



Mapping Growth

Dear Shareholders,

Bunge plays a key role in the world's food supply. What we do, and how we do it, matters to a wide range of communities, companies and individuals around the world.

By connecting farmers to local and global markets, by conducting trade and processing commodities around the world, we ensure dependable and sustainable supplies of staple foods. And we create high quality ingredients for meals that people prepare at home, buy in stores and eat in restaurants.

It's a big purpose, a great responsibility and a compelling value creation opportunity. More than 30,000 talented and engaged Bunge employees, who represent the diversity and global footprint of our business, pursue it every day. Together we demonstrated the strength and resiliency of our organization in 2016, delivering a solid year while progressing on strategic priorities that set the foundation for future success.

Achievements and Progress

2016 was a year of many achievements. We generated \$1.5 billion in funds from operations (adjusted), achieved returns above cost of capital and maintained adjusted EPS essentially flat with last year, weathering a challenging environment. The team drove a significant turnaround in Food & Ingredients and Sugar & Bioenergy by structurally improving the underlying competitiveness of our operations, and, while it was a tough year for Agribusiness, the segment finished on a strong note.

On the back of strong cash generation, we continued our prudent focus on capital allocation, returning over \$450 million to shareholders through dividends and share repurchases. Capex of \$784 million was \$66 million below our guidance and is tracking approximately \$275 million below our 2014–2017 target. Throughout the year, we also delivered \$135 million of cost and efficiency benefits, exceeding our 2016 target by \$10 million.

It was a year of significant progress in executing our strategy. We made multiple portfolio enhancements that will build sustainable value in Bunge. Our value-added food and ingredients portfolio was enriched with the acquisitions of edible oil producers Walter Rau Neusser and Ana Gida in Europe. We expect similar benefits in our Mexican milling business from the pending acquisition of Grupo Minsa. We also improved our winning footprint, replacing our Rio de Janeiro mill with a more efficient facility and advancing the upgrade of our export terminal in New Orleans. In our Agribusiness portfolio, we completed a multi-seed crush plant in Ukraine, built our first soft seed crushing plant in China and complemented our strong soy crushing presence in Spain, Portugal and Italy with the acquisition of two plants in Northern Europe.¹

Partnerships remain important, and in 2016 we created regional joint ventures with industry leaders. Two focus on export flows: a partnership with SALIC that is building a highly efficient, coast-to-coast Canadian grain operation, and an expanded relationship with Amaggi, through which we operate logistics assets in northern Brazil. The first will fill a key gap in our footprint and the second will

1. Acquisitions of Ana Gida and the Northern Europe crush plants were announced in 2016 and closed Q1 2017.



enable us to run a new system at full capacity. Another two partnerships enhance our value chains in Southeast Asia. One with Wilmar strengthens our value chain in Vietnam, and another with OFI expands our oils distribution capabilities in Asia.

ZERO-INCIDENT VISION

Underpinning these accomplishments is our unwavering commitment to safety. We progressed on our journey toward a zero-incident safety culture, introducing new processes and standards with a specific focus on eliminating high potential exposures. More than 3 million training touch points were performed, in the form of toolbox talks and online learning, and we introduced our families and extended communities around the world to the importance of safety via 62 family safety days. These combined efforts contributed to a 34% reduction in lost time incidents and a lower number of safety incidents overall.

ACTING, CONSERVING & ENGAGING

Sustainability is central to our vision. Our philosophy is to “Act, Conserve, Engage” by working internally to reduce our environmental footprint, collaborating across value chains to increase traceability and transparency, and tackling big issues like deforestation. Our work in the palm oil sector is a good example. We have made progress in increasing the traceability of our palm supply—reaching nearly 90 percent globally and 95 percent outside of Asia—while enhancing our governance. We were honored to have our efforts in sustainability recognized with a AAA sustainability rating from MSCI.

Mapping the Way Forward

As we look to 2017 and beyond, growing earnings in a meaningful way remains our number one financial goal.

MARKET GROWTH

We are in a growth industry, with positive market fundamentals. Total trade in corn, wheat and soy is projected to expand 180 mmt by 2025, and some of our strongest origination markets—Brazil, Argentina and the Black Sea—will lead the expansion in exports. Consumption of edible oils for food and biofuel will grow as well. And with a global middle class on the rise, we will see an increase in food spending away from home.

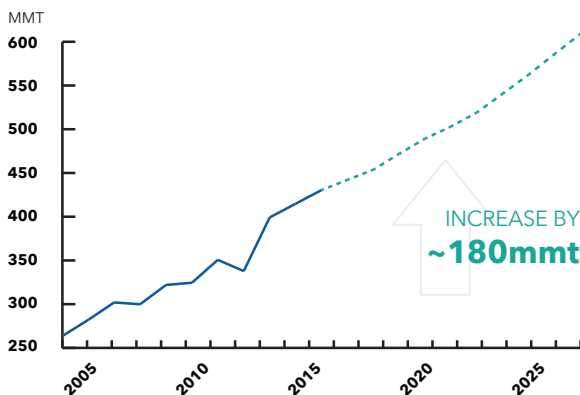
Bunge’s focus, scale, geographic footprint and globally integrated team position us to leverage these positive trends. We see growth aligned to three key drivers, and expect to realize their full potential in the medium term.

LEADING IN CRUSH:

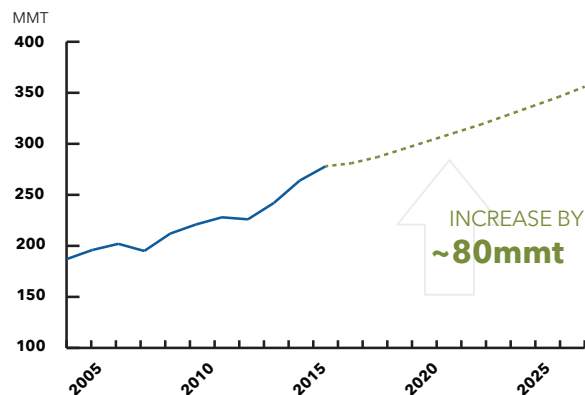
\$120 to \$200 million incremental EBIT opportunity

Our leading position in oilseed crushing, especially soy, will be a key growth platform. Global soy crush should expand by 80 mmt in the coming decade, and we expect structural margins in key origins will increase \$3 to \$5 per ton as capacity utilization increases. Based on our 41 mmt capacity, this would translate into \$120 to \$200 million of incremental EBIT contribution.

WORLD TRADE OF CORN, WHEAT AND SOY



WORLD SOY CRUSH



ADDING TO VALUE ADDED:**\$100 to \$125 million incremental EBIT opportunity**

As the world's largest producer of softseed oils and a regional leader in milling in the Americas, we are already in a strong position to serve—and help B2B customers manage—consumer demand for foods with health, functionality, clean label and sustainability traits. And we're investing in the world-class formulation capabilities, people, technologies and assets necessary to provide value-added solutions that are ahead of the curve. Recent bolt-on acquisitions have broadened our product offerings and capabilities, while providing expanded market and customer access.

There is room for a lot more value added growth in Food & Ingredients, both in increasing our offerings to existing customers, and in expanding our customer base. Today, we estimate our share of wallet among key customers is approximately 10 percent, and with the capabilities we have been building, we see room to grow. We are focused on increasing our sales of value-added products, knowing that a 10 percent increase in sales can deliver \$30 million of incremental EBIT. All told, we expect our efforts to generate \$100 to \$125 million in additional EBIT.

ENSURING EFFICIENCY:**\$250 million incremental EBIT opportunity**

The effort we have put into building a culture of continuous improvement and the successful execution of asset and process optimization programs have generated material benefits. We are more than halfway to our 2014–2017 target of \$345 million of improvements, with \$255 million achieved so far. Between 2018 and 2020, we forecast benefits of an additional \$250 million from industrial operations, logistics and SG&A, approximately half of which should hit the bottom line.

The Bottom Line

While the beginning of 2017 will be slow, overall market conditions should be more favorable. Strong demand for proteins and oils will increase crush utilization and margins, and commercialization of crops will normalize with the arrival of record production in South America. In Food & Ingredients, we expect 2017 to be a year of growth in earnings driven by an increased share of added value products and overall volumes. In sugar milling, we are confident in our ability to deliver another solid year of performance, while continuing to seek alternatives to reduce exposure to the business. We will continue to drive performance improvements across all of our businesses, with \$100 million of benefits planned for this year. We expect strong cash from operations to support our returns-driven approach to capital allocation.

Bunge has never been stronger. We are focused on what we do best—oilseeds and grains. We are a more streamlined and integrated company than we have ever been, and we are using our size and scale to reach a larger set of customers with a broader portfolio of offerings. Our talented, diverse team exemplifies the Bunge core values of citizenship, teamwork and entrepreneurship, and has proven its tenacity and adaptability.

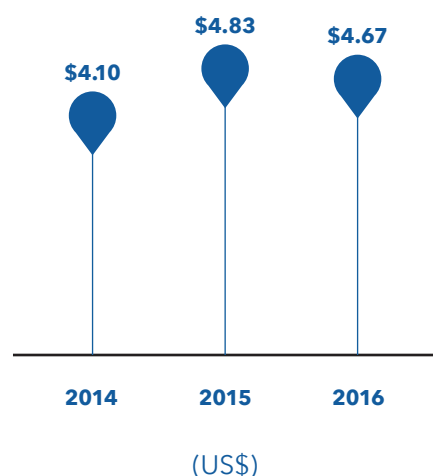
As we enter our third century of operations, our team is primed for even greater success—standing on a solid foundation, focused on growing markets and executing a clear, effective strategy. I am proud of the team for bringing us to where we are, and grateful to you, our shareholders, for your continuing support.

Best regards,
Soren Schroder

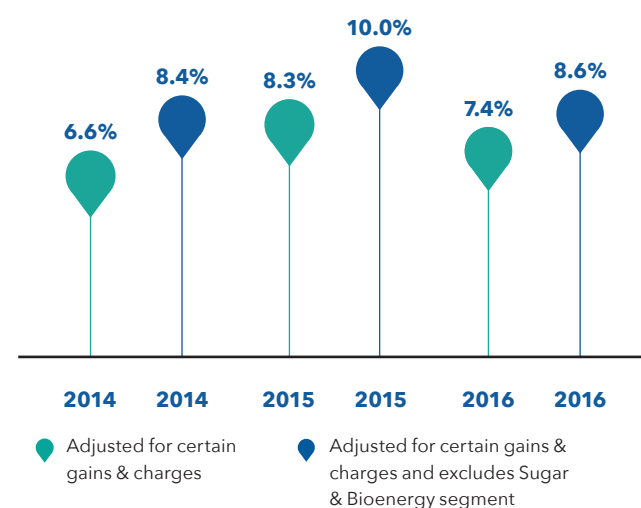


Financial Highlights

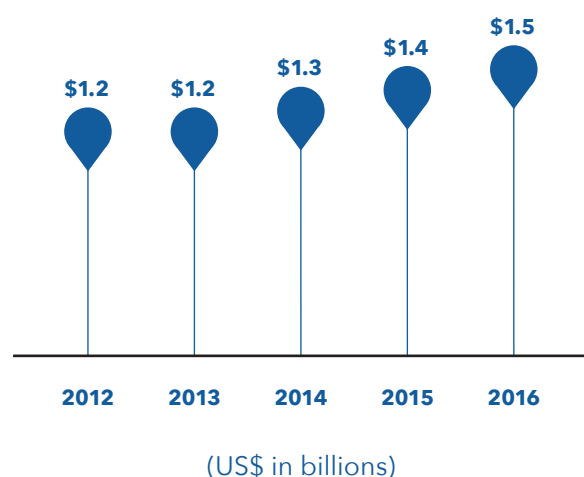
Earnings Per Share, Adjusted ¹



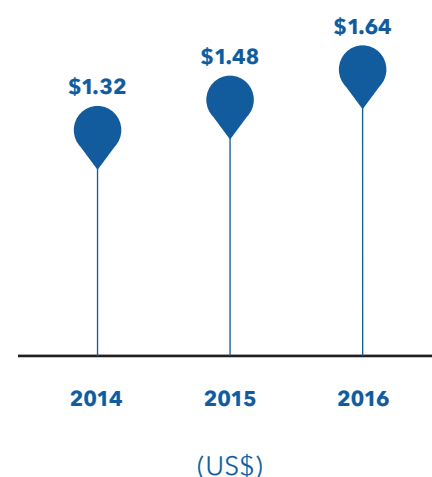
Return on Invested Capital ²



Funds from Operations, Adjusted ^{3, 4}



Cash Dividends Declared Per Common Share



1. Excludes discontinued operations and adjusted for certain gains & charges.

2. Return on invested capital ("ROIC") is a non-GAAP financial measure. Reconciliations to the most directly comparable U.S. GAAP financial measure is presented below.

3. Adjusted Funds From Operations (adjusted FFO) is a non US GAAP financial measure. Reconciliation to the most directly comparable U.S. GAAP measure is provided below. Adjusted FFO = Cash flow from operations before working capital changes and before foreign exchange loss (gain) on debt.

4. Adjusted FFO includes adjustments for certain gains & charges.

Non-GAAP Reconciliation Notes

Net income (loss) per common share-diluted (excluding certain gains & charges and discontinued operations) to net income (loss) per common share-diluted:

Year ended December 31,	2014	2015	2016
Continuing operations:			
Net income (loss) per common share-diluted adjusted (excluding certain gains & charges and discontinued operations)	\$ 4.10	\$4.83	\$ 4.67
Certain gains & charges	(1.14)	0.01	0.40
Net income (loss) per common share—continuing operations	2.96	4.84	5.07
Discontinued operations:	0.21	0.23	(0.06)
Net income (loss) per common share-diluted	\$ 3.17	\$5.07	\$ 5.01

Adjusted FFO Reconciliation to Cash Flow from Operations

Cash provided by (used for) operating activities to Adjusted FFO reconciliation

	2012	2013	2014 ¹	2015	2016
Cash provided by (used for) operating activities	\$ (457)	\$2,225	\$1,399	\$ 610	\$1,904
Foreign exchange (loss) gain on debt	74	48	215	213	(80)
Working capital changes	1,568	(1,075)	(270)	593	(347)
Adjusted FFO	\$1,185	\$1,198	\$1,344	\$1,416	\$1,477

1. Adjusted FFO includes an adjustment of \$177 million related to certain ICMS tax credits and related interest charges, which are included in working capital changes.

ROIC Reconciliation

Year Ended December 31, (US\$ in millions)	2014		2015		2016	
	Excludes certain gains & charges	Excludes certain gains & charges and Sugar & Bioenergy	Excludes certain gains & charges	Excludes certain gains & charges and Sugar & Bioenergy	Excludes certain gains & charges	Excludes certain gains & charges and Sugar & Bioenergy
Income from continuing operations before income tax	\$ 734	\$ 734	\$ 1,051	\$1,051	\$ 996	\$ 996
Interest expense	347	347	258	258	234	234
Certain (gains) & charges	250	250	(19)	(19)	(43)	(43)
Sugar & Bioenergy EBIT, adjusted		35		22		(51)
Operating income before income tax	\$ 1,331	\$ 1,366	\$ 1,290	\$1,312	\$ 1,187	\$ 1,136
Tax Rate	28%	26%	27%	26%	24%	23%
Return	\$ 965	\$ 1,011	\$ 946	\$ 976	\$ 908	\$ 872
Average total capital ¹	\$14,639	\$12,058	\$11,344	\$9,794	\$12,213	\$10,130
ROIC	6.6%	8.4%	8.3%	10.0%	7.4%	8.6%

1. Trailing four-quarter average of total equity plus total debt.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-16625



(Exact name of registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization)

Bermuda

(IRS Employer Identification No.)

98-0231912

(Address of principal executive offices)

50 Main Street

White Plains, New York USA

(Zip Code)

10606

(Registrant's telephone number, including area code)

(914) 684-2800

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

Title of each class

Common Shares, par value \$.01 per share

Name of each exchange on which registered

New York Stock Exchange

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

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

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

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

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

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

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

Large Accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (do not check if a smaller reporting company) Smaller reporting company ☐

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

The aggregate market value of registrant's common shares held by non-affiliates, based upon the closing price of our common shares on the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2016, as reported by the New York Stock Exchange, was approximately \$8,220 million. Common shares held by executive officers and directors and persons who own 10% or more of the issued and outstanding common shares have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not a determination for any other purpose.

As of February 17, 2017, 139,508,796 Common Shares, par value \$.01 per share, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2017 Annual General Meeting of Shareholders to be held on May 25, 2017 are incorporated by reference into Part III.

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

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

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

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

PART I

ITEM 1. BUSINESS

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

BUSINESS OVERVIEW

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

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

We conduct our operations in five segments: Agribusiness, Edible Oil Products, Milling Products, Sugar and Bioenergy and Fertilizer. We refer to the Edible Oil and Milling Products segments collectively as our Food and Ingredients businesses. Our strategy is to profitably grow our position in our core grain and oilseed value chains, capitalizing on our integrated global footprint and key origination, logistics, processing and risk management competencies while pursuing operational excellence. We also are focused on growing our value added Food and Ingredients businesses so that over time they represent a more significant percentage of our earnings. Our strategy is aligned with long-term global macroeconomic and consumer growth trends, including a commitment to sustainability.

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

Our Food and Ingredients businesses, which consist of two reportable business segments: Edible Oil Products and Milling Products, include businesses that produce and sell edible oil based products, including vegetable oils, shortenings, margarines and mayonnaise and milled grain products such as wheat flours, bakery mixes, corn-based products and rice. The operations and assets of our Edible Oil Products segment are located in North and South America, Europe and Asia-Pacific and the operations and assets of our Milling Products segment are located in North and South America.

Our Sugar and Bioenergy segment produces and sells sugar and ethanol derived from sugarcane, as well as energy derived from the sugar and ethanol production process, through our operations in Brazil. Our operations in this segment also include global trading and merchandising of sugar and ethanol.

