) before reclassification	(1,130)	5	(41)		(1,166)
Amount reclassified from accumulated other comprehensive income		(27)			(27)
Net-current period other comprehensive income	(1,130)	(22)	(41)		(1,193)
Balance, December 31, 2011	(460)	(24)	(124)	(2)	(610)
Other comprehensive income (loss) before reclassification	(805)	5	(33)	11	(822)
Amount reclassified from accumulated other comprehensive income		22			22
Net-current period other comprehensive income	(805)	27	(33)	11	(800)
Balance, December 31, 2012	(1,265)	3	(157)	9	(1,410)
Other comprehensive income (loss) before reclassification	(1,217)		88	5	(1,124)
Amount reclassified from accumulated other comprehensive income	(4)	(25)		(9)	(38)
Net-current period other comprehensive income	(1,221)	(25)	88	(4)	(1,162)
Balance, December 31, 2013	**$ (2,486)**	**$ (22)**	**$ (69)**	**$ 5**	**$ (2,572)**

(1) Bunge has significant operating subsidiaries in Brazil, Argentina and Europe. 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).

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Earnings Per 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 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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Earnings Per Share (Continued)

The following table sets forth the computation of basic and diluted earnings per common share:

(US$ in millions, except for share data)	Year Ended December 31, 2013	2012	2011
Income from continuing operations	**$ 110**	$ 378	$ 965
Net (income) loss attributable to noncontrolling interests	**99**	28	2
Income from continuing operations attributable to Bunge	**209**	406	967
Other redeemable obligations[1]	**(42)**	(2)	
Convertible preference share dividends and other obligations	**(34)**	(34)	(34)
Income (loss) from discontinued operations, net of tax	**97**	(342)	(25)
Net income available to Bunge common shareholders	**$ 230**	$ 28	$ 908
Weighted-average number of common shares outstanding:			
Basic	**147,204,082**	146,000,541	146,583,128
Effect of dilutive shares:			
stock options and awards[2]	**1,053,227**	1,134,945	1,042,127
convertible preference shares[3]			7,583,790
Diluted	**148,257,309**	147,135,486	155,209,045
Basic earnings per common share:			
Net income (loss) from continuing operations	**$ 0.91**	$ 2.53	$ 6.37
Net income (loss) from discontinued operations	**0.66**	(2.34)	(0.17)
Net income attributable to Bunge common shareholders basic	**$ 1.57**	$ 0.19	$ 6.20

Diluted earnings per common share:			
Net income (loss) from continuing operations	**$ 0.90**	$ 2.51	$ 6.23
Net income (loss) from discontinued operations	**0.65**	(2.32)	(0.16)
Net income attributable to Bunge common shareholders diluted	**$ 1.55**	$ 0.19	$ 6.07

(1) Accretion of redeemable noncontrolling interests of $42 million and $2 million for the years ended December 31, 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 Eastern Europe. Accretion for the respective periods includes the effect of losses incurred by the operations for the years ended December 31, 2013, and 2012, respectively.

(2) The weighted-average common shares outstanding-diluted excludes approximately 3 million, 4 million and 4 million stock options and contingently issuable restricted stock units, which were not dilutive and not included in the computation of diluted earnings per share for the years ended December 31, 2013, 2012 and 2011, respectively.

(3) Weighted-average common shares outstanding-diluted for the years ended December 31, 2013 and 2012, excludes the effect of approximately 7.7 million and 7.6 million, respectively, weighted-average common shares that would be issuable upon conversion of Bunge's convertible preference shares because the effect would not have been dilutive.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Share-Based Compensation

For the year ended December 31, 2013, Bunge recognized approximately $27 million and $26 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards. For the year ended December 31, 2012, Bunge recognized approximately $25 million and $19 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards. For the year ended December 31, 2011, Bunge recognized approximately $24 million and $25 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards.

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 (the Equity Incentive Plan), a shareholder approved plan. Under the Equity Incentive Plan, the compensation committee of the 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 2009 EIP and the Equity Incentive Plan. 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.