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

2016 Summary Operating Highlights. In our Agribusiness segment in 2016 we continued to expand our global network of integrated assets. We formed joint ventures with leading regional players in Brazil and Asia-Pacific, to increase operating, marketing and logistics synergies and announced the acquisition of oilseed processing plants and operations in the Netherlands and France. In addition, we continued upgrading and expanding an existing port terminal in the United States, completed the construction of an oilseed processing plant in Ukraine and progressed on the construction of an oilseed processing plant in Asia-Pacific. In our Food and Ingredients businesses, we acquired a vegetable oil blends producer for large-scale commercial customers, based in Germany. In addition, we announced the acquisitions of a leading olive oil and seed oil producer in Turkey and a leading corn flour producer in North America. We also completed the construction of a wheat mill in Rio de Janeiro state, Brazil. In our Sugar and Bioenergy segment, our sugarcane milling operations benefitted from higher global sugar prices and improved domestic market conditions in Brazil, as well as lower costs and greater efficiency due to our continuous performance improvement initiatives.

HISTORY AND CORPORATE INFORMATION

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

AGRIBUSINESS

Overview. Our Agribusiness segment is an integrated, global business involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products while managing risk across various product lines. The principal agricultural commodities that we handle in this segment are oilseeds, primarily soybeans, rapeseed, canola and sunflower seed, and grains, primarily wheat and corn. We process oilseeds into vegetable oils and protein meals, principally for the food, animal feed and

biodiesel industries, through a global network of facilities. Our footprint is well balanced, with approximately 35% of our processing capacity located in South America, 28% in North America, 23% in Europe and 14% in Asia-Pacific.

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

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

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

Biodiesel. We own and operate biodiesel facilities in Europe and Brazil and have equity method investments in biodiesel producers in Europe and Argentina. This business is complementary to our core Agribusiness operations as in each case we supply some of the raw materials (crude vegetable oil and soybean meal) used in their production processes.

Raw Materials. We purchase oilseeds and grains either directly from farmers or indirectly through intermediaries. Although the availability and price of agricultural commodities may, in any given year, be affected by unpredictable factors such as

weather, government programs and policies and farmer planting and selling decisions, our operations in major crop growing regions globally have enabled us to source adequate raw materials for our operational needs.

Competition. Due to their commodity nature, markets for our products are highly competitive and subject to product substitution. Competition is principally based on price, quality, product and service offerings and geographic location. Major competitors include but are not limited to: The Archer Daniels Midland Co. ("ADM"), Cargill Incorporated ("Cargill"), Louis Dreyfus Group ("Louis Dreyfus"), Glencore International PLC and large regional companies such as Wilmar International Limited and COFCO Agri Limited ("COFCO") largely in Asia-Pacific.

FOOD AND INGREDIENTS

Overview. Our Food and Ingredients businesses include two reportable business segments: Edible Oil Products and Milling Products. We primarily sell our products to three customer types or market channels: food processors, food service companies and retail outlets. The principal raw materials used in our Food and Ingredients businesses are various crude and further processed vegetable oils in our Edible Oil Products segment, and wheat, corn and rice in our Milling Products segment. These raw materials are agricultural commodities that we either produce or purchase from third parties. We believe that our global integrated business model enables us to realize synergies between our Agribusiness and Food and Ingredients operations through raw material procurement, logistics, risk management and co-location of industrial facilities, enabling us to supply customers with reliable, high quality products on a global basis. Additionally, our Food and Ingredients businesses are focused on capitalizing on growing global consumer food trends, including a desire for less processed, healthier foods, interest in new flavors and increases in snacking and eating outside the home.

Edible Oil Products

Products. Our edible oil products include packaged and bulk oils, shortenings, margarines, mayonnaise and other products derived from the vegetable oil refining process. We primarily use soybean, sunflower, rapeseed and canola oil that we produce in our Agribusiness segment oilseed processing operations as raw materials in this business. We are a leading seller of packaged vegetable oils worldwide, based on sales. We have edible oil refining and packaging facilities in North America, South America, Europe and Asia-Pacific. Our edible oil products business is largely business to business ("B2B") focused in North America, in Brazil and Europe it is a mix of B2B and business to consumer ("B2C"), and in Asia-Pacific it is largely a B2C focused business.

In Brazil, our retail edible oil brands include *Soya*, the leading packaged vegetable oil brand, as well as *Primor* and *Salada*. We are also a leading producer in the Brazilian margarine market with our brands *Delicia* and *Primor*, as well as in mayonnaise with our *Soya*, *Primor* and *Salada* brands. In shortenings, we are a leading supplier to the food processor

market. We also produce processed tomato and other staple food products, including sauces, condiments and seasonings in Brazil under several brand names.

In the United States and Canada, we offer our customers high quality solutions to fit their goals, such as reducing trans-fats or lowering saturated fats. Our products include *Nutra-Clear NT Ultra*, a high oleic canola oil that is trans-fat free and low in saturated fats and *Pro-Formance NT*, a high oleic soybean oil that is highly stable and trans-fat free. We have also developed proprietary fiber addition processes that allow bakery and food processor customers to achieve significant reductions in saturated fats in shortenings. We also offer expeller pressed and physically refined oils to food service customers under the brand *Whole Harvest* and also produce margarines and buttery spreads, including our leading brand *Country Premium*, for food service, food processor and retail private label customers.

In Europe, we are a leader in consumer packaged vegetable oils, which are sold in various geographies under brand names including *Venusz*, *Floriol*, *Kujawski*, *Olek*, *Unisol*, *Ideal*, *Oleina*, *Maslenitsa*, *Oliwier*, *Salat* and *Rozumnitsa*, and a leader in margarines, including our brand names *Smakowita*, *Maslo Rosline*, *Masmix*, *Optima*, *Deli Reform*, *Keiju*, *Evesol*, *Linco*, *Gottgott*, *Suvela* and *Finuu*. Most recently, we have introduced *Optima* margarine with DHA for consumers interested in adding omega-3 fatty acids to their diets. Additionally, we have introduced first cold pressed oils and spice and herb enhanced products under our *Deli Reform* brand.

With the acquisition of a majority share in Walter Rau Neusser Öl und Fett Aktiengesellschaft ("Walter Rau Neusser") in 2016, a leading oils & fats producer in Germany, we are now a significant oils supplier in the West European foodservice channel. We also supply a range of refined seed oils (sunflower and rapeseed) in bulk formats to industrial food processors who are among the leading brand owners in the global food industry.

In December 2016, we announced the acquisition of Ana Gyda Yhtiyaç Maddeleri ve Sanayi Ticaret A.Ş. ("Ana Gyda"), a leading Turkish olive oil and seed oil producer. Ana Gyda is the owner of *Komili*, the market leading olive oil brand in Turkey. The transaction closed on February 21, 2017.

In India, our brands include *Dalda*, *Ginni* and *Chambal* in edible oils; *Dalda* and *Gagan* in vanaspati; and *Masterline* in professional bakery fats. In China, our edible oil brand is *Dou Wei Jia*. In Asia-Pacific, we recently entered into distribution arrangements to sell and distribute packaged softseed oils and coconut oil.

Customers. Our customers include baked goods companies, snack food producers, restaurant chains, foodservice distributors and other food manufacturers who use vegetable oils and shortenings as ingredients in their operations, as well as grocery chains, wholesalers, distributors and other retailers who sell to consumers under our brand names or under private labels. These customers include global and national food processors and manufacturers, many of which are leading brand owners in their product categories.

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

Milling Products

Products. Our Milling Products segment activities include the production and sale of a variety of wheat flours and bakery mixes in Brazil and Mexico, corn-based products in the United States and Mexico derived from the corn dry milling process and milled rice products in the United States and Brazil.

Our brands in Brazil include *Suprema*, *Soberana*, *Primor* and *Predileta* wheat flours and *Gradina*, and *Pre-Mescla* bakery premixes. Our wheat flour and bakery mix brands in Mexico include *Espiga*, *Esponja*, *Francesera*, *Chulita*, *Galletera* and *Pastelera*. Our corn milling products consist primarily of dry-milled corn meals, flours and flaking and brewer's grits, as well as soy-fortified corn meal, corn-soy blend and other similar products. As part of our corn portfolio, we also sell whole grain and fiber ingredients. In the United States, we have most recently added ancient grains, such as quinoa and millet to our portfolio. We have also introduced a range of extruded products that include die cut pellets for the snack food industry. Additionally, we offer non-GMO products in the United States, including corn varieties. We mill and sell bulk and packaged rice in the United States and also sell branded rice in Brazil under the *Primor* brand.

In August 2016, we announced the acquisition of a controlling interest in Grupo Minsa, S.A.B. de C.V. ("Minsa"), a leading corn flour producer in North America. As part of the transaction, Bunge will control four mills in Mexico and two in the United States, which produce a broad portfolio of branded corn flours and pre-mixes for tortillas and other products. The transaction is expected to close in the first half of 2017, subject to certain closing conditions, including the resolution of pending litigation brought by a former shareholder of the parent company of Minsa challenging the proposed acquisition.

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

Competition. Competition is based on a variety of factors, including price, raw material procurement, brand recognition, product quality, nutritional profile, dietary trends and distribution capabilities. In Brazil, our major competitors are Glencore, M. Dias Branco, J.Macedo and Moinho Anaconda, as well as many small regional producers. Our major competitors in North American corn milling include Cargill, Didion Milling Company, SEMO Milling, LLC and Life Line Foods, LLC. Our major competitors in our U.S. rice milling business include ADM and Farmers' Rice Cooperative. Our major competitors in Mexico include Grupo Elizondo, Molinera de México and Grupo Trimex.

SUGAR AND BIOENERGY

Overview. We are a leading, integrated producer of sugar and ethanol in Brazil, and a leading global trader and merchandiser of sugar. We own and operate eight sugarcane mills in Brazil, the world's largest producer and exporter of sugar. As of December 31, 2016, our mills had a total crushing capacity of approximately 21 million metric tons per year. Sugarcane, which is the raw material that we use to produce sugar and ethanol, is supplied by a combination of our own plantations and third-party farmers. Additionally, through cogeneration facilities at our sugarcane mills, we produce electricity from the burning of sugarcane bagasse (the fibrous portion of the sugarcane that remains after the extraction of sugarcane juice) in boilers, which enables our mills to meet their energy requirements. Any surplus electricity is sold to the local grid or other large third-party users of electricity. Our trading and merchandising operations engage in marketing and selling sugar through regional marketing offices in various locations and managing the sugar price risk for our business.

Since 2014, after our decision of reducing the capital allocated to this business and focusing our investments primarily on agricultural productivity increase and industrial yields, the business has experienced a significant turnaround. The strengthening of our sugarcane milling operations in Brazil, bringing the operating costs down and efficiencies up resulted in significantly improved results. The early stage of an anticipated cycle of higher sugar prices and changes in the fuel policy for the domestic market should contribute to further improvement of our results. Additionally, as previously announced, we are continuing to explore alternatives to reduce our exposure to the Brazilian sugarcane industry. However, the nature and timing of any potential outcome or transaction is uncertain and cannot be predicted.

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

Our mills are supplied with sugarcane grown on approximately 326,000 hectares of land. This land represents approximately 19,000 hectares of land that we own, 211,000 hectares of land that we manage under agricultural partnership arrangements and 96,000 hectares of land farmed by third-party farmers. In 2016, approximately 67% of our total milled sugarcane came from our owned or managed plantations and 33% was purchased from third-party suppliers. Payments under the agricultural partnership agreements and third-party supply contracts are based on a formula, which factors in the volume of sugarcane per hectare, sucrose content of the sugarcane and market prices for sugarcane, which are set by Consecana, the São Paulo state sugarcane, sugar and ethanol council.

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

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

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

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

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

Electricity. We generate electricity from burning sugarcane bagasse in our mills. As of December 31, 2016, our total installed cogeneration capacity was approximately 322 megawatts, with approximately 131 megawatts available for resale to third parties after supplying our mills' energy requirements, representing approximately 596,000 megawatt hours of electricity available for resale.

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

Other. We have a minority investment in a U.S. corn based ethanol production facility and a 50% interest in a joint venture that produces corn based ethanol in Argentina. We have a 49.9% interest in a joint venture with TerraVia Holdings, Inc. (formerly Solazyme, Inc.) for the development and production of value added oils and feed ingredients, which uses sugar supplied by one of our mills as a raw material.

Competition. We compete with other sugar and ethanol producers in Brazil and internationally, and in the global market with beet sugar processors, producers of other sweeteners and other biofuels producers. The industry is highly competitive, with raw material procurement, cost structure, selling price and distribution capabilities being important competitive factors. Our major competitors in Brazil include Cosan Limited/Raizen, São Martinho S.A., Biosev (Louis Dreyfus) and ED&F Man. Our major international competitors include British Sugar PLC, Südzucker AG, Cargill, Tereos Group, Sucden Group and COFCO.

FERTILIZER

Overview. Through our operations in Argentina, we produce, blend and distribute a range of NPK fertilizers, including phosphate-based liquid and solid nitrogen fertilizers. NPK refers to nitrogen (N), phosphate (P) and potassium (K), the main components of chemical fertilizers, used for crop production primarily of soybeans, corn and wheat. Our operations in Argentina are closely linked to our grain origination activities as we supply fertilizer to producers who supply us with grain. We also have a 75% controlling interest in a single super phosphate production ("SSP") plant and a strategically located river port facility in Argentina. In Brazil, we supply fertilizer to farmers as part of our grain origination activities, and operate a fertilizer terminal in the Port of Santos.

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

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

is readily available in the international market from multiple sources.

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

RISK MANAGEMENT

Risk management is a fundamental aspect of our business. Engaging in the hedging of risk exposures and anticipating market developments are critical to protect and enhance our return on assets. As such, we are active in derivative markets for agricultural commodities, energy, ocean freight, foreign currency and interest rates. We seek to leverage the market insights that we gain through our global operations across our businesses by actively managing our physical and financial positions on a daily basis. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

INSURANCE

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

OPERATING SEGMENTS AND GEOGRAPHIC AREAS

We have included financial information about our reportable segments and our operations by geographic area in Note 26 of the notes to our consolidated financial statements.

RESEARCH AND DEVELOPMENT, INNOVATION, PATENTS AND LICENSES

Our research and development activities are focused on developing products and improving processes that will drive growth or otherwise add value to our core business operations. In our Food and Ingredients business, we have nine research and development centers globally dedicated to supporting product development and enhancement. Additionally, our global innovation activities involve scouting, developing, buying, selling and/or licensing next generation technologies in food, feed and fuel.

Our total research and development expenses were \$17 million for the year 2016, \$16 million for the year 2015 and \$20 million for the year 2014. As of December 31, 2016, our research and development organization consisted of 119 employees worldwide.

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

SEASONALITY

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

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

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

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

GOVERNMENT REGULATION

We are subject to a variety of laws in each of the countries in which we operate which govern various aspects of our business, including the processing, handling, storage, transport and sale of our products; risk management activities; land-use and ownership of land, including laws regulating the acquisition or leasing of rural properties by certain entities and individuals; and environmental, health and safety matters. To operate our facilities, we must obtain and maintain numerous permits, licenses and approvals from governmental agencies

and our facilities are subject to periodic inspection by governmental agencies. In addition, we are subject to other laws and government policies affecting the food and agriculture industries, including food and feed safety, nutritional and labeling requirements and food security policies. From time-to-time, agricultural production shortfalls in certain regions and growing demand for agricultural commodities for feed, food and fuel use have caused prices for relevant agricultural commodities to rise. High commodity prices and regional crop shortfalls have led, and in the future may lead, governments to impose price controls, tariffs, export restrictions and other measures designed to assure adequate domestic supplies and/or mitigate price increases in their domestic markets, as well as increase the scrutiny of competitive conditions in their markets.

Many countries globally are using and producing biofuels as alternatives to traditional fossil fuels. Biofuels convert crops, such as sugarcane, corn, soybeans, palm, rapeseed or canola and other oilseeds, into ethanol or biodiesel to extend, enhance or substitute for fossil fuels. Production of biofuels has increased significantly in the last decade in response to both periods of high fossil fuel prices and to government incentives for the production of biofuels offered in many countries, including the United States, Brazil, Argentina and many European countries. Furthermore, in several countries, governmental authorities are mandating biofuels use in transport fuel at specified levels. As such, the markets for agricultural commodities used in the production of biofuels have become increasingly affected by the growth of the biofuels industry and related legislation.

ENVIRONMENTAL MATTERS AND SUSTAINABILITY

We incorporate a commitment to sustainability into many of the areas of our business; from how we plan and develop our strategic goals and operate our facilities, to how we do business with our suppliers and customers and engage with our communities. Our philosophy is to “Act, Conserve and Engage” and our efforts include policies and initiatives to reduce deforestation, conserve resources in our operations and engage across our sector to address the sustainability challenges in the agribusiness and food value chain.

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

of claims and liabilities under environmental regulations. Violation of these laws and regulations can result in substantial fines, administrative sanctions, criminal penalties, revocations of operating permits and/or shutdowns of our facilities.

Additionally, our business could be affected in the future by regulation or taxation of greenhouse gas emissions or policies related to national emission reduction plans. It is difficult to assess the potential impact of any resulting regulation of greenhouse gas emissions. Potential consequences could include increased energy, transportation and raw material costs, and we may be required to make additional investments to modify our facilities, equipment and processes. As a result, the effects of additional climate change regulatory initiatives could have adverse impacts on our business and results of operations. Compliance with environmental laws and regulations did not materially affect our earnings or competitive position in 2016.

EMPLOYEES

As of December 31, 2016, we had approximately 32,000 employees. Many of our employees are represented by labor unions, and their employment is governed by collective bargaining agreements. In general, we consider our employee relations to be good.

AVAILABLE INFORMATION

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

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

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

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

EXECUTIVE OFFICERS AND KEY EMPLOYEES OF THE COMPANY

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

NAME	POSITION
Soren Schroder	Chief Executive Officer
Todd Bastean	Chief Executive Officer, Bunge North America
Thomas Boehlert	Executive Vice President - Chief Financial Officer
Deborah Borg	Executive Vice President - Chief Human Resources Officer
Gordon Hardie	Managing Director, Food & Ingredients
Enrique Humanes	Chief Executive Officer, Bunge Southern Cone
Tommy Jensen	Chief Executive Officer, Bunge Europe, Middle East & Africa
David Kabbes	General Counsel and Managing Director, Corporate Affairs
Pierre Mauger	Chief Development Officer
Raul Padilla	Chief Executive Officer, Bunge Brazil and Managing Director, Sugar & Bioenergy
Brian Thomsen	Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines

Soren Schroder, 55. Mr. Schroder has been our Chief Executive Officer since June 1, 2013. Prior to his current position, he was the Chief Executive Officer of Bunge North America since April 2010. Previously, he served as Vice President of Agribusiness for Bunge Europe since June 2006 and in a variety of agribusiness leadership roles at the company in the United States and Europe since joining Bunge in 2000. Prior to joining Bunge, he worked for over 15 years at Continental Grain and Cargill. Mr. Schroder is a member of Rabobank International’s North American Agribusiness Advisory Board. He holds a bachelor’s degree in Economics from Connecticut College.

Todd Bastean, 50. Mr. Bastean became Chief Executive Officer, Bunge North America, in June 2013. He started his career at Bunge in 1994 and became Chief Financial Officer of Bunge North America in 2010. Before assuming that role, he served as Vice President and General Manager of Bunge North America’s Milling and Biofuels business units, and as Vice President and Chief Administrative Officer of its Grain and Milling business units. He also held positions in strategic planning and auditing. Prior to joining Bunge, he worked for KPMG Peat Marwick. Mr. Bastean holds a B.S. in Accounting from Western Illinois University.

Thomas Boehlert, 57. Mr. Boehlert assumed the role of Chief Financial Officer on January 1, 2017. Previously, he was Chief Executive Officer, President and a Director of First Nickel Inc. from 2011 to 2015. First Nickel entered Canadian receivership in August 2015. Prior to that, he was Chief Financial Officer for Kinross Gold Corporation from 2006 to 2011 and served as Chief Financial Officer for several energy companies, including

Texas Genco, Direct Energy and Sithe Energies, Inc. Previously, Mr. Boehlert spent 14 years in banking with Credit Suisse, where his focus was on the electric power, natural resources and infrastructure sectors, and where he built and headed the firm's London-based project finance business covering Europe, Africa and the Middle East. He started his career as an auditor at a KPMG predecessor firm in 1983. Mr. Boehlert is a Certified Public Accountant and holds a B.A. in Accounting from Indiana University and an M.B.A. in Finance from New York University.

Deborah Borg, 40. Ms. Borg assumed the role of Chief Human Resources Officer in January 2016. She joined Bunge from Dow Chemical, where she served as President Dow USA, a role in which she was responsible for regional business strategy and external relationships with customers, government organizations and joint venture partners. She started her career at Dow in 2000 as Human Resources Manager for Australia / New Zealand, and went on to hold regional and business HR roles in Asia, Europe and North America. She also served as Global HR Director, Marketing and Sales, and led the Human Capital Planning and Development function for Dow focusing on talent acquisition, retention, diversity and development. Previously, Ms. Borg served in HR and talent development roles with General Motors Australia. She holds a Bachelor of Business Management in Human Resources and a Master in Training and Change Management from Victoria University, Australia.

Gordon Hardie, 53. Mr. Hardie has served as Managing Director, Food & Ingredients since July 2011. Prior to joining Bunge, Mr. Hardie founded Morningside Partners, a corporate strategy and M&A advisory firm focused on the food and beverage industries in 2009. Prior to that, from 2003 to 2009, he led the Fresh Baking Division of Goodman Fielder Ltd, the leading producer of bakery brands in Australia and New Zealand, and held leadership roles at companies in a variety of international markets, including as Group General Manager, Marketing at Southcorp Wines; Vice President, Asia-Pacific, Middle East and Africa at Fosters Group International; and Regional Director, Americas & Asia-Pacific at Pernod Ricard. He holds a Bachelor's degree in European Language and Psychology from the National University of Ireland, University College Cork and an M.B.A. from the University College Dublin, Michael Smurfit Graduate School of Business.

Enrique Humanes, 57. Mr. Humanes has served as Chief Executive Officer of Bunge Argentina since February 2011 and previously served as Interim Chief Executive Officer of Bunge Argentina since July 2010. He started his career at the company in 2000 as the Operations Director of Bunge Argentina. Prior to joining Bunge, he served in industrial roles at Unilever and Dow Chemical. He holds an undergraduate degree in chemical engineering from the Technology University of Rosario, a postgraduate degree in Process Management Administration from Rice University and an M.B.A. from IDEA in Argentina.

Tommy Jensen, 55. Mr. Jensen has served as Chief Executive Officer of Bunge Europe, Middle East and Africa ("Bunge EMEA") since May 2012 and previously served as Bunge EMEA's Chief Operating Officer, Vice President, Northern and Central Europe and Managing Director, Poland. Prior to joining

Bunge in 2003, he held leadership positions at Animex S.A. in Poland, a subsidiary of Smithfield Foods, Continental Grain in Poland and Germany, and Jyske Bank A/S in Denmark. He has a Bachelor's degree in Finance from Aarhus School of Business at Aarhus University, Denmark, and has completed the Advanced Management Program at Harvard Business School.

David Kabbes, 54. Mr. Kabbes became General Counsel and Managing Director, Corporate Affairs in February 2015 after serving as Senior Vice President, Corporate and Legal Affairs for Bunge North America since 2000, where he oversaw the legal, government and industry affairs, communications, foreign trade support and environmental functions. Prior to joining Bunge in 2000, he was Executive Vice President, Secretary and General Counsel at Purina Mills, a corporate attorney at Koch Industries, Inc., a partner at Schiff Hardin & Waite and an associate at Thompson Coburn. He received a bachelor's degree in business from Quincy University and a law degree from the University of Illinois.

Pierre Mauger, 44. Mr. Mauger has served as Chief Development Officer since September 2013. Prior to joining Bunge, Mr. Mauger was a partner at McKinsey & Company, where he led the firm's agriculture service line in Europe, the Middle East and Africa from 2009 to 2013, overseeing client relationships with leading global companies in the commodity processing and trading, agrochemicals and fertilizer sectors, as well as with governments. Prior to that, he served as a partner in the firm's consumer goods practice. He joined McKinsey as an associate in 2000. Mr. Mauger previously worked as an auditor at Nestlé and KPMG. He holds a B.Sc. in Economics and Business Finance from Brunel University in the United Kingdom and an M.B.A. from INSEAD.

Raul Padilla, 61. Mr. Padilla became Chief Executive Officer of Bunge Brazil in May 2014. He has also served as Managing Director, Sugar and Bioenergy, since September 2014. Prior to that, he served as Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines since July 2010. Prior to that, he was Chief Executive Officer of Bunge Argentina since 1999, having joined the company in 1997 as Commercial Director. Mr. Padilla has over 30 years of experience in the oilseed processing and grain handling industries in Argentina, beginning his career with La Plata Cereal in 1977. He has served as President of the Argentine National Oilseed Crushers Association, Vice President of the International Association of Seed Crushers and Director of the Buenos Aires Cereal Exchange and the Rosario Futures Exchange. Mr. Padilla is a graduate of the University of Buenos Aires.

Brian Thomsen, 50. Mr. Thomsen became Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines in May 2014. Previously, he served as Managing Director, Global Grains and Oilseeds Product Lines. He joined the company in 2004 as Director, Grains Product Line. Prior to Bunge, Mr. Thomsen was Managing Director, Dry Commodity Trading at Nidera, and previously served in global trading and management roles at Cargill. He started his career in 1988 at Aarhus Oil, a Danish crush and refining company, and is a graduate of the International Academy of Business in Aarhus, Denmark.

ITEM 1A. RISK FACTORS

RISK FACTORS

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRIES

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

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

Additionally, our sugar production depends on the volume and sucrose content of the sugarcane that we cultivate or that is supplied to us by third-party growers. Both sugarcane crop yields and sucrose content depend significantly on weather conditions, such as rainfall and prevailing temperatures, which can vary substantially. Adverse weather conditions can also impair our ability to harvest and transport sugarcane to our mills, leading to decreased productivity and higher production costs. As a result, unfavorable weather conditions have had and could in the future have a material adverse effect on our sugar operations.

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

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

We face intense competition in each of our businesses.

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

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

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

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

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

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

Fluctuations in energy prices could adversely affect our operating results.

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

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

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

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

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

For example, after a period of accelerated economic expansion, Brazil’s economic growth rates began to decline over the past four years, with the country experiencing recessions in 2015 and 2016, while facing increasing inflation. Weak macroeconomic conditions in Brazil are expected to continue into 2017. At the same time, ongoing, high profile political corruption scandals have led to criminal charges being filed against various prominent business and political figures in

Brazil, and proceedings regarding the violation of federal budget laws resulted in the impeachment of former Brazilian President Dilma Rousseff. The weakened economic and political situation and outlook in Brazil has adversely affected consumer confidence levels and spending, which has led to significantly reduced demand for products in our Food and Ingredients businesses in the country. The timing of any economic improvement is uncertain, and there can be no assurance that economic and political conditions will not deteriorate further in the near term. Additionally, a slowdown in China’s economy over a prolonged period could lead to reduced demand for agricultural commodities. To the extent that such economic and political conditions negatively impact consumer and business confidence and consumption patterns or volumes, our business and results of operations could be significantly and adversely affected.

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

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

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

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

- adverse trade policies or trade barriers on agricultural commodities and commodity products;
- inflation and hyperinflationary economic conditions and adverse economic effects resulting from governmental attempts to control inflation, such as imposition of wage and price controls and higher interest rates;
- changes in laws and regulations or their interpretation or enforcement in the countries where we operate, such as tax laws, including the risk of future adverse tax regulation in the United States relating to our status as a Bermuda company;
- difficulties in enforcing agreements or judgments and collecting receivables in foreign jurisdictions;
- sovereign risk;

- exchange controls or other currency restrictions and limitations on the movement of funds, such as on the remittance of dividends by subsidiaries;
- inadequate infrastructure;
- government intervention, including through expropriation, or regulation of the economy or natural resources, including restrictions on foreign ownership of land or other assets;
- the requirement to comply with a wide variety of foreign and United States laws and regulations that apply to international operations, including, without limitation, economic sanctions regulations, labor laws, import and export regulations, anti-corruption and anti-bribery laws, as well as other laws or regulations discussed in this “Item 1A. Risk Factors” section;
- challenges in maintaining an effective internal control environment with operations in multiple international locations, including language differences, varying levels of U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) expertise in international locations and multiple financial information systems; and
- labor disruptions, civil unrest, significant political instability, wars or other armed conflict or acts of terrorism.

These risks could adversely affect our operations, business strategies and operating results. Additionally, recent events, including the 2016 U.S. presidential election and potential future changes in U.S. and global trade policies are creating a level of uncertainty for multinational companies. As we continue to operate and expand our business globally, our success will depend, in part, on our ability to anticipate, respond to and effectively manage these and other changes and risks.

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

Agricultural commodity production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products and energy policies (including biofuels mandates), can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions.

Increases in prices for, among other things, food, fuel and crop inputs, such as fertilizers, have become the subject of significant discussion by governmental bodies and the public throughout the world in recent years. In some countries, this has led to the imposition of policies such as price controls, tariffs and export restrictions on agricultural commodities.

Additionally, continuing efforts to change the regulation of financial markets, including the U.S. Dodd-Frank Act and European regulations, may subject large users of derivatives, such as Bunge, to extensive new oversight and regulation. Such initiatives could impose significant additional costs on us, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain transactions. Future governmental policies, regulations or actions affecting our industries may adversely affect the supply of, demand for and prices of our products, restrict our ability to do business and cause our financial results to suffer.

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

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

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

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

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

We have been an active acquirer of other companies, and we have joint ventures with several partners. Part of our strategy involves acquisitions, alliances and joint ventures designed to expand and enhance our business. Our ability to benefit from acquisitions, joint ventures and alliances depends on many factors, including our ability to identify suitable prospects, access funding sources on acceptable terms, negotiate

favorable transaction terms and successfully consummate and integrate any businesses we acquire. In addition, we may decide, from time to time, to divest certain of our assets or businesses. Our ability to successfully complete a divestiture will depend on, among other things, our ability to identify buyers that are prepared to acquire such assets or businesses on acceptable terms and to adjust and optimize our retained businesses following the divestiture.

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

Acquisitions also pose the risk that we may be exposed to successor liability relating to actions by an acquired company and its management before the acquisition. The due diligence we conduct in connection with an acquisition, and any contractual guarantees or indemnities that we receive from the sellers of acquired companies, may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition could adversely affect our reputation and results of operations and reduce the benefits of the acquisition. Additionally, acquisitions involve other risks, such as differing levels of management and internal control effectiveness at the acquired entities, systems integration risks, the risk of impairment charges relating to goodwill and intangible assets recorded in connection with acquisitions, the risk of significant accounting charges resulting from the completion and integration of a sizeable acquisition, the need to fund increased capital expenditures and working capital requirements, our ability to retain and motivate employees of acquired entities and other unanticipated problems and liabilities.

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

personnel. Additionally, expected cost savings or other anticipated efficiencies or benefits from divestitures may also be difficult to achieve or maximize.

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

We are subject to industry and other risks that could adversely affect our reputation and financial results.

We are subject to food and feed industry risks which include, but are not limited to, spoilage, contamination, tampering or other adulteration of products, product liability claims and recalls and government regulation, regarding matters such as food and feed safety, nutritional standards and genetically modified organisms. We are also subject to shifts in customer and consumer preferences and concerns regarding the outbreak of disease associated with livestock and poultry, including avian or swine influenza. These risks could not only adversely affect our business and operating results but also our corporate reputation.

As a company whose products comprise staple food and feed products sold globally, maintaining a good corporate reputation is critical to our continued success. Reputational value is based in large part on perceptions, which can shift rapidly in response to negative incidents. The failure or alleged failure to maintain high standards for quality, safety, integrity, environmental sustainability and social responsibility, including with respect to raw materials and services obtained from suppliers, even if untrue, may result in tangible effects, such as reduced demand for our products, disruptions to our operations, increased costs and loss of market share to competitors. Our reputation and results of operations could also be adversely impacted by changing consumer preferences and perceptions relating to some of the products we sell, such as with regard to the quantity and type of fats, sugars and grains consumed as well as concerns regarding genetically modified crops. Failure to anticipate, adapt or respond effectively to these trends or issues may result in material adverse effects on our business, financial condition, and results of operations.

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

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

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

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

We have various credit terms with customers, and our customers have varying degrees of creditworthiness, which exposes us to the risk of non-payment or other default under our contracts and other arrangements with them. In the event that we experience significant defaults on their payment

obligations to us, our financial condition, results of operations or cash flows could be materially and adversely affected.

In Brazil, where there are limited third-party financing sources available to farmers, we provide financing to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances, which are generally intended to be short-term in nature and are typically secured by the farmer's crop and a mortgage on the farmer's land and other assets to provide a means of repayment in the potential event of crop failure or shortfall. At December 31, 2016 and 2015, respectively, we had approximately \$966 million and \$847 million in outstanding prepaid commodity purchase contracts and advances to farmers. We are exposed to the risk that the underlying crop will be insufficient to satisfy a farmer's obligation under the financing arrangements as a result of weather and crop growing conditions, and other factors that influence the price, supply and demand for agricultural commodities. In addition, any collateral held by us as part of these financing transactions may not be sufficient to fully protect us from loss.

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

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

As of December 31, 2016, we had \$5,015 million unused and available borrowing capacity under various committed long-term credit facilities and \$4,264 million in total debt. Our debt could limit our ability to obtain additional financing, limit our flexibility in planning for, or reacting to, changes in the markets in which we compete, place us at a competitive disadvantage compared to our competitors that are less leveraged than we are and require us to dedicate more cash on a relative basis to servicing our debt and less to developing our business. This may limit our ability to run our business and use our resources in the manner in which we would like. Furthermore, difficult conditions in global credit or financial markets generally could adversely impact our ability to refinance maturing debt or the cost or other terms of such refinancing, as well as adversely affect the financial position of

the lenders with whom we do business, which may reduce our ability to obtain financing for our operations. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources.”

Our credit ratings are important to our liquidity. While our debt agreements do not have any credit rating downgrade triggers that would accelerate the maturity of our debt, a reduction in our credit ratings would increase our borrowing costs and, depending on their severity, could impede our ability to obtain credit facilities or access the capital markets in the future on favorable terms. A significant increase in our borrowing costs could impair our ability to compete effectively in our business relative to competitors with higher credit ratings.

Our risk management strategies may not be effective.

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

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

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

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

We are engaged in manufacturing and distribution activities on a global scale, and our business depends on our ability to execute and monitor, on a daily basis, a significant number of transactions across numerous markets or geographies. As a result, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, fires, explosions, strikes and other labor or industrial disputes and

disruptions in logistics or information systems, as well as natural disasters, pandemics, acts of terrorism and other external factors over which we have no control. While we insure ourselves against many of these types of risks in accordance with industry standards, our level of insurance may not cover all losses. The loss of, or damage to, any of our facilities could have a material adverse effect on our business, results of operations and financial condition.