(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. Targeted cumulative EPS under the Equity Incentive Plan or the 2009 EIP, as applicable, is based on income per share from continuing operations 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 2009 EIP and in the Equity Incentive Plan. Payment of the award is calculated based on a sliding scale whereby 50% of the performance-based restricted stock unit award vests if the minimum performance target is achieved. No vesting occurs if actual cumulative EPS is less than the minimum performance target. The award is

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Share-Based Compensation (Continued)

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 2009 EIP and the Equity Incentive Plan. 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 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

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Share-Based Compensation (Continued)

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:	**2013**	**2012**	**2011**
Expected option term (in years)	**6.00**	5.94	5.39
Expected dividend yield	**1.45%**	1.48%	1.29%
Expected volatility	**43.23%**	44.26%	45.45%
Risk-free interest rate	**1.01%**	1.15%	2.48%

A summary of option activity under the plans for the year ended December 31, 2013 is presented below:

Options (US$ in millions)	**Shares**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Term (Years)**	**Aggregate Intrinsic Value**
Outstanding at January 1, 2013	5,741,819	$ 65.59		
Granted	785,375	74.32		
Exercised	(1,070,635)	49.52		
Forfeited or expired	(292,391)	82.36		
Outstanding at December 31, 2013	**5,164,168**	**$ 69.30**	**5.98**	**$ 77**
Exercisable at December 31, 2013	**3,498,165**	**$ 68.40**	**4.80**	**$ 59**

The weighted-average grant date fair value of options granted during the years ended December 31, 2013, 2012 and 2011 was $26.95, $25.06 and $27.99, respectively. The total intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011 was approximately $29 million, $19 million and $24 million, respectively. The excess tax benefit classified as a financing cash flow was not significant for any of the periods presented.

At December 31, 2013, $64 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.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Share-Based Compensation (Continued)

A summary of activity under Bunge's restricted stock unit plans for the year ended December 31, 2013 is presented below.

Restricted Stock Units	Shares		Weighted-Average Grant-Date Fair Value
Restricted stock units at January 1, 2013[1]	1,332,745	$	66.17
Granted	543,412		74.40
Vested/issued[2]	(339,335)		56.78
Forfeited/cancelled[2]	(254,496)		71.56
Restricted stock units at December 31, 2013[1]	1,282,326	$	71.07

(1) Excludes accrued unvested dividends, which are payable in shares upon vesting of Bunge's common shares. At December 31, 2013, there were 37,352 unvested dividends accrued. Accrued unvested dividends are revised upon non-achievement of performance targets.

(2) During the year ended December 31, 2013, Bunge issued 339,335 common shares, net of common shares withheld to cover taxes, including related common shares representing accrued dividends, with a weighted-average fair value of $73.03 per share. At December 31, 2013, Bunge has approximately 18,074 deferred common share units including common shares representing accrued dividends. During the year ended December 31, 2013, Bunge canceled approximately 212,309 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.

The weighted-average grant date fair value of restricted stock units granted during the years ended December 31, 2013, 2012 and 2011 was $74.40, $67.08 and $70.36, respectively.

At December 31, 2013, there was approximately $36 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, 2013 was approximately $43 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, 2013, 320,835 and 4,489,925 common shares were available for future grants under the 2007 Directors' Plan and the 2009 EIP, respectively.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. 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, 2013 are as follows:

(US$ in millions)	Minimum Lease Payments
2014	$ 193
2015	162
2016	148
2017	93
2018	80
Thereafter	320
Total	$ 996

Net rent expense under non-cancelable operating leases is as follows:

	Year Ended December 31,		
(US$ in millions)	2013	2012	2011
Rent expense	**$ 204**	$ 189	$ 227
Sublease income	**(23)**	(35)	(41)
Net rent expense	**$ 181**	$ 154	$ 186

In addition, Bunge enters into agricultural partnership agreements for the production of sugarcane. These agreements have an average remaining life of five years and cover approximately 214,000 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, 2013, 2012 and 2011, Bunge made payments related to these agreements of $169 million, $181 million and $91 million, respectively. Of these amounts $107 million, $127 million and $40 million, respectively, were payments for advances on future production and $62 million, $54 million and $51 million, respectively, were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2013, 2012 and 2011, respectively.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Operating Segments and Geographic Areas

Bunge has five reportable segments agribusiness, sugar and bioenergy, edible oil products, milling products 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 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. 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. Following the classification of the Brazilian fertilizer distribution and North American fertilizer businesses as discontinued operations (see Note 3), the activities of the fertilizer segment include its port operations in Brazil and its operations in Argentina. On September 17, 2013 OCP acquired Bunge's 50% ownership interest in our Moroccan fertilizer joint venture.

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)

28. Operating Segments and Geographic Areas (Continued)

valued at market. The revenues generated from these transfers are shown in the following table as "Inter-segment revenues segments or inter-segment eliminations."