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

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

Changes in tax laws or exposure to additional tax liabilities could have a material impact on our financial condition and results of operations

We are subject to income taxes as well as non-income taxes in various jurisdictions throughout the world. Tax authorities may disagree with certain positions we have taken and assess additional taxes, along with interest and penalties. We regularly assess the likely outcomes of these audits in order to assess the appropriateness of our tax assets and liabilities. However, the calculation of such liabilities involves significant judgment in the interpretation of complex tax regulations in many jurisdictions. Therefore, any dispute with a taxing authority may result in a payment or outcome that is significantly different from current estimates. There can be no assurance that we will accurately predict the outcomes of these audits and the actual

outcomes of these audits could have a material impact on our consolidated earnings and financial condition in the periods in which they are recognized.

Additionally, changes in tax laws could materially impact our tax rate and the monetization of recoverable tax assets (indirect tax credits). For example, various proposals involving U.S. corporate tax reform could have a material impact on our financial condition and results of operations. The recent efforts in corporate tax transparency by the Organization of Economic Cooperation and Development ("OECD") resulting in additional mandated disclosures will likely cause additional scrutiny on the Company's tax positions and potentially increased tax liabilities.

RISKS RELATING TO OUR COMMON SHARES

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

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

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

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

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

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

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

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The following tables provide information on our principal operating facilities as of December 31, 2016.

FACILITIES BY BUSINESS AREA

(metric tons)	AGGREGATE DAILY PRODUCTION CAPACITY	AGGREGATE STORAGE CAPACITY
Business Area		
Agribusiness	146,236	17,354,480
Food and Ingredients	101,213	1,932,970
Sugar and Bioenergy	112,493	806,521
Fertilizer	16,004	995,133

FACILITIES BY GEOGRAPHIC REGION

(metric tons)	AGGREGATE DAILY PRODUCTION CAPACITY	AGGREGATE STORAGE CAPACITY
Region		
North America	104,972	6,666,770
South America	192,999	10,797,758
Europe	50,246	2,667,311
Asia-Pacific	27,729	957,265

Agribusiness

In our Agribusiness segment, we have 174 commodity storage facilities globally that are located close to agricultural production areas or export locations. We also have 49 oilseed processing plants globally. We have 56 merchandising and distribution offices throughout the world.

Food and Ingredients

In our Food and Ingredients businesses, we have 105 refining, packaging and milling facilities throughout the world. In addition, to facilitate distribution in Brazil, we operate 20 distribution centers.

Sugar and Bioenergy

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

Fertilizer

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

Other

Our corporate headquarters in White Plains, New York, occupies approximately 66,300 square feet of space under a

lease that expires in June 2025. We also own or lease other office space for our operations worldwide.

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

ITEM 3. LEGAL PROCEEDINGS

We are subject to various legal proceedings and risks globally in the course of our business, including claims, suits, and government investigations involving competition, tax, labor and employment, commercial disputes and other matters. Although we cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, we make provisions for potential liabilities when we deem them probable and reasonably estimable. These provisions are based on current information and legal advice and are adjusted from time to time according to developments. We do not expect the outcome of these proceedings, net of established reserves, to have a material adverse effect on our financial condition or results of operations. Due to their inherent uncertainty, however, there can be no assurance as to the ultimate outcome of current or future litigation, proceedings, investigations or claims and it is possible that a resolution of one or more such proceedings could result in fines and penalties that could adversely affect our business, consolidated financial position, results of operations, or cash flows in a particular period.

For a discussion of certain legal and tax matters relating to Argentina and Brazil, see Notes 13 and 20 to our consolidated financial statements included as part of this Annual Report on Form 10-K. Additionally, we are a party to a large number of labor and civil claims relating to our Brazilian operations. We have reserved an aggregate of \$76 million and \$74 million for labor and civil claims, respectively, as of December 31, 2016. The labor claims primarily relate to dismissals, severance, health and safety, salary adjustments and supplementary retirement benefits. The civil claims relate to various legal proceedings and disputes, including disputes with suppliers and customers and include approximately 93 million Brazilian *reais* (approximately \$28 million as of December 31, 2016) related to a legacy environmental claim in Brazil.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Market Information

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

(US\$)	HIGH	LOW
2017		
First quarter (to February 17, 2017)	\$77.78	\$67.81
2016		
Fourth quarter	\$73.61	\$58.64
Third quarter	66.21	57.76
Second quarter	67.77	55.62
First quarter	66.82	47.79
2015		
Fourth quarter	\$79.41	\$61.81
Third quarter	89.86	68.94
Second quarter	92.85	83.16
First quarter	92.31	78.50

(b) Approximate Number of Holders of Common Stock

To our knowledge, based on information provided by Computershare Investor Services LLC, our transfer agent, as of December 31, 2016, we had 139,500,862 common shares outstanding, which were held by approximately 81 registered holders.

(c) Dividends

We intend to pay cash dividends to holders of our common shares on a quarterly basis. In addition, holders of our 4.875%

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

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

We paid quarterly dividends on our common shares of \$0.38 per share in the first two quarters of 2016 and \$0.42 per share in the last two quarters of 2016. We paid quarterly dividends on our common shares of \$0.34 per share in the first two quarters of 2015 and \$0.38 per share in the last two quarters of 2015. We have declared a regular quarterly cash dividend of \$0.42 per share payable on March 2, 2017 to shareholders of record on February 16, 2017.

(d) Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information, as of December 31, 2016, with respect to our equity compensation plans.

Plan category	(a) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(b) WEIGHTED-AVERAGE EXERCISE PRICE PER SHARE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(c) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
Equity compensation plans approved by shareholders ⁽¹⁾	7,498,109 ⁽²⁾	\$69.35 ⁽³⁾	5,880,219 ⁽⁴⁾
Equity compensation plans not approved by shareholders ⁽⁵⁾	12,664 ⁽⁶⁾	⁽⁷⁾	⁽⁸⁾
Total	7,510,773	\$69.35	5,880,219

(1) Includes our 2016 Equity Incentive Plan, 2009 Equity Incentive Plan, Equity Incentive Plan, Non-Employee Directors' Equity Incentive Plan and 2007 Non-Employee Directors' Equity Incentive Plan.

(2) Includes non-statutory stock options outstanding as to 5,940,719 common shares, performance-based restricted stock unit awards outstanding as to 1,495,824 common shares and 4,025 vested and deferred restricted stock units outstanding (including, for all restricted and deferred restricted stock unit awards outstanding, dividend equivalents payable in common shares) under our 2009 Equity Incentive Plan. This number also includes non-statutory stock options outstanding as to 9,100 common shares under our 2016 Equity Incentive

Plan and 24,028 and 24,413 unvested restricted stock units under our 2007 Non-Employee Directors' Equity Incentive Plan and 2016 Equity Incentive Plan, respectively. Dividend equivalent payments that are credited to each participant's account are paid in our common shares at the time an award is settled. Vested deferred restricted stock units are paid at the time the applicable deferral period lapses.

(3) Calculated based on non-statutory stock options outstanding under our 2016 Equity Incentive Plan, 2009 Equity Incentive Plan, Equity Incentive Plan and our Non-Employee Directors' Equity Incentive Plan. This number excludes outstanding time-based restricted stock unit and performance-based restricted stock unit awards under the 2016 Equity Incentive Plan, 2009 Equity Incentive Plan and restricted and deferred restricted stock unit awards under the 2007 Non-Employee Directors' Equity Incentive Plan.

(4) Includes dividend equivalents payable in common shares. Shares available under our 2016 Equity Incentive Plan may be used for any type of award authorized under the plan. Awards under the plan may be in the form of statutory or non-statutory stock options, restricted stock units (including performance-based) or other awards that are based on the value of our common shares. Our 2016 Equity Incentive Plan provides that the maximum number of common shares issuable under the plan is 5,800,000, subject to adjustment in accordance with the terms of the plan. This number also includes shares available for future issuance under our 2007 Non-Employee Directors' Equity Incentive Plan. Our 2007 Non-Employee Directors' Equity Incentive Plan provides that the maximum number of common shares issuable under the plan may not exceed 600,000, subject to adjustment in accordance with the terms of the plan. No additional awards may be granted under the Equity Incentive Plan and the Non-Employee Directors' Equity Incentive Plan.

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

(6) Includes rights to acquire 12,664 common shares under our Non-Employee Directors' Deferred Compensation Plan pursuant to elections by our non-employee directors.

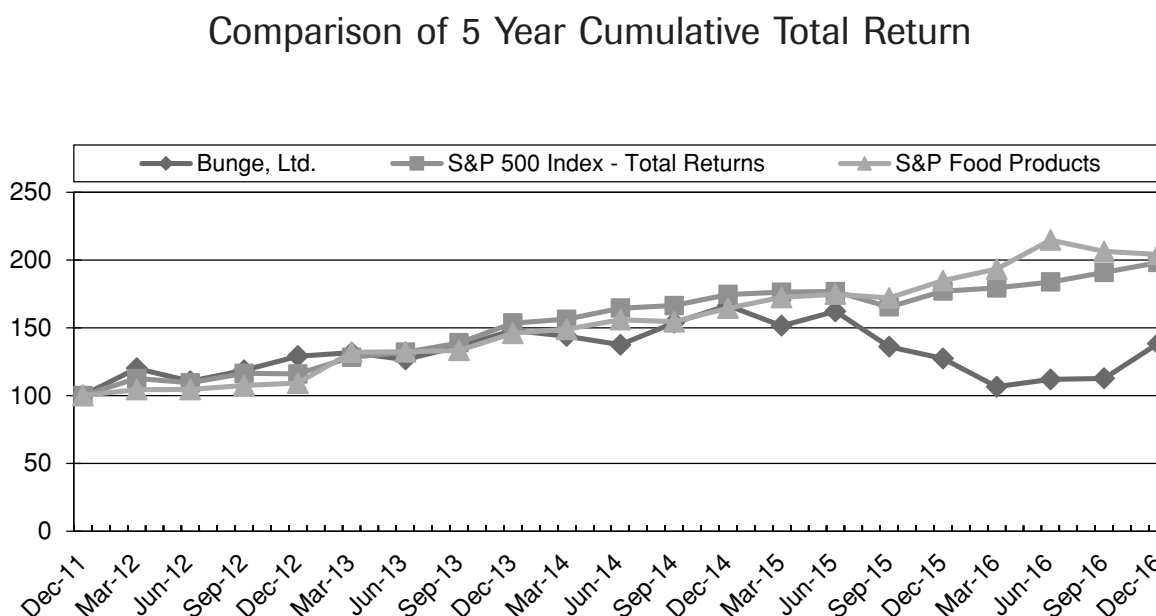
(7) Not applicable.

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

(e) Performance Graph

The performance graph shown below compares the quarterly change in cumulative total shareholder return on our common shares with the Standard & Poor's (S&P) 500 Stock Index and the S&P Food Products Index from December 31, 2011 through

the quarter ended December 31, 2016. The graph sets the beginning value of our common shares and the Indices at \$100, and assumes that all dividends are reinvested. All Index values are weighted by the capitalization of the companies included in the Index.



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

In May 2015, we established a new program for the repurchase of up to \$500 million of our issued and outstanding common shares. The program has no expiration date. Bunge did not repurchase any common shares during the fourth quarter ended December 31, 2016. Bunge repurchased 3,296,230 common shares for the twelve months ended December 31, 2016 under this program for \$200 million. Total repurchases under the program from its inception in May 2015 through December 31, 2016 were 4,707,440 shares for \$300 million.

Bunge completed the previous program of \$975 million during the first quarter of 2015 with the repurchase of 2,460,600 common shares for \$200 million.

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

ITEM 6. SELECTED FINANCIAL DATA

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

Our consolidated financial statements are prepared in U.S. dollars and in accordance with U.S. GAAP. The selected historical financial information as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 are derived from our audited consolidated financial statements and related notes. Activities of the Fertilizer segment reported in continuing operations include our port operations in Brazil, our fertilizer production operations in Argentina and our 50% equity interest in the Morocco joint venture through the date of its sale.

(US\$ in millions)	YEAR ENDED DECEMBER 31,				
	2016	2015	2014	2013	2012
Consolidated Statements of Income Data:					
Net sales	\$ 42,679	\$ 43,455	\$ 57,161	\$ 61,347	\$ 60,991
Cost of goods sold	(40,269)	(40,762)	(54,540)	(58,587)	(58,418)
Gross profit	2,410	2,693	2,621	2,760	2,573
Selling, general and administrative expenses	(1,286)	(1,435)	(1,691)	(1,559)	(1,563)
Interest income	51	43	87	76	53
Interest expense	(234)	(258)	(347)	(363)	(294)
Foreign exchange gains (losses)	(8)	(8)	47	53	88
Other income (expense) - net	12	(18)	17	44	(92)
Gain on disposition of equity interests and sale of assets	122	47	-	3	85
Equity investment impairments	(59)	-	-	-	-
Goodwill and intangible impairments	(12)	(13)	-	-	(514)
Gain on acquisition of controlling interest	-	-	-	-	36
Income from continuing operations before income tax	996	1,051	734	1,014	372
Income tax (expense) benefit	(220)	(296)	(249)	(904)	6
Income from continuing operations	776	755	485	110	378
Income (loss) from discontinued operations, net of tax	(9)	35	32	97	(342)
Net income	767	790	517	207	36
Net loss (income) attributable to noncontrolling interests	(22)	1	(2)	99	28
Net income attributable to Bunge	745	791	515	306	64
Convertible preference share dividends and other obligations	(36)	(53)	(48)	(76)	(36)
Net income available to Bunge common shareholders	\$ 709	\$ 738	\$ 467	\$ 230	\$ 28

(US\$, except outstanding share data)	YEAR ENDED DECEMBER 31,				
	2016	2015	2014	2013	2012
Per Share Data:					
<i>Earnings per common share - basic⁽¹⁾</i>					
Net income (loss) from continuing operations	\$ 5.13	\$ 4.90	\$ 2.98	\$ 0.91	\$ 2.53
Net income (loss) from discontinued operations	(0.06)	0.24	0.22	0.66	(2.34)
Net income (loss) to Bunge common shareholders	\$ 5.07	\$ 5.14	\$ 3.20	\$ 1.57	\$ 0.19
<i>Earnings per common share - diluted⁽²⁾</i>					
Net income (loss) from continuing operations	\$ 5.07	\$ 4.84	\$ 2.96	\$ 0.90	\$ 2.51
Net income (loss) from discontinued operations	(0.06)	0.23	0.21	0.65	(2.32)
Net income (loss) to Bunge common shareholders	\$ 5.01	\$ 5.07	\$ 3.17	\$ 1.55	\$ 0.19
Cash dividends declared per common share	\$ 1.64	\$ 1.48	\$ 1.32	\$ 1.17	\$ 1.06
Weighted-average common shares outstanding - basic	139,845,124	143,671,546	146,209,508	147,204,082	146,000,541
Weighted-average common shares outstanding - diluted ⁽²⁾	148,226,475	152,238,967	147,230,778	148,257,309	147,135,486

(US\$ in millions)	YEAR ENDED DECEMBER 31,				
	2016	2015	2014	2013	2012
Consolidated Cash Flow Data:					
Cash provided by (used for) operating activities	\$1,904	\$ 610	\$ 1,399	\$ 2,225	\$ (457)
Cash provided by (used for) investing activities	(926)	(802)	(685)	(429)	(967)
Cash provided by (used for) financing activities	(488)	360	(1,058)	(1,565)	1,206

(US\$ in millions)	DECEMBER 31,				
	2016	2015	2014	2013	2012
Consolidated Balance Sheet Data:					
Cash and cash equivalents	\$ 934	\$ 411	\$ 362	\$ 742	\$ 569
Inventories ⁽³⁾	4,773	4,466	5,554	5,796	6,590
Working capital ⁽⁴⁾	3,408	3,576	4,377	5,237	5,703
Total assets	19,188	17,914	21,425	26,771	27,266
Short-term debt, including current portion of long-term debt	1,195	1,517	1,002	1,465	2,317
Long-term debt	3,069	2,926	2,848	3,169	3,518
Convertible perpetual preference shares ⁽²⁾	690	690	690	690	690
Common shares and additional paid-in-capital	5,144	5,106	5,054	4,968	4,910
Total equity	\$ 7,343	\$ 6,652	\$ 8,690	\$10,088	\$11,255

(in millions of metric tons)	YEAR ENDED DECEMBER 31,				
	2016	2015	2014	2013	2012
Other Data:					
Volumes:					
Agribusiness	134.6	134.1	138.7	137.4	132.8
Edible Oil Products	7.0	6.8	6.9	7.0	6.7
Milling Products	4.5	4.2	4.5	4.0	4.3
Total Food and Ingredients	11.5	11.0	11.4	11.0	11.0
Sugar and Bioenergy	8.8	10.4	9.7	10.3	8.6
Fertilizer	1.3	1.0	1.1	1.0	1.0

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

(2) Bunge has 6,900,000 4.875% cumulative convertible perpetual preference shares outstanding. Each cumulative convertible preference share has an initial liquidation preference of \$100 per share plus accumulated and unpaid dividends up to a maximum of an additional \$25 per share. As a result of adjustments made to the initial conversion price because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each cumulative convertible preference share is convertible, at the holder's option, at any time, into approximately 1.1507 Bunge Limited common shares (7,939,830 Bunge Limited common shares), subject to certain additional anti-dilution adjustments.

(3) Included in inventories were readily marketable inventories of \$3,855 million, \$3,666 million, \$4,409 million, \$4,600 million, \$5,306 million at December 31, 2016, 2015, 2014, 2013 and 2012, respectively. Readily marketable inventories are agricultural commodity inventories, such as soybeans, soybean meal, soybean oil, corn and wheat that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms. Working capital is calculated as current assets less current liabilities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Non-U.S. GAAP Financial Measures

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. Total Segment EBIT is a non-U.S. GAAP financial measure and is not intended to replace net income attributable to Bunge, the most directly comparable U.S. GAAP financial measure.

OPERATING RESULTS

FACTORS AFFECTING OPERATING RESULTS

Bunge Limited, a Bermuda company, together with its subsidiaries, is a leading global agribusiness and food company operating in the farm-to-consumer food chain. The commodity nature of the Company's principal products, as well as regional and global supply and demand variations that occur as an inherent part of the business make volumes an important operating measure. Accordingly, information is included in "Segment Results" that summarizes certain items in

our consolidated statements of income and volumes by reportable segment. The common unit of measure for all reported volumes is metric tons. A description of reported volumes for each reportable segment has also been included in the discussion of key factors affecting results of operations in each of our business segments as discussed below.

Agribusiness

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

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

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

commodities, including whether to change the location of or adjust our own oilseed processing capacity.

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

Food and Ingredients

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

Sugar and Bioenergy

The Sugar and Bioenergy segment is an integrated business which primarily includes the procurement and growing of sugarcane and the production of sugar, ethanol and electricity in our eight mills in Brazil, global sugar trading and merchandising activities and investment interests in affiliates.

Profitability in this segment is affected by the availability and quality of sugarcane, which impacts our capacity utilization rates and the amount of sugar that can be extracted from the sugarcane, and by market prices of sugarcane, sugar and ethanol. Availability and quality of sugarcane is affected by many factors, including weather, geographical factors such as soil quality and topography, and agricultural practices. Once planted, sugarcane may be harvested for several continuous years, but the yield decreases with each subsequent harvest. As a result, the current optimum economic cycle is generally five or six consecutive harvests, depending on location. We own and/or have partnership agreements to manage farmland on which we grow and harvest sugarcane. We also purchase sugarcane from third parties. Prices of sugarcane in Brazil are established by Consecana, the São Paulo state sugarcane, sugar and ethanol council, and are based on the sucrose

content of the cane and the market prices of sugar and ethanol. Demand for our products is affected by such factors as changes in global or regional economic conditions, the financial condition of customers and customer access to credit, worldwide consumption of food products, population growth rates, changes in per capita incomes and demand for and governmental support of renewable fuels produced from agricultural commodities, including sugarcane. We expect that these factors will continue to affect supply and demand for our sugar and bioenergy products in the foreseeable future. Reported volumes in this segment reflect third-party sales of sugar and ethanol.

Fertilizer

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

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

Foreign Currency Exchange Rates

Due to the global nature of our operations, our operating results can be materially impacted by foreign currency exchange rates. Both translation of our foreign subsidiaries' financial statements and foreign currency transactions can affect our results. On a monthly basis, for subsidiaries whose functional currency is their local currency, subsidiary statements of income and cash flows must be translated into U.S. dollars for consolidation purposes based on weighted-average exchange rates in each monthly period. As a result, fluctuations of local currencies compared to the U.S. dollar during each monthly period impact our consolidated statements of income and cash flows for each reported period (quarter and year-to-date) and also affect comparisons between those reported periods. Subsidiary balance sheets are translated using exchange rates as of the balance sheet date with the resulting translation adjustments reported in our consolidated balance sheets as a component of other comprehensive income (loss). Included in accumulated other comprehensive income for the years ended December 31, 2016, 2015, and 2014 were foreign exchange net translation gains (losses) of \$709 million, \$(2,546) million, and \$(1,411) million, respectively, resulting from the translation of our foreign subsidiaries' assets and liabilities.

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

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

Income Taxes

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

RESULTS OF OPERATIONS

2016 Overview

Net income attributable to Bunge for 2016 decreased by \$46 million to \$745 million compared to \$791 million for 2015. This decrease in net income was driven by a decline in Total Segment EBIT of \$105 million, as discussed below, and lower results in discontinued operations of \$44 million is primarily due to the impact of cumulative translation adjustments, partially offset by lower income tax expense of \$76 million and lower net interest costs of \$32 million. Income tax expense in 2016 included net tax benefits of \$34 million that resulted primarily from refund claims in North America and the release of deferred income tax valuation allowances in Brazil, partially offset by unrecognized tax benefits in Asia-Pacific. Interest expense in 2016 included a \$26 million reversal of interest recorded in previous years.

Total segment EBIT of \$1,143 million in 2016 decreased from \$1,248 million in 2015. EBIT for 2016 included \$120 million of gains on the disposition of equity interests of port and transshipment operations in Brazil and oilseed crush operations in Vietnam and a \$14 million gain related to a wheat export tax

contingency settlement in Brazil. In addition, 2016 EBIT included impairment charges of \$44 million and \$15 million of equity investments in Brazil and Asia-Pacific, respectively, impairment charges of \$12 million of intangible assets, \$9 million of asset impairment charges in our fertilizer operations in Argentina, an \$8 million provision for long-term receivables in Brazil and \$3 million of restructuring charges in our industrial sugar operations in Brazil. EBIT for 2015 includes a \$47 million gain on the sale of certain grain assets in Canada to G3 Canada Limited (formerly the Canadian Wheat Board) and a \$30 million reversal of an export tax contingency in Argentina. In addition 2015 EBIT includes a \$13 million goodwill impairment charge in our Brazilian tomato products business, impairment charges in our equity method investment in a freight shipping company of \$14 million and a \$15 million impairment charge as a result of the announced closure of a packaged oil plant in the United States, as well as a \$9 million charge for administrative tax assessment fees related to export activities in our Argentine subsidiary.

Agribusiness segment EBIT of \$875 million for 2016 was \$233 million lower compared to \$1,108 million in 2015. The primary drivers of this decrease included weaker crush margins in our soy processing operations and lower grain origination results in Brazil due to weaker farmer selling compared to a strong performance in 2015. In addition, our risk management activities contributed to a lesser extent to our results in 2016 as compared to 2015. Foreign exchange results were losses of \$7 million in 2016 as compared to gains of \$67 million in 2015. The decrease in EBIT in 2016 was partly offset by a reduction of SG&A expenses and improved results in certain of our non-consolidated equity investments in Brazil and Asia.

Edible Oil Products segment EBIT was \$112 million in 2016 compared to \$59 million in 2015. Gross profit increased \$35 million driven by higher volumes and stronger margins. In Brazil, results improved due to higher market share for packaged oils products, in Canada demand for refined oil showed strong growth, and in India, both volumes and margins improved. Gross profit was adversely impacted by weaker results in our margarines business in Europe. SG&A expense was lower in the year ended December 31, 2016 compared to the same period a year ago, driven by cost-cutting and efficiency initiatives. In 2015, results included impairment charges related to goodwill in our Brazil tomato products business and the closure of an oil packaging facility in the United States.

Milling Products segment EBIT increased by \$28 million to \$131 million in 2016 from \$103 million in 2015, primarily driven by higher volumes and margins in Brazil and the contribution

to results by Moinho Pacifico, a wheat mill in Brazil, which we acquired in the fourth quarter of 2015. Gross profit in Mexico was lower resulting from reduced volumes. In 2016, we recovered \$14 million of wheat import taxes in Brazil that we have paid in prior years.

Sugar and Bioenergy segment EBIT in 2016 was a loss of \$4 million compared to a loss of \$27 million in 2015. The improved results were primarily driven by higher sugar and Brazilian ethanol prices, operational improvements in our industrial operations and foreign exchange gains, partly offset by lower volumes and increased local currency costs in Brazil driven by inflation. In 2016, we recorded \$44 million of impairment charges in our equity method investment for the development and production of value added oils and feed ingredients in Brazil, \$8 million to provision for certain long-term receivables in Brazil and \$3 million for restructuring charges in our sugar milling business.

Fertilizer segment EBIT increased to \$29 million in 2016 compared to \$5 million in 2015. In 2016 gross profit increased as a result of higher volumes and margins in Argentina, as demand from farmers increased due to larger crop areas. In addition, in 2016 we recorded the reversal of a natural gas tariff contingency from prior years totaling \$11 million. Results in 2015 were impacted due to a strike in one of our plants.

Segment Results

Bunge has five reportable segments – Agribusiness, Edible Oil Products, Milling Products, Sugar and Bioenergy and Fertilizer – which are organized based upon similar economic characteristics and are similar in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The Agribusiness segment is characterized by both inputs and outputs being agricultural commodities and thus high volume and low margin. The Edible Oil Products segment involves the manufacturing and marketing of products derived from vegetable oils. The Milling Products segment involves the manufacturing and marketing of products derived primarily from wheat and corn. The Sugar and Bioenergy segment involves sugarcane growing and milling in Brazil, sugar and ethanol trading and merchandising in various countries, as well as sugarcane-based ethanol production and corn-based ethanol investments and related activities. The Fertilizer segment includes the activities of our port operations in Brazil and Argentina and blending and distribution operations in Argentina.

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Volume (in thousands of metric tons):			
Agribusiness	134,605	134,136	138,690
Edible Oil Products.....	6,989	6,831	6,845
Milling Products.....	4,498	4,199	4,514
Sugar and Bioenergy.....	8,847	10,440	9,678
Fertilizer	1,272	979	1,090
Net sales:			
Agribusiness	\$ 30,061	\$ 31,267	\$ 42,109
Edible Oil Products.....	6,859	6,698	7,972
Milling Products.....	1,647	1,609	2,064
Sugar and Bioenergy.....	3,709	3,495	4,542
Fertilizer	403	386	474
Total	\$ 42,679	\$ 43,455	\$ 57,161
Cost of goods sold:			
Agribusiness	\$(28,571)	\$(29,409)	\$(40,367)
Edible Oil Products.....	(6,420)	(6,294)	(7,424)
Milling Products.....	(1,378)	(1,372)	(1,753)
Sugar and Bioenergy.....	(3,550)	(3,331)	(4,583)
Fertilizer	(350)	(356)	(413)
Total	\$(40,269)	\$(40,762)	\$(54,540)
Gross profit (loss):			
Agribusiness	\$ 1,490	\$ 1,858	\$ 1,742
Edible Oil Products.....	439	404	548
Milling Products.....	269	237	311
Sugar and Bioenergy.....	159	164	(41)
Fertilizer	53	30	61
Total	\$ 2,410	\$ 2,693	\$ 2,621
Selling, general & administrative expenses:			
Agribusiness	\$ (706)	\$ (851)	\$ (875)
Edible Oil Products.....	(320)	(328)	(482)
Milling Products.....	(127)	(123)	(168)
Sugar and Bioenergy.....	(112)	(109)	(156)
Fertilizer	(21)	(24)	(10)
Total	\$ (1,286)	\$ (1,435)	\$ (1,691)
Foreign exchange gain (loss):			
Agribusiness	\$ (7)	\$ 67	\$ 39
Edible Oil Products.....	(1)	-	(4)
Milling Products.....	(7)	(8)	(8)
Sugar and Bioenergy.....	9	(68)	19
Fertilizer	(2)	1	1
Total	\$ (8)	\$ (8)	\$ 47
Noncontrolling interests:			
Agribusiness	\$ (21)	\$ (9)	\$ (23)
Edible Oil Products.....	(13)	(8)	(9)
Milling Products.....	-	-	-
Sugar and Bioenergy.....	-	-	(1)
Fertilizer	(2)	(1)	(5)
Total	\$ (36)	\$ (18)	\$ (38)

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Other income (expense):			
Agribusiness	\$ 24	\$ (3)	\$ 8
Edible Oil Products.....	7	4	5
Milling Products.....	(4)	(3)	(4)
Sugar and Bioenergy	(16)	(15)	10
Fertilizer	1	(1)	(2)
Total	\$ 12	\$ (18)	\$ 17
Gain on disposition of equity interests and sale of assets - Agribusiness	\$ 122	\$ 47	\$ -
Equity investment impairment - Agribusiness.....	\$ (15)	\$ -	\$ -
Intangible asset impairment - Agribusiness	\$ (12)	\$ -	\$ -
Goodwill impairment - Edible Oil Products	\$ -	\$ (13)	\$ -
Equity investment impairment - Sugar and Bioenergy	\$ (44)	\$ -	\$ -
Segment EBIT⁽¹⁾			
Agribusiness	\$ 875	\$ 1,108	\$ 890
Edible Oil Products.....	112	59	58
Milling Products.....	131	103	131
Sugar and Bioenergy	(4)	(27)	(168)
Fertilizer	29	5	45
Total	\$ 1,143	\$ 1,248	\$ 956
Depreciation, depletion and amortization:			
Agribusiness	\$ (236)	\$ (234)	\$ (240)
Edible Oil Products.....	(94)	(90)	(96)
Milling Products.....	(62)	(46)	(47)
Sugar and Bioenergy	(143)	(160)	(208)
Fertilizer	(12)	(15)	(16)
Total	\$ (547)	\$ (545)	\$ (607)
Net income attributable to Bunge	\$ 745	\$ 791	\$ 515

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

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Net income attributable to Bunge.....	\$ 745	\$ 791	\$ 515
Interest income.....	(51)	(43)	(87)
Interest expense.....	234	258	347
Income tax expense	220	296	249
(Income) loss from discontinued operations	9	(35)	(32)
Noncontrolling interests' share of interest and tax	(14)	(19)	(36)
Total segment EBIT.....	\$1,143	\$1,248	\$956

2016 Compared to 2015

Net Income Attributable to Bunge. For the year ended December 31, 2016, net income attributable to Bunge of \$745 million represents a decrease of \$46 million from

\$791 million in 2015. This decline resulted primarily from a decrease in Total Segment EBIT of \$105 million and reduced income from discontinued operations of \$44 million, partially offset by lower income tax expenses of \$76 million, lower net interest expense of \$24 million and higher interest income of

\$8 million. Agribusiness Segment EBIT decreased by \$233 million primarily due to lower gross profit driven by weaker results in our oilseed processing and grain origination businesses, trading and distribution activities and risk management contributions that were lower than the same period last year, partially offset by lower industrial and SG&A expenses. Results in 2016 benefitted from \$120 million of gains on the disposition of equity interests of port and transshipment operations in Brazil and an oilseed crush facility in Vietnam and 2015 results included a \$47 million gain on the sale of grain assets in Canada. The Agribusiness Segment EBIT decline was partially offset by an increase in EBIT across all other segments. Edible Oil Products Segment EBIT improved \$53 million primarily due to improved results in Brazil and lower SG&A expense. Milling Products Segment EBIT improved \$28 million primarily driven by increased gross profit in Brazil from stronger demand for flour in the food service industry, the contribution to results from a wheat mill acquired in the fourth quarter of 2015 and a recovery of \$14 million in Brazilian wheat import taxes paid in prior years. Sugar and Bioenergy Segment EBIT improved \$23 million primarily due to foreign exchange gains, partly offset by restructuring and impairment charges. Fertilizer Segment EBIT improved \$24 million primarily due to increased gross profit because of higher fertilizer sales in Argentina driven by higher fertilizer usage by farmers and the reversal of a gas tariff contingency from prior years totaling \$11 million. Income tax expense decreased \$76 million due to the effect of reduced taxable income and a lower effective tax rate in 2016 primarily due to geographical earnings mix and the net positive impact of certain income tax benefits and charges. Interest expense included the \$26 million reversal of interest recorded in previous years in Brazil and Argentina. Discontinued operations results declined \$44 million primarily driven by the translation impact of a stronger Brazilian *real* relative to the U.S. dollar in 2016.

Income Tax Expense. In the year ended December 31, 2016, income tax expense was \$220 million compared to \$296 million in 2015. The effective tax rate in 2016 was 22% compared to 28% in 2015. The lower effective tax rate in 2016 was primarily due to the favorable impact of refund claims in North America and Europe, along with favorable geographical earnings mix.

Agribusiness Segment. Agribusiness segment net sales decreased 4% to \$30.1 billion in 2016 compared to \$31.3 billion in 2015, with volumes being essentially flat. Volumes were lower in Brazil driven by reduced farmer selling and a reduced corn crop due to drought. In Asia, volumes were lower in our oilseed processing businesses driven by weaker margins and in our trading and distribution businesses. These decreases were partially offset by higher volumes in grain origination in North America and Europe, which benefitted from larger crops and in Argentina as a result of normalized commercialization following the elimination on grain export taxes and the devaluation of the Argentine *peso* in December 2015.

Cost of goods sold decreased by 3% to \$28.6 billion in 2016, compared with \$29.4 billion last year in line with the reductions in net sales noted above. In addition, lower industrial costs due to the relative weakening of most currencies to the U.S. dollar and certain insurance recovery benefits contributed to lower

cost of goods sold in the year ended December 31, 2016 when compared to the same period last year.

Gross profit decreased 20% to \$1,490 million, from \$1,858 million in 2015, primarily driven by lower results in oilseed processing and grain origination and to a lesser extent in our trading and distribution businesses. In oilseeds, soy processing results in the United States, Brazil and Europe declined from a strong performance in 2015 due to lower crush margins. In grain origination, gross profit in Brazil significantly declined from strong performances in the same period last year, primarily due to slower farmer selling and lower margins. In trading and distribution, results declined primarily due to lower contribution from our risk management activities.

SG&A expenses were \$706 million in 2016 compared to \$851 million in 2015. This reduction was primarily driven by a reduction in headcount, cost-cutting initiatives, lower bad debt expenses and the result of the conversion of local currency costs into U.S. dollars as a result of the weakening of most global currencies relative to the U.S. dollar, with exception of the Brazilian *real*, which appreciated in 2016.

Foreign exchange results in 2016 were a loss of \$7 million, compared to gains of \$67 million in 2015. These results were related primarily to results on certain currency hedges and the movements in the Brazilian *real* and Argentine *peso*.

Gains on the disposition of grain and oilseed assets were \$120 million in 2016. The disposition of a 50% ownership interest in our Terfron port and transshipment terminal in Brazil to Amaggi Exportação E Importação Ltda. ("Amaggi") resulted in a \$92 million gain and \$2 million related losses recorded in foreign exchange results. Additionally, the disposition of a 45% interest in our Vietnam crush operations to Wilmar International Limited ("Wilmar") resulted in a gain of \$30 million. In 2015, a gain of \$47 million was recorded on the sale of Canadian grain assets to G3 Canada Limited (formerly the Canadian Wheat Board).