(US$ in millions)	Agribusiness	Sugar and Bioenergy	Edible Oil Products	Milling Products	Fertilizer	Discontinued Operations & Unallocated	Total
2013							
Net sales to external customers	$ 45,507	$ 4,215	$ 9,165	$ 2,012	$ 448	$	$ 61,347
Inter-segment revenues	4,978	61	138	9	3	(5,189)	
Gross profit	1,797	92	540	262	69		2,760
Foreign exchange gain (loss)	41	3	5	(1)	5		53
Noncontrolling interests[2]	31	9	(7)		(5)	71	99
Other income (expense) net	(2)		10	3	33		44
Segment EBIT	1,032	(60)	163	125	69		1,329
Discontinued operations[3]						97	97
Depreciation, depletion and amortization expense	(240)	(184)	(99)	(28)	(17)		(568)
Investments in affiliates	185	56					241
Total assets	18,898	3,512	2,420	1,242	353	356	26,781
Capital expenditures	395	346	146	56	23	76	1,042
2012							
Net sales to external customers	$ 44,561	$ 4,659	$ 9,472	$ 1,833	$ 466	$	$ 60,991
Inter-segment revenues	5,377		119	1	58	(5,555)	
Gross profit	1,786	64	446	201	76		2,573
Foreign exchange gain (loss)	111	(15)	(8)	1	(1)		88
Noncontrolling interests[2]	(9)	25	2		(3)	13	28
Other income (expense) net	(68)	(3)	(7)		(14)		(92)
Segment EBIT[1]	1,047	(637)	80	115	23		628
Discontinued operations[3]						(342)	(342)
Depreciation, depletion and amortization expense	(221)	(175)	(93)	(30)	(18)		(537)
Investments in affiliates	195	37			41		273
Total assets	18,178	3,691	2,723	806	972	910	27,280
Capital expenditures	365	421	179	27	31	72	1,095
2011							
Net sales to external customers	$ 38,844	$ 5,842	$ 8,839	$ 2,006	$ 566	$	$ 56,097
Inter-segment revenues	4,952	13	86	50	66	(5,167)	
Gross profit (loss)	1,687	149	462	234	95		2,627
Foreign Exchange gain (loss)	(16)	(4)	3		1		(16)
Noncontrolling interests[2]	(18)	(2)	(6)		(4)	32	2
Other income (expense) net	(11)	4	3	2	9		7
Segment EBIT	905	(20)	137	104	63		1,189
Discontinued operations[3]						(25)	(25)
Depreciation, depletion and amortization expense	(184)	(171)	(87)	(27)	(24)		(493)
Investments in affiliates	506	18		14	62		600
Total assets	15,903	3,805	2,445	715	2,353		25,221
Capital expenditures	494	376	145	25	56	29	1,125

(1) 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.

(2) Includes the noncontrolling interests' share of interest and tax to reconcile to consolidated noncontrolling interests.

(3) Represents net income (loss) from discontinued operations (see Note 3).

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Operating Segments and Geographic Areas (Continued)

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)	2013	2012	2011
Total segment EBIT from continuing operations	**$ 1,329**	$ 628	$ 1,189
Interest income	**76**	53	96
Interest expense	**(363)**	(294)	(295)
Income tax (expense) benefit	**(904)**	6	(55)
Income (loss) from discontinued operations, net of tax	**97**	(342)	(25)
Noncontrolling interests' share of interest and tax	**71**	13	32
Net income attributable to Bunge	**$ 306**	$ 64	$ 942

Net sales by product group to external customers were as follows:

	Year Ended December 31,		
(US$ in millions)	2013	2012	2011
Agricultural commodities products	**$ 45,507**	$ 44,561	$ 38,844
Sugar and bioenergy products	**4,215**	4,659	5,842
Edible oil products	**9,165**	9,472	8,839
Wheat milling products	**1,226**	1,027	1,186
Corn milling products	**786**	806	820
Fertilizer products	**448**	466	566
Total	**$ 61,347**	$ 60,991	$ 56,097

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Operating Segments and Geographic Areas (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)	**2013**	**2012**	**2011**
Net sales to external customers:			
Europe	**$ 19,821**	$ 19,475	$ 18,417
United States	**12,764**	15,249	13,769
Brazil	**9,679**	8,583	8,335
Asia	**12,516**	11,160	9,590
Argentina	**2,609**	3,059	3,660
Canada	**2,220**	2,322	1,856
Rest of world	**1,738**	1,143	470
Total	**$ 61,347**	$ 60,991	$ 56,097

	Year Ended December 31,		
(US$ in millions)	**2013**	**2012**	**2011**
Long-lived assets[1]:			
Europe	**$ 1,301**	$ 1,238	$ 1,051
United States	**965**	987	1,307
Brazil	**3,145**	3,341	4,004
Asia	**565**	512	378
Argentina	**248**	330	287
Canada	**316**	236	180
Rest of world	**540**	163	23
Total	**$ 7,080**	$ 6,807	$ 7,230