Other income (expense)-net was income of \$24 million and expense of \$3 million for 2016 and 2015, respectively. The improvement in other income (expense)-net was primarily due to improvements in the results of certain non-consolidated equity investments; mostly in our logistics joint ventures in Brazil and in PT Bumiraya Investindo ("BRI"), our palm oil plantation joint venture in Indonesia.

Impairment and restructuring charges of \$27 million in 2016 included an impairment charge of \$15 million for BRI and \$12 million for intangible assets related to aquaculture and other related patents.

Noncontrolling interests represent (income) loss attributed to the noncontrolling interest holders in joint venture operations that are consolidated in our financial statements.

Noncontrolling interests generated income of \$21 million in 2016 compared to income of \$9 million in 2015. The increased 2016 income was primarily driven by our oilseed processing activities in Asia-Pacific and Europe partially offset by the deconsolidation of a Brazilian grain terminal, which reported income in 2015.

Segment EBIT decreased to \$875 million in 2016 from \$1,108 million in 2015, primarily driven by lower gross profit due to weaker crush margins that drove reduced soy processing results in the United States, Brazil and Spain, weaker softseed processing results in Europe, lower grain origination results in Brazil due to weaker farmer selling compared to a strong performance in 2015, and lower contributions from risk management. Foreign exchange results reduced Segment EBIT by \$74 million. The decrease was partially offset by \$120 million pre-tax gains on the disposition of equity interests in Brazil and Vietnam and lower SG&A expenses. In 2015, we recorded a pre-tax gain of \$47 million on the sale of certain grain assets in Canada.

Edible Oil Products Segment. Edible oil products segment net sales were \$6.9 billion in 2016 compared to \$6.7 billion in 2015. These higher sales are primarily due to a volume increase of 2% resulting from a higher market share of packaged oil products in Brazil, refined oils in Canada and the additional net sales derived from our acquisition of a 62.8% equity stake in Walter Rau Neusser in Germany.

Cost of goods sold increased 2% to \$6.4 billion in 2016 from \$6.3 billion in 2015. The higher costs were in line with the increase in net sales, as noted above. In 2015, cost of goods sold was negatively impacted by a \$15 million impairment charge related to the closure of an edible oils packaging facility in the United States.

Gross profit increased 9% to \$439 million in 2016 from \$404 million in 2015. The increase was primarily driven by higher market share for packaged oils products in Brazil, stronger demand for refined oil in Canada and improved volumes and margins in India, partially offset by weaker margins in our margarine business in Europe. In addition, gross profit for 2015 was reduced by the \$15 million impairment charge noted above.

SG&A expenses decreased to \$320 million in 2016 from \$328 million in 2015, primarily as a result of lower marketing expenses, savings from cost-cutting initiatives and the weakening of most currencies relative to the U.S. dollar, partly offset by the appreciation of the Brazilian *real* in 2016.

Goodwill and intangible impairments of \$13 million in 2015 represent the full impairment of goodwill in our Brazilian tomato products business.

Segment EBIT increased by \$53 million to \$112 million in 2016, compared to \$59 million in 2015. Gross profit improved due to increased market share in Brazil packaged oils, improved results in refined oil in Canada and India, and lower SG&A expenses. Additionally, 2015 included impairment charges related to the goodwill of the Brazil tomato products business and the closure of an edible oils packaging facility in the United States.

Milling Products Segment. Milling products segment net sales increased by 2% to \$1,647 million in 2016 from \$1,609 million in 2015, primarily from an 8% increase in volumes primarily as a result of our acquisition of the Moinho Pacifico wheat mill in Brazil, which occurred in the fourth quarter of 2015. In addition, sales increased in our rice and corn milling businesses in the United States, partially offset by volume

decreases in Mexico. The net volume increase was mostly offset by the weakening of the Mexican *peso* by 18% against the U.S. dollar and lower selling prices of flour due to lower commodity prices in wheat, our primary raw material.

Cost of goods sold increased slightly to \$1,378 million in 2016 from \$1,372 million in 2015, primarily driven by volume increase, partially offset by lower commodity prices in wheat, and net foreign exchange effects on local currency industrial costs, lower energy prices in the United States and a recovery of \$14 million in Brazilian wheat import taxes paid in prior years.

Gross profit improved by \$32 million to \$269 million in 2016 from \$237 million in 2015, primarily from higher volumes and improved unit margins in wheat milling products in Brazil, the incremental gross profit from the acquisition of the Moinho Pacifico wheat mill in Brazil, which occurred in the fourth quarter of 2015 and the recovery of \$14 million in Brazilian import taxes paid in prior years. These increases were partially offset by lower gross profit in Mexico as volumes were lower in 2016 compared to 2015.

SG&A expenses increased to \$127 million in 2016 from \$123 million in 2015, mainly due to SG&A expenses related to the Moinho Pacifico wheat mill in Brazil, which we acquired in the fourth quarter of 2015. This increase was partially offset by the net translation benefit of the stronger Brazilian *real* and weaker Mexican *peso* on the translation of local currency expenses to U.S. dollars as well as benefits from our performance improvement initiatives to contain costs.

Segment EBIT increased to \$131 million in 2016 from \$103 million in 2015, primarily as a result of higher gross profit in Brazil due to higher volumes and improved margins, results from the Moinho Pacifico wheat mill, acquired in the fourth quarter of 2015 and a recovery of \$14 million in Brazilian wheat import taxes paid in prior years.

Sugar and Bioenergy Segment. Sugar and Bioenergy segment net sales increased 6% to \$3.7 billion in 2016 compared to \$3.5 billion in 2015, as a result of higher average market prices of raw sugar and ethanol of 39% and 24%, respectively. The impact on sales of these price increases was partially offset by a decrease in volumes in our industrial operations due to the adverse weather in Brazil that reduced crushing volume and in our global trading and merchandising activities, where higher global sugar prices reduced demand. In addition, sales in our industrial operations in Brazil were lower driven by our commercial decision to carry less inventories into 2016 than we did in the previous year.

Cost of goods sold increased 7% to \$3.6 billion in 2016 compared to \$3.3 billion in 2015, in line with the sales increase noted above, primarily due to the increase in sugar and ethanol prices, partially offset by a decline in volumes.

Gross profit was \$159 million in 2016 compared to \$164 million in 2015. In 2016, higher sugar and ethanol prices in Brazil were partly offset by lower volumes, which drove per unit increases in sugar and ethanol industrial cost. Gross profit in 2015 benefitted from the classification of currency hedge losses reported separately in foreign exchange gains and losses.

SG&A expenses were \$112 million in 2016, 3% higher compared to \$109 million in 2015, driven by increases in local currency costs in Brazil due to higher inflation, partially offset by lower personnel costs from cost-cutting initiative. In addition the appreciation of the Brazilian *real*, relative to the U.S. dollar resulted in higher expense when converted into U.S. dollar.

Foreign exchange results in 2016 were gains of \$9 million, compared to losses of \$68 million in 2015. These results were related primarily to results on certain currency hedges.

Equity investment impairment charges of \$44 million in 2016 included an impairment charge of our equity investment in Solazyme Bunge Renewable Oils ("SB Oils"), our joint venture that operates a commercial-scale algae oils facility adjacent to our Moema sugarcane mill in Brazil.

Segment EBIT improved by \$23 million to a loss of \$4 million in 2016, compared to a loss of \$27 million in 2015 primarily due to improved results in our industrial operations and foreign exchange gains on certain currency hedges partially offset by impairment of \$44 million in SB Oils.

Fertilizer Segment. Fertilizer segment net sales increased 4% to \$403 million in 2016 compared to \$386 million in 2015, primarily due to an increase of 30% in volumes from higher nitrogen and phosphate fertilizer usage in Argentina as a result of expanded corn and wheat planting areas. The impact of higher sales was substantially offset by a decrease in global nitrogen, phosphate and single superphosphate prices. In 2015 volumes were impacted by a strike in one of our plants.

Cost of goods sold was \$350 million in 2016, compared to \$356 million in 2015 driven by lower industrial costs and lower costs from nitrogen, as we were required to import higher cost nitrogen last year due to the 2015 strike. This was partially offset by an increase in volumes in 2016. In addition, in 2016 we recorded a reversal of a natural gas tariff reserve of \$11 million due to a recent Argentine Supreme Court decision finding the tariff invalid. We also recorded a \$9 million impairment charge in 2016 on long lived assets related to a fertilizer production line in one of our plants in Argentina.

Gross profit increased to \$53 million in 2016 from \$30 million in 2015. The increase was primarily driven by improved gross profit in Argentina resulting from the increased usage of fertilizers by the Argentine farmer from planting a larger crop area, improved fertilizer unit margins and lower product costs. Gross profit in 2015 was impacted by a strike in one of our plants.

Segment EBIT improved by \$24 million to \$29 million in 2016 compared to \$5 million in 2015, primarily due to improved gross profit driven by higher volumes and margins in Argentina.

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,	
	2016	2015
Interest income	\$ 51	\$ 43
Interest expense	(234)	(258)

Interest income increased by \$8 million to \$51 million in 2016 compared to \$43 million in 2015, primarily due to higher average cash and cash equivalent balances held in certain Brazilian operating entities. Interest expense decreased \$24 million to \$234 million in 2016 from \$258 million in 2015, primarily due to the reversal of previously recorded interest expense of \$16 million for certain ICMS tax credits in Brazil that were recorded in 2014 and \$10 million related to unpaid tariffs for natural gas in Argentina, which were found invalid by an Argentine Supreme Court ruling in 2016.

Discontinued Operations. Discontinued operations results in 2016 were a loss of \$9 million, net of tax, compared to income of \$35 million, net of tax, in 2015. Results declined in 2016 primarily due to cumulative translation adjustments, driven by the appreciation of the Brazilian *real* relative to the U.S. dollar.

2015 Compared to 2014

Net Income Attributable to Bunge. Net income attributable to Bunge for 2015 was \$791 million compared to \$515 million for 2014. The increase in Total Segment EBIT of \$292 million discussed below and reduced net interest cost of \$45 million driven by lower average borrowings during the year was partially offset by the higher income tax expense (\$296 million in 2015 compared with \$249 million in 2014) on the higher income from continuing operations, before taxes.

Income Tax Expense. In 2015, income tax expense from continuing operations increased to \$296 million from \$249 million in 2014 and the effective tax rate in 2015 decreased to 28% compared to 34% in 2014. Income tax expenses in 2015 included net tax charges of \$16 million that resulted primarily from the establishment of income tax valuation allowances in Asia-Pacific partially offset by the release of income tax valuation allowances in North America. The lower effective tax rate for 2015 resulted mainly from geographical earnings mix and valuation allowance movements.

Agribusiness Segment. Agribusiness segment net sales decreased 26% to \$31.3 billion in 2015 compared to \$42.1 billion in 2014. The decrease was primarily driven by significantly lower global commodity prices in 2015 compared to 2014, especially soybean prices which were on average 24% lower. Volumes decreased 3% driven by lower grain origination and grain and oilseed trading and distribution volumes, partially offset by higher oilseed processing volumes. In our grains business, origination volumes declined in North America due to lower farmer selling and a reduction in volumes related to the sale of certain Canadian grain assets in the third quarter to G3 Canada Limited (formerly the Canadian Wheat Board). Argentina grain origination was down as farmers retained their

crops in anticipation of a more favorable environment following the December presidential election. The reduced grain origination volumes in North America and Argentina were partly offset by higher volumes in Brazil during the latter part of 2015 as farmers were strong sellers in order to fix their local Brazilian *real* sales at relatively high rates as the Brazilian *real* weakened against the U.S. dollar. In oilseed processing, higher volumes in North America, Asia, Brazil and Argentina driven by strong crush margins were fully offset by lower global commodity prices. In our trading and distribution businesses, volumes were lower in both grains and oilseeds in most regions due to a soft margin environment.

Cost of goods sold decreased by 27% to \$29.4 billion in 2015, compared with \$40.4 billion last year as a result of lower global commodity prices and the translation effect of weaker global currencies compared with 2014. The average global price of soybeans, corn and wheat declined 24%, 9% and 14%, respectively in 2015 compared to 2014. The volume decline of 3% noted above also contributed to the decline in cost of goods sold. Improvement in ocean freight costs, particularly bunker fuel procurement, and in ports and services also contributed to the lower year-over-year cost. In addition, in the second quarter of 2015 we reversed a \$30 million export tax contingency in our Argentine subsidiary.

Gross profit increased 7% to \$1,858 million in 2015 from \$1,742 million in 2014, primarily driven by improved performance in our oilseed processing business, particularly in China, Argentina, the U.S., and Brazil, partially offset by declines in softseed processing in Europe and Canada. Grain trading and distribution also benefitted from improved ocean freight costs and port logistics operations. These increases more than offset weak grain origination margins in the United States primarily driven by lack of export demand due to the impacts of stronger U.S. dollar.

SG&A expenses were \$851 million in 2015 compared to \$875 million in 2014. SG&A benefitted in 2015 from weaker currencies as local currency costs were translated into U.S. dollars, partially offset by an impairment charge of \$14 million in our equity method investment in a freight shipping company and a \$9 million charge of administrative tax assessment fees related to export activities in our Argentine subsidiary for 2008 through 2009.

Foreign exchange gains were \$67 million in 2015 compared to gains of \$39 million in the same period of 2014. These results were primarily driven by movements in the Brazilian *real* and the Argentine *peso*.

Noncontrolling interests represent (income) loss attributed to the noncontrolling interest holders in joint venture operations that are consolidated in our financial statements. The income of \$9 million in 2015 compared to income of \$23 million in 2014 and was primarily driven by lower results in our U.S. Pacific Northwest port operation and oilseed and biodiesel production joint ventures in Europe.

Gain on the sale of Canadian grain assets to G3 Canada Limited (formerly the Canadian Wheat Board) was \$47 million.

Segment EBIT increased 24% to \$1,108 million in 2015 from \$890 million in 2014 primarily as a result of improved gross profit in our oilseed processing business, grain trading and distribution business, a reduction in SG&A, primarily from the weakening of global currencies against the U.S. dollar and a \$47 million gain on the sale of certain assets in Canada to G3 Canada Limited.

Edible Oil Products Segment. Edible Oil Products segment net sales were \$6.7 billion in 2015 compared to \$8.0 billion in 2014. The lower net sales in 2015 were primarily a result of lower global vegetable oil prices and the translation impact of weaker global currencies relative to the U.S. dollar. Volumes in 2015 were essentially flat as higher demand in India and China were offset by a decline in Brazil and Europe, resulting from weak economic conditions, which directly impacted packaged oil and margarine demand.

Cost of goods sold decreased 15% to \$6.3 billion in 2015 from \$7.4 billion in 2014, due to lower raw material costs resulting from market price declines of edible oils, lower demand in Brazil and Europe, which lowered production volumes, and the translation impact of the weaker global currencies relative to the U.S. dollar. Cost of goods sold in 2015 included an impairment charge of \$15 million related to the announced closure of one of our U.S. edible oil packaging facilities.

Gross profit in 2015 decreased to \$404 million from \$548 million in 2014. The decrease was driven by lower volumes and margins in Brazil and Europe as consumers reduced purchases and traded down to lower value products. The impact of the weaker economic environment was partly offset by cost benefits from our performance improvement programs. An impairment charge of \$15 million in 2015 relating to the closure of a U.S. facility also contributed to the reduced gross profit.

SG&A expenses decreased to \$328 million in 2015 from \$482 million in 2014, primarily as a result of the translation benefits of the strengthening U.S. dollar relative to other global currencies, notably the Brazilian *real*, Argentine *peso* and *euro* as well as our cost reduction initiatives. In addition, 2014 included \$98 million of expenses related to certain ICMS tax credits in Brazil.

A goodwill impairment charge of \$13 million, representing all of the goodwill of the Brazilian tomato products business, was recorded in the fourth quarter of 2015 upon completion of our annual impairment analysis.

Segment EBIT was \$59 million in 2015 compared to \$58 million in 2014. EBIT for 2015 included a charge of \$15 million for the announced closure of a packaged oil plant in the United States and a \$13 million goodwill impairment charge in our Brazilian tomato products business. EBIT for 2014 included an expense of \$98 million related to certain ICMS tax credits in Brazil. Excluding the effects of these items, results declined by \$69 million driven by lower volumes and margins in Brazil edible oils, and margarines in Europe as consumers pulled-back on purchases and traded down to lower value products. This was partially offset by lower SG&A expenses as a result of the factors noted above.

Milling Products Segment. Milling Products segment sales decreased by 22% to \$1,609 million in 2015 from \$2,064 million in 2014 in part due to approximately 9% lower average prices for corn and 14% lower average prices for wheat. Volumes declined 7% compared to the same period last year, primarily in our wheat milling business in Brazil, which was impacted by the weak economic environment that depressed demand, as well as in our U.S. corn milling operations, driven by soft demand in the ready-to-eat cereal and brewery industries. Additionally, the foreign exchange impact from the devaluation of the Brazilian *real* and Mexican *peso* against the U.S. dollar for our Brazilian and Mexican operations negatively impacted sales.

Cost of goods sold decreased 22% to \$1,372 million in 2015 from \$1,753 million in 2014 primarily due to lower volumes, lower commodity raw material costs in corn and wheat and the translation impact of the devaluation of the Brazilian *real* and Mexican *peso* against the U.S. dollar.

Gross profit decreased to \$237 million in 2015, from \$311 million in 2014, primarily due to lower volumes and margins in Brazil related to food service and retail channels and lower volumes in U.S. corn milling as a result of depressed demand from the ready-to-eat cereal and brewery industries in the first half of 2015. Margins in Brazil were adversely impacted by the effects of the currency devaluation.

SG&A expenses decreased by \$45 million to \$123 million in 2015 from \$168 million in 2014 mainly resulting from the benefit of the weaker Brazilian *real* and Mexican *peso* on the translation of local currency expenses. In addition, 2014 included \$14 million of expenses related to certain ICMS tax credits in Brazil.

Segment EBIT decreased to \$103 million in 2015 from \$131 million in 2014, as weaker demand in Brazil and the U.S. resulted in lower volumes and margins, partially offset by lower SG&A expenses.

Sugar and Bioenergy Segment. Sugar and Bioenergy segment net sales decreased to \$3.5 billion in 2015 compared to \$4.5 billion in 2014. The 23% decrease in sales was primarily driven by lower global average prices of sugar and the significant devaluation of the Brazilian *real* impacting our local currency net sales when translated into U.S. dollars. This was partially offset by higher average domestic ethanol prices in Brazil and an increase in volumes. On average, the futures price of raw sugar was 20% lower in 2015 compared 2014. Average ethanol prices in Brazil were higher by 8% driven by a large increase in the fourth quarter. Partially offsetting the sales decreases was an improvement in volumes of 8% compared to 2014, primarily due to increased activity in our global trading and merchandising operations.

Cost of goods sold decreased 27% to \$3.3 billion in 2015, compared to \$4.6 billion in 2014, primarily driven by lower prices of purchased sugarcane and the impact of the weaker Brazilian *real* relative to the U.S. dollar, partially offset by higher volumes.

Gross profit was \$164 million in 2015. This compared to a loss of \$41 million in 2014, which included \$113 million of

impairment and related charges related to one of our sugar mills. Excluding the impairment and related charges, results improved by \$92 million primarily driven by improved results in our industrial operations resulting from increased efficiency, both in volumes crushed and lower related industrial costs, as well as higher volumes and margins in cogeneration. In our global trading and distribution operations, higher volumes were more than offset by lower margins.

SG&A expenses were \$109 million in 2015, 30% lower compared to \$156 million in 2014, driven by translation benefits of the devaluation of the Brazilian *real* on local currency costs, and cost reduction and efficiency initiatives in our sugar milling business. In addition, 2015 and 2014 included \$5 million and \$20 million, respectively, of restructuring costs, which include costs of our strategic review of the sugar milling business.

Foreign exchange results in 2015 were losses of \$68 million, compared to gains of \$19 million in 2014. These results were related primarily to results on certain currency hedges.

Other income (expenses) – net was expense of \$15 million in 2015 compared to income of \$10 million in 2014. Results in our North American ethanol investment were lower as the decrease in global oil prices resulted in lower ethanol margins. Results also decreased in our joint venture for the production of renewable oils in Brazil and our corn wet-milling joint venture in Argentina.

Segment EBIT improved by \$141 million to a loss of \$27 million in 2015, compared to a loss of \$168 million in 2014. Results were impacted by \$5 million of restructuring charges and \$133 million of impairment and restructuring charges in 2015 and 2014, respectively. Excluding the impairment and restructuring charges, results improved by \$13 million due to improved performance in our industrial milling operations in Brazil and lower SG&A expenses from the translation benefit of the weaker Brazilian *real* on local currency costs, partially offset by foreign exchange losses and lower results in certain joint ventures.

Fertilizer Segment. Fertilizer segment net sales decreased 19% to \$386 million in 2015 compared to \$474 million in 2014, primarily due to lower fertilizer imports in Brazil. In Argentina, sales declined mainly due to lower volumes driven by reduced fertilizer usage by Argentine farmers as a result of the local economic environment and lower farm margins for corn and wheat production. In addition, in the first quarter of 2015, volumes were reduced due to a strike at one of our facilities.

Cost of goods sold was \$356 million in 2015, compared to \$413 million in 2014. Lower volumes and raw material costs and the translation benefit of the weaker Argentine *peso*, were partly offset by higher cost imports of nitrogen due to the aforementioned strike.

Gross profit decreased to \$30 million in 2015 from \$61 million in 2014. The decrease was primarily driven by lower volumes and not fully recovered industrial costs in our Brazilian port operations. Gross profit in our Argentine operation was impacted by higher production costs, depressed volumes from lower farmer fertilizer usage and impacts of a strike at one of our facilities.

SG&A was \$24 million in 2015 compared to \$10 million in 2014. The lower expense in 2014 includes the reversal of certain value added tax, labor and bad debt provisions in Brazil.

Noncontrolling interests represents (income) loss attributed to the noncontrolling interest holders in operations that are consolidated in our financial statements. The \$1 million income in 2015 and \$5 million income in 2014 represents the noncontrolling interests share of income at our non-wholly owned Brazilian port operations.

Segment EBIT decreased to \$5 million in 2015, compared to \$45 million in 2014, mainly driven by lower gross profit in our Brazilian port operations, the impact of the strike and weaker farmer usage of fertilizer in Argentina and the positive SG&A impact on 2014 results.

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,	
	2015	2014
Interest income	\$ 43	\$ 87
Interest expense	(258)	(347)

Interest income decreased to \$43 million when compared to the same period of 2014, as a result of lower cash investments in Brazil and Argentina and \$12 million of accumulated interest on a loan provided to and repaid by a related party in 2014. Interest expense decreased by 26% compared to last year, primarily due to lower average outstanding debt, mainly as a result of reduced working capital requirements due to lower global commodity prices in 2015 and interest charges of \$65 million related to certain ICMS tax credits in Brazil.

Discontinued Operations. Discontinued operations results in 2015 were income of \$35 million, net of tax, compared to income of \$32 million, net of tax, in 2014. Results in 2015, included gains in Brazilian fertilizer driven by foreign exchange gains and the recovery of previously written-off farmer receivables, which were partly offset by losses in our asset management business. Results in 2014 included benefits related to a tax amnesty program in Brazil and collections of previously written-off farmer receivables.

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 syndicated revolving credit facilities, term loans and proceeds from the issuance of senior notes. Acquisitions and long-lived

assets are generally financed with a combination of equity and long-term debt.

Our current ratio, which is a widely used measure of liquidity and is defined as current assets divided by current liabilities, was 1.44 and 1.49 at December 31, 2016 and 2015, respectively.

Cash and Cash Equivalents. Cash and cash equivalents were \$934 million at December 31, 2016 and \$411 million at December 31, 2015. Cash balances are managed in accordance with our investment policy, the objectives of which are to preserve the principal value of our cash assets, maintain a high degree of liquidity and deliver competitive returns subject to prevailing market conditions. Cash balances are invested in short-term deposits with highly rated financial institutions and in U.S. government securities.

Readily Marketable Inventories ("RMI"). RMI 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. RMI in our Agribusiness segment are reported at fair value and were \$3,593 million at December 31, 2016 and \$3,393 million at December 31, 2015. Of these amounts \$2,523 million and \$2,513 million were attributable to merchandising activities at December 31, 2016 and December 31, 2015, respectively. RMI at fair value in the aggregate amount of \$123 million and \$110 million at December 31, 2016 and December 31, 2015, respectively, were included in our Edible Oil Products segment inventories. The Sugar and Bioenergy segment included RMI of \$139 million and \$163 million at December 31, 2016 and December 31, 2015, respectively which can be attributed to our trading and merchandising business.

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

Revolving Credit Facilities. At December 31, 2016, we had \$5,015 million of aggregate committed borrowing capacity under our commercial paper program and various revolving bilateral and syndicated credit facilities, of which all was unused and available. The following table summarizes these facilities as of the periods presented:

		TOTAL COMMITTED CAPACITY	BORROWINGS OUTSTANDING	
COMMERCIAL PAPER PROGRAM AND REVOLVING CREDIT FACILITIES	MATURITIES	DECEMBER 31, 2016	DECEMBER 31, 2016	DECEMBER 31, 2015
(US\$ in millions)				
Commercial Paper	2019	\$ 600	\$ -	\$ -
Long-Term Revolving Credit Facilities ⁽¹⁾	2018 - 2019	4,415	-	752
Total		\$5,015	\$ -	\$752

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

On June 24, 2016, we completed the refinancing on a \$200 million three-year committed unsecured bilateral revolving credit facility, to mature on June 24, 2019. A further \$500 million of unsecured bilateral revolving credit facilities were refinanced on September 23, 2016 to mature on September 23, 2019. Borrowings under these Facilities bear interest at LIBOR plus a margin, which will vary from 0.65% to 1.40% per annum based on the credit ratings on its senior long-term unsecured debt. Amounts under the Facilities that remain undrawn are subject to a commitment fee payable at a rate ranging from 0.20% to 0.25%.

In addition to committed credit facilities, from time-to-time, we, through our financing subsidiaries, enter into bilateral short-term credit lines as necessary based on our financing

requirements. At December 31, 2016 and 2015, no borrowings were outstanding under these bilateral short-term credit lines.

Short and long-term debt. Our short and long-term debt decreased by \$179 million at December 31, 2016 from December 31, 2015, primarily due to a decrease in working capital requirements in the latter part of the year. For the year ended December 31, 2016, our average short and long-term debt outstanding was approximately \$5,201 million compared to approximately \$4,316 million for the year ended December 31, 2015, primarily due to higher average working capital financing requirements, driven by higher average global commodity prices. Our long-term debt outstanding balance was \$4,007 million at December 31, 2016 compared to \$3,795 million at December 31, 2015. The following table summarizes our short-term debt activity at December 31, 2016.

(US\$ in millions)	OUTSTANDING BALANCE AT DECEMBER 31, 2016	WEIGHTED AVERAGE INTEREST RATE AT DECEMBER 31, 2016	HIGHEST BALANCE OUTSTANDING DURING 2016	AVERAGE BALANCE DURING 2016	WEIGHTED AVERAGE INTEREST RATE DURING 2016
Bank Borrowings	\$257	8.69%	\$1,179	\$ 671	5.02%
Commercial Paper	-		565	278	0.67%
Total	\$257 ⁽¹⁾	8.69%	\$1,744	\$ 949	3.75%

(1) Includes \$148 million of local currency borrowings in certain Central and Eastern European, South American, South African and Asia-Pacific countries at a weighted average interest rate of 13.63% as of December 31, 2016.

On August 15, 2016, we completed the sale of \$700 million aggregate principal amount of 3.25% senior notes due August 15, 2026. The unsecured senior notes were issued by Bunge's 100% owned finance subsidiary, Bunge Limited Finance Corp., and are fully and unconditionally guaranteed by Bunge. The offering was made pursuant to a registration statement filed with the U.S. Securities and Exchange Commission. The net proceeds of \$695 million were used for general corporate purposes, including, but not limited to, the repayment of outstanding indebtedness, which includes indebtedness under revolving credit facilities.

On June 16, 2016, we completed the sale of 600 million *euro* (approximately \$670 million) aggregate principal amount of

1.85% senior notes due June 16, 2023 ("Notes"). Additionally, on November 17, 2016 we completed the sale of 200 million *euro* (approximately \$214 million) of the Notes bringing the aggregate principal amount to 800 million *euro*. The Notes were issued by Bunge's 100% owned finance subsidiary, Bunge Finance Europe B.V., and are fully and unconditionally guaranteed by Bunge. The offering was made pursuant to a registration statement filed with the U.S. Securities and Exchange Commission. The aggregated net proceeds of 802 million *euro* (approximately \$887 million) were used for general corporate purposes, including, but not limited to the repayment of outstanding indebtedness, which includes indebtedness under revolving credit facilities.

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

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Short-term debt: ⁽¹⁾		
Short-term debt, including consolidated investment fund debt ⁽²⁾⁽³⁾	\$ 257	\$ 648
Current portion of long-term debt	938	869
Total short-term debt	1,195	1,517
Long-term debt ⁽⁴⁾ :		
Bilateral revolving credit facilities expiry 2016	-	300
Revolving credit facilities expiry 2018	-	452
Term loan due 2019 - three-month Yen LIBOR plus 0.75% (Tranche A)	243	237
Term loan due 2019 - fixed Yen interest rate of 0.96% (Tranche B)	51	50
Term loan due 2019 - three-month LIBOR plus 1.30% (Tranche C)	85	85
4.10% Senior Notes due 2016	-	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
3.50% Senior Notes due 2020	497	497
1.85% Senior Notes due 2023 - Euro	843	-
3.25% Senior Notes due 2026	694	-
Other ⁽⁵⁾	144	224
Subtotal	4,007	3,795
Less: Current portion of long-term debt	(938)	(869)
Total long-term debt including consolidated investment fund debt	3,069	2,926
Total debt	\$4,264	\$4,443

(1) Includes secured debt of \$7 million and \$36 million at December 31, 2016 and December 31, 2015, respectively.

(2) Includes \$148 million and \$137 million of local currency borrowings in certain Central and Eastern European, South American, South African and Asia-Pacific countries at a weighted average interest rate of 13.63% and 15.54% as of December 31, 2016 and 2015, respectively.

(3) There is no consolidated investment fund debt as of December 31, 2016. Includes consolidated investment fund debt, for which Bunge elected to account for \$22 million at fair value as of December 31, 2015.

(4) Includes secured debt of \$34 million and \$47 million at December 31, 2016 and December 31, 2015, respectively.

(5) There is no consolidated investment fund debt as of December 31, 2016. Includes consolidated investment fund debt, for which Bunge elected to account for \$53 million at fair value as of December 31, 2015.

Credit Ratings. Bunge's debt ratings and outlook by major credit rating agencies at December 31, 2016 were as follows:

	SHORT-TERM DEBT ⁽¹⁾	LONG-TERM DEBT	OUTLOOK
Standard & Poor's	A-1	BBB	Stable
Moody's	P-1	Baa2	Stable
Fitch	Not rated	BBB	Stable

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

Our debt agreements do not have any credit rating downgrade triggers that would accelerate maturity of our debt. However, credit rating downgrades would increase our borrowing costs under our syndicated 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. 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, 2016.

Trade Receivable Securitization Program We initially entered into our trade receivable securitization program (the "Program") in June 2011, which provides us with an additional source of liquidity. On May 26, 2016, Bunge and certain of its subsidiaries renewed and amended its \$700 million trade receivables securitization program, which terminates on May 26, 2021. However, each committed purchaser's commitment to fund trade receivables sold under the Program will terminate on May 26, 2019 unless extended in accordance with the terms of the receivables transfer agreement.

At December 31, 2016 and 2015, \$628 million and \$524 million, respectively, of receivables sold under the Program were derecognized from our consolidated balance sheets. Proceeds received in cash related to transfers of receivables under the Program totaled \$9,197 million and \$10,396 million for the years ended December 31, 2016 and 2015, respectively. In addition, cash collections from customers on receivables previously sold were \$9,176 million and \$10,542 million for the years ended December 31, 2016 and 2015, 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, 2016 and 2015 were \$9,405 million and \$10,601 million, respectively. These sales resulted in discounts of \$6 million for the year ended December 31, 2016, \$5 million for the year ended December 31, 2015 and \$7 million for the year ended December 31, 2014, which were included in SG&A in the consolidated statements of income. Servicing fees under the Program were not significant in any period.

Our risk of loss following the sale of the trade receivables is limited to the deferred purchase price receivable ("DPP"), which at December 31, 2016 and 2015 had a fair value of \$87 million and \$79 million, respectively, and is included in other current assets in our consolidated balance sheets (see Note 17 to our consolidated financial statements). The DPP will be repaid in cash as receivables are collected, generally within 30 days. Delinquencies and credit losses on trade receivables sold under the Program during the years ended December 31, 2016, 2015 and 2014 were insignificant. We have reflected all cash flows under the Program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2016 and 2015.

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 is set forth in the following table:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Convertible perpetual preference shares	\$ 690	\$ 690
Common shares	1	1
Additional paid-in capital	5,143	5,105
Retained earnings	8,208	7,725
Accumulated other comprehensive income	(5,978)	(6,360)
Treasury shares, at cost (2016 - 12,882,313 and 2015 - 9,586,083)	(920)	(720)
Total Bunge shareholders' equity	7,144	6,441
Noncontrolling interests	199	211
Total equity	\$ 7,343	\$ 6,652

Total Bunge shareholders' equity increased to \$7,144 million at December 31, 2016 from \$6,441 million at December 31, 2015. The change in equity was primarily due to net income attributable to Bunge for the year ended December 31, 2016 of \$745 million and cumulative translation gains of \$709 million, resulting from the revaluation of global currencies relative to the U.S. dollar in 2016. This increase partially offset by paid dividends to common and preferred shareholders of \$223 million and \$34 million, respectively and treasury shares acquired of \$200 million.

Noncontrolling interest decreased to \$199 million at December 31, 2016 from \$211 million at December 31, 2015 primarily due to deconsolidation of a variable interest entity that was previously consolidated and dividends paid to non-controlling interest holders, partly offset by the acquisition of a majority share in Walter Rau Neusser.

At December 31, 2016, 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 1.1507 Bunge Limited common shares, based on the conversion price of \$86.901 per share, subject to certain additional anti-dilution adjustments (which represents 7,939,830 Bunge Limited common shares at December 31, 2016). At any time, 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.

2016 Compared to 2015. In 2016, our cash and cash equivalents increased by \$523 million reflecting the net effect of cash flows from operating, investing and financing activities. For the year ended December 31, 2015, our cash and cash equivalents increased by \$49 million reflecting the net effect of cash flows from operating, investing and financing activities.

Cash provided by our operating activities was \$1,904 million for the year ended December 31, 2016 compared to \$610 million for the year ended December 31, 2015. Net cash inflows from operating activities for the years ended December 31, 2016 and 2015, were principally due to net income, including adjustments for non-cash items, and a decrease in the use of cash for net operating assets and liabilities. In 2016, higher prices for sugar and the soybean complex, together with essentially flat volumes resulted in higher working capital needs, however this was more than offset by initiatives to reduce working capital and an appreciation of the Brazilian *real* relative to the U.S. dollar, which mostly impacted trade accounts payable in our Brazilian operations. In 2015, the increase in net operating assets and liabilities was primarily due to increases in secured advances to farmers in South America, who were motivated to sell their record level crops as the Brazilian *real* and Argentine *peso* depreciated relative to the U.S. dollar.