(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)

29. Quarterly Financial Information (Unaudited)

	Quarter				
(US$ in millions, except per share data)	**First**	**Second**	**Third**	**Fourth**	**Year End**
2013					
Volumes (in millions of metric tons)	37	39	42	42	160
Net sales	$ 14,785	$ 15,491	$ 14,701	$ 16,370	$ 61,347
Gross profit	647	616	688	809	2,760
Income from discontinued operations, net of tax	(9)	1	103	2	97
Net income	148	122	(193)	130	207
Net income attributable to Bunge	180	136	(148)	138	306
Earnings per common share basic[2]					
Net income	$ 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[2]					
Net income	$ 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	
2012[1]					
Volumes (in millions of metric tons)	36	41	43	33	153
Net sales	$ 12,909	$ 14,499	$ 16,543	$ 17,040	$ 60,991
Gross profit	537	643	843	550	2,573
Income from discontinued operations, net of tax	(35)	8	4	(319)	(342)

Net income	89	266	301	(620)	36
Net income attributable to Bunge	92	274	297	(599)	64
Earnings per common share basic(2)					
Net income	$ 0.61	$ 1.82	$ 2.06	$ (4.24)	$ 0.25
Net income (loss) from continuing operations	$ 0.81	$ 1.77	$ 1.94	$ (1.99)	$ 2.53
Net income (loss) from discontinued operations	(0.24)	0.05	0.03	(2.18)	(2.34)
Net income (loss) to Bunge common shareholders	$ 0.57	$ 1.82	$ 1.97	$ (4.17)	$ 0.19
Earnings per common share diluted(2)					
Net income	$ 0.61	$ 1.72	$ 1.95	$ (4.24)	$ 0.24
Net income (loss) from continuing operations	$ 0.80	$ 1.73	$ 1.89	$ (1.99)	$ 2.51
Net income (loss) from discontinued operations	(0.23)	0.05	0.03	(2.18)	(2.32)
Net income (loss) to Bunge common shareholders	$ 0.57	$ 1.78	$ 1.92	$ (4.17)	$ 0.19
Weighted-average number of shares:					
Weighted-average number of shares outstanding basic	145,718,123	145,974,965	146,074,712	146,230,219	146,000,541
Weighted-average number of shares outstanding diluted	146,582,899	154,475,872	154,645,337	146,230,219	147,135,486
Market price:					
High	$ 68.44	$ 69.73	$ 67.30	$ 73.82	
Low	$ 57.22	$ 57.83	$ 60.82	$ 67.74	

(1) Net income for the fourth quarter of and year ended 2012 included an after-tax goodwill impairment charge of $339 million.

(2) 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, 2013 and 2012 does not equal the total computed for the year.

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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 28, 2014 By: /s/ ANDREW J. BURKE

Andrew J. Burke
Chief Financial Officer and Global Operational Excellence 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 28, 2014	By:	/s/ SOREN SCHRODER Soren Schroder *Chief Executive Officer*
February 28, 2014	By:	/s/ ANDREW J. BURKE Andrew J. Burke *Chief Financial Officer*
February 28, 2014	By:	/s/ KAREN D. ROEBUCK Karen D. Roebuck *Controller and Principal Accounting Officer*
February 28, 2014	By:	/s/ ERNEST G. BACHRACH Ernest G. Bachrach *Director*
February 28, 2014	By:	/s/ ENRIQUE H. BOILINI Enrique H. Boilini *Director*
February 28, 2014	By:	/s/ CAROL M. BROWNER Carol M. Browner *Director*

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February 28, 2014	By:	/s/ FRANCIS COPPINGER
		Francis Coppinger *Director*
February 28, 2014	By:	/s/ BERNARD DE LA TOUR D'AUVERGNE LAURAGUAIS
		Bernard de La Tour d'Auvergne Lauraguais *Director*
February 28, 2014	By:	/s/ WILLIAM ENGELS
		William Engels *Director*
February 28, 2014	By:	/s/ ANDREW FERRIER
		Andrew Ferrier *Director*
February 28, 2014	By:	/s/ JAMES T. HACKETT
		James T. Hackett *Director*
February 28, 2014	By:	/s/ KATHLEEN HYLE
		Kathleen Hyle *Director*
February 28, 2014	By:	/s/ L. PATRICK LUPO
		L. Patrick Lupo *Non-Executive Chairman and Director*