Certain of our non-U.S. operating subsidiaries are primarily funded with U.S. dollar-denominated debt, while currency risk is hedged with U.S. dollar denominated assets. The functional currency of our operating subsidiaries is generally the local currency. In addition, certain of our U.S. dollar functional operating subsidiaries outside the United States are partially funded with local currency borrowings, while the currency risk is hedged with local currency denominated assets. The financial statements of our subsidiaries are calculated in the functional currency, and when the local currency is the functional currency, translated into U.S. dollar. U.S. dollar-denominated loans are remeasured into their respective functional currencies at exchange rates at the applicable balance sheet date. Local currency loans are remeasured into U.S. dollar at the exchange rate at the applicable balance sheet date. The resulting gain or loss is included in our consolidated statements of income as foreign exchange gains or losses. For the years ended December 31, 2016 and December 31, 2015, we recorded foreign exchange losses of \$80 million and gains of \$213 million, respectively, which were included as adjustments to reconcile net income to cash used for operating activities in the line item "Foreign exchange loss (gain) on debt" in our consolidated statements of cash flows. This adjustment is required because the cash flow impacts of these gains or losses are non-cash items and will represent 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 \$926 million for the year ended December 31, 2016 compared to \$802 million for the year ended December 31, 2015. During 2016, payments made for capital expenditures of \$784 million, compared to \$649 million during 2015, were primarily related to replanting of sugarcane and maintenance and improvements for our industrial sugar business in Brazil, upgrade and expansion of an export terminal in the United States, construction of a wheat milling facility in Brazil, the expansion of a port facility in Ukraine and the construction of oilseed processing plants in Ukraine and Asia-Pacific. In addition, we acquired for \$34 million Walter Rau Neusser, a vegetable oil blends producer for large-scale commercial customers, based in Germany. In the year ended December 31, 2015, we paid \$347 million for the acquisitions of businesses, net of cash acquired. In the year ended December 31, 2016, we had cash outflows related to settlements of net investment hedges of \$375 million in the year ended December 31, 2016, primarily driven by the appreciation of the Brazilian *real* relative to the US dollar in 2016, compared to cash inflows of \$203 million in the year ended December 31, 2015. Proceeds from disposition of investment in affiliates included \$145 million and \$33 million for the disposition of equity interests of operations in Brazil and Vietnam, respectively. In addition, we sold 10% of our minority share in G3 Global Holdings GP Inc. ("G3") for net proceeds of \$37 million to our joint venture partner, Saudi Agricultural and Livestock Investment Company (or SALIC). Proceeds from and payments for investments for both years 2016 and 2015 included primarily purchases and sales of certain marketable securities and other short term investments. Investments in affiliates in 2016 included additional

investments in SB Oils, our joint venture with TerraVia Holdings Inc. to produce renewable oils in Brazil and G3.

Cash used for financing activities was \$488 million in the year ended December 31, 2016, compared to cash provided by financing activities of \$360 million for the year ended December 31, 2015. The cash used for financing activities is primarily reflecting lower working capital needs, partially offset by an increase of cash used for investing activities. Dividends paid to our common shareholders and holders of our convertible preference shares were \$257 million and \$241 million, for the years ended December 31, 2016 and 2015, respectively. In connection with our common share repurchase program, in 2016, we purchased 3,296,230 of our common shares at a cost of \$200 million and in 2015, we purchased 3,871,810 of our common shares at a cost of \$300 million. In the year ended December 31, 2016, we paid \$25 million of dividends to non-controlling interest holders and \$39 million for the acquisition of the non-controlling interest of a joint venture in Europe.

2015 Compared to 2014. In 2015, our cash and cash equivalents increased by \$49 million reflecting the net effect of cash flows from operating, investing and financing activities. For the year ended December 31, 2014, our cash and cash equivalents decreased by \$380 million.

Cash provided by our operating activities was \$610 million for the year ended December 31, 2015 compared to \$1,399 million for the year ended December 31, 2014. Net cash inflows from operating activities for the year ended December 31, 2015 were principally due to net income, including adjustments for non-cash items, partially offset by an increase in the use of cash for net operating assets and liabilities. The increase in net operating assets and liabilities is primarily due to increases in secured advances to farmers in South America who were motivated to sell their record level crops as the Brazilian real and Argentine peso depreciated relative to the U.S. dollar. The net cash provided by operating activities for the year ended December 31, 2014 were principally due to net income, including adjustments for non-cash items. The decrease in net operating assets and liabilities in 2014 is primarily due to lower working capital levels than at December 31, 2013, resulting from, on average, lower global commodity prices, which effect was partially offset by the impact of the depreciation from certain currencies including the Brazilian real, Argentine peso, Ukrainian hryvnia and the euro relative to the U.S. dollar.

Certain of our non U.S. operating subsidiaries are primarily funded with U.S. dollar denominated debt, while currency risk is hedged with U.S. dollar denominated assets. The functional currency of our operating subsidiaries is generally the local currency. Also, certain of our U.S. dollar functional operating subsidiaries outside the United States are partially funded with local currency borrowings, while the currency risk is hedged with local currency denominated assets. The financial statements of our subsidiaries are calculated in the functional currency, and when the local currency is the functional currency, translated into U.S. dollar. U.S. dollar denominated loans are remeasured into their respective functional currencies at exchange rates at the applicable balance sheet date. Local

currency loans are remeasured into U.S. dollar at the exchange rate at the applicable balance sheet date. The resulting gain or loss is included in our consolidated statements of income as foreign exchange gains or losses. For the years ended December 31, 2015 and December 31, 2014, we recorded foreign exchange gains of \$213 million and \$215 million, respectively, which were included as adjustments to reconcile net income to cash used for operating activities in the line item "Foreign exchange loss (gain) on debt" in our consolidated statements of cash flows. This adjustment is required because the cash flow impacts of these gains or losses are non cash items and will represent 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 \$802 million for the year ended December 31, 2015 compared to cash used of \$685 million for the year ended December 31, 2014. During 2015, payments made for capital expenditures of \$649 million were primarily related to replanting of sugarcane and maintenance and improvements for our industrial sugar business in Brazil, upgrade and expansion of an export terminal in the United States, construction of a wheat milling facility in Brazil, the expansion of a port facility in Ukraine and construction of oilseed processing plants in Ukraine and in Asia Pacific. We also acquired Moinho Pacifico, a Brazilian wheat mill and port terminal in Santos, Brazil, Whole Harvest Foods, a U.S. refiner and packager of expeller pressed commercial cooking oil and Heartland Harvest, Inc., a U.S. based producer of die cut pellets for the snack food industry, and the remaining interest in a Spanish biodiesel production facility. Proceeds from settlement of net investment hedges totaled \$203 million. Proceeds from sales of investment in affiliates included net proceeds of \$88 million for the sale of certain assets in our grain business in Canada to G3 Canada Limited (formerly the Canadian Wheat Board). Capital expenditures in 2015 were \$649 million, 23% lower compared to \$839 million in 2014, as a result of management's disciplined capital management and generally lower capital expenditures in our industrial Sugar and Bioenergy operations in Brazil. Proceeds from and payments for investments for both years 2015 and 2014 included primarily sales of assets in funds in our asset management business and the purchases and sales of certain marketable securities and other short term investments. Investments in affiliates in 2015 included our payment for our share of G3 Canada Limited (formerly the Canadian Wheat Board) and additional investments in SB Oils, our joint venture with Solazyme, Inc. to produce renewable oils in Brazil. Investments in affiliates in 2014 included primarily investments in SB Oils.

Cash provided by financing activities was \$360 million in the year ended December 31, 2015, compared to cash used for financing activities of \$1,058 million for the year ended December 31, 2014. The increase in cash provided by financing activities was primarily due to net borrowings of debt of \$882 million, which were used to fund capital expenditures and increased activity in acquisitions of businesses and investments in affiliates. Dividends paid to our common shareholders and holders of our convertible preference shares were \$241 million and \$221 million, for the years ended December 31, 2015 and

2014, respectively. In connection with our common share repurchase program, in 2015 we purchased 3,871,810 of our common shares at a cost of \$300 million and in 2014 we purchased 3,780,987 of our common shares at a cost of \$300 million. For the year ended December 31, 2014, financing activities reflected reduced financing requirements due to a declining global commodity price environment.

Brazilian Farmer Credit

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

Because Brazilian farmer credit exposures are denominated in local currency, reported values are impacted by movements in the value of the Brazilian *real* when translated into U.S. dollars. From December 31, 2015 to December 31, 2016, the Brazilian *real* appreciated by approximately 17%, increasing the reported farmer credit exposure balances when translated into U.S. dollars.

We periodically evaluate the collectability of our farmer 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.

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 \$38 million, \$38 million and \$37 million for the years ended December 31, 2016, 2015 and 2014, respectively, is included in net sales in the consolidated statements of income.

The table below shows details of prepaid commodity contracts and secured advances to suppliers outstanding at our Brazilian operations as of the dates indicated. See Notes 5 and 11 of the notes to our consolidated financial statements for more information.

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Prepaid commodity contracts	\$189	\$175
Secured advances to suppliers (current)	593	514
Total (current)	782	689
Commodities not yet priced ⁽¹⁾	(26)	(12)
Net	756	677
Secured advances to suppliers (non-current)	184	158
Total (current and non-current)	940	835
Allowance for uncollectible amounts (current and non-current)	\$ (53)	\$ (42)

(1) Commodities delivered by suppliers that are yet to be priced are reflected at prevailing market prices at December 31, 2016 and December 31, 2015, respectively.

Capital Expenditures

Our cash payments made for capital expenditures were \$784 million, \$649 million and \$839 million for the years ended December 31, 2016, 2015 and 2014, respectively. We intend to make capital expenditures of approximately \$750 million in 2017. Our priorities for 2017 capital expenditures are growth, maintenance and compliance projects first (where we expect to use approximately 66% of our funds allocated to capital expenditures), followed by projects enhancing productivity of our operations, and sugar planting. We intend to fund these capital expenditures primarily with cash flows from operations.

OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

We have issued or were party to the following guarantees at December 31, 2016:

(US\$ in millions)	MAXIMUM POTENTIAL FUTURE PAYMENTS
Unconsolidated affiliates financing ⁽¹⁾⁽²⁾	\$ 99
Residual value guarantee ⁽³⁾	222
Total	<u>\$321</u>

(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 2017 through 2022. There are no recourse provisions or collateral that would enable us to recover any amounts paid under these guarantees. At December 31, 2016, we had no outstanding recorded obligation related to these guarantees.

(2) We issued guarantees to certain third parties related to performance of its unconsolidated joint ventures. There are no recourse provisions or collateral that would enable us to recover any amounts paid under these guarantees. At December 31, 2016, we had no outstanding recorded obligation related to these guarantees.

(3) 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 2018 through 2021. At December 31, 2016, our recorded obligation related to these guarantees was \$4 million.

Bunge Limited has provided a Guaranty to the Director of the Illinois Department of Agriculture as Trustee for Bunge North America, Inc. ("BNA"), an indirect wholly-owned subsidiary, which guarantees all amounts due and owing by BNA, to grain producers and/or depositors in the State of Illinois who have delivered commodities to BNA's Illinois facilities.

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, 2016, debt with a carrying amount of \$4,035 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 largely no 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, 2016, and the effect such obligations are expected to have on our liquidity and cash flows in the future periods indicated.

(US\$ in millions)	PAYMENTS DUE BY PERIOD				
	Total	2017	2018-2019	2020-2021	2022 AND THEREAFTER
Short-term debt	\$ 257	\$ 257	\$ -	\$ -	\$ -
Long-term debt ⁽¹⁾	4,024	938	1,006	529	1,551
Variable interest rate obligations	14	4	9	1	-
Interest obligations on fixed rate debt	542	125	193	95	129
Non-cancelable lease obligations ⁽²⁾	668	152	214	131	171
Capital commitments	72	59	13	-	-
Freight supply agreements ⁽³⁾	650	156	180	159	155
Inventory purchase commitments	16	16	-	-	-
Power supply purchase commitments	108	79	26	3	-
Total contractual cash obligations ⁽⁴⁾⁽⁵⁾	\$6,351	\$1,786	\$1,641	\$918	\$2,006

(1) Excludes changes in long-term debt attributable to fair value hedge accounting of \$17 million.

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

(3) In the ordinary course of business, we enter into purchase commitments for time on ocean freight vessels and freight service on railroad lines for the purpose of transporting agricultural commodities. In addition, we sell time on these ocean freight vessels when excess freight capacity is available. Payments to be received by us under such relet agreements are anticipated to be approximately \$10 million in 2017. These agreements range from two months to approximately seven years in the case of ocean freight vessels and 5 to 9 years in the case of railroad services. Actual amounts paid under these contracts may differ due to the variable components of these agreements and the amount of income earned by us on the sale of excess capacity. The railroad freight services agreements require a minimum monthly payment regardless of the actual level of freight services used by us. The costs of our freight supply agreements are typically passed through to our customers as a component of the prices we charge for our products. However, changes in the market value of freight compared to the rates at which we have contracted for freight may affect margins on the sales of agricultural commodities.

(4) Does not include estimated payments of liabilities associated with uncertain income tax positions. As of December 31, 2016, Bunge had tax liabilities of \$130 million, including interest and penalties. At this time, we are unable to make a reasonably reliable estimate of the timing of payments in individual years in connection with these tax liabilities; therefore, such amounts are not included in the above contractual obligation table. See Note 13 to our consolidated financial statements.

(5) Does not include obligations for pension and postretirement benefits for which we expect to make employer contributions of \$21 million in 2017. 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 four years and cover approximately 211,017 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, sugar and ethanol council. During the years ended December 31, 2016, 2015 and 2014, we made payments related to these agreements of \$154 million, \$125 million and \$162 million, respectively. Of these amounts \$89 million, \$75 million and \$95 million for the years ended December 31, 2016, 2015 and 2014, respectively, were advances for future purchases and \$65 million, \$50 million and \$67 million were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2016, 2015 and 2014, respectively.

Employee Benefit Plans

We expect to contribute \$13 million to our defined benefit pension plans and \$8 million to our postretirement healthcare benefit plans in 2017.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are more fully described in Note 1 to our consolidated financial statements included as part of this Annual Report on Form 10-K. As disclosed in Note 1, the preparation of financial statements in conformity with U.S. GAAP requires management to make substantial judgment or estimation in their application that may significantly affect reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The Company believes that the following discussion addresses the Company's most critical accounting policies, which are those that are most important to the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective and complex judgments.

Allowances for Uncollectible Accounts

Accounts receivable and secured advances to suppliers are stated at the historical carrying amounts net of write-offs and allowances for uncollectible accounts. We establish an allowance for uncollectible trade accounts receivable and secured advances to farmers based on historical experience,

farming, economic and other market conditions as well as specific identified customer collection issues. Uncollectible accounts are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when we have determined that collection of the balance is unlikely.

We follow the accounting guidance on the disclosure of the credit quality of financing receivables and the allowance for credit losses which requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes. Based upon an analysis of credit losses and risk factors to be considered in determining the allowance for credit losses, we have determined that the long-term receivables from farmers in Brazil are a single portfolio segment.

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

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

Inventories and Derivatives

We use derivative instruments for the purpose of managing the exposures associated with agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs and for positioning our overall portfolio relative to expected market movements in accordance with established policies and procedures. We are exposed to loss in the event of non-performance by counterparties to certain of these contracts. The risk of non-performance is routinely monitored and adjustments recorded, if necessary, to account for potential non-performance. Different assumptions, changes in economic circumstances or the deterioration of the financial

condition of the counterparties to these derivative instruments could result in additional fair value adjustments and changes in expense reflected in cost of goods sold, foreign exchange or interest expense. We did not have significant valuation adjustments relating to non-performance by counterparties at December 31, 2016 or 2015.

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

Recoverable Taxes

We evaluate the collectability of our recoverable taxes and record allowances if we determine that collection is doubtful. Recoverable taxes include value-added taxes paid upon the acquisition of fixed assets, raw materials and taxable services and other transactional taxes, which can be recovered in cash or as compensation against income taxes, or other taxes we may owe, primarily in Brazil. 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, 2016 and 2015, the allowance for recoverable taxes was \$35 million and \$32 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 undiscounted 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. We recorded impairment charges of \$9 million for the year ended December 31, 2016 primarily related to the impairment of an Argentina fertilizer plant.

Contingencies

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

Income Taxes

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

We apply a “more likely than not” threshold to the recognition and de-recognition of tax benefits. Accordingly we recognize the amount of tax benefit that has a greater than 50 percent likelihood of being ultimately realized upon settlement. The calculation of our uncertain tax positions involves uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. Future changes in judgment related to the ultimate resolution of unrecognized tax benefits will affect the earnings in the quarter of such change. At December 31, 2016 and 2015, we had recorded uncertain tax positions of \$130 million and \$64 million, respectively, in our consolidated balance sheets. For additional information on income taxes, please refer to Note 13 of the consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1 – *Nature of Business, Basis of Presentation, and Significant Accounting Policies* to our consolidated financial statements in this Annual Report on Form 10-K.

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, operating under a global governance framework. We have a corporate risk management group which analyzes and monitors various risk exposures globally. Additionally, our Board of Directors’ Finance and Risk Policy Committee oversees our global governance framework including all 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. See Note 14 to the consolidated financial statements in this Annual Report on Form 10-K for a more detailed discussion of our use of derivative instruments.

CREDIT AND COUNTERPARTY RISK

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

through credit analysis by the local credit staff and review by various local and corporate committees which monitor counterparty performance. We record provisions for counterparty losses from time to time as a result of our credit and counterparty analysis.

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

COMMODITIES RISK

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

We enter into various derivative contracts with the primary objective of managing our exposure to adverse price movements in the agricultural commodities used and produced in our business operations. We have established policies that limit the amount of unhedged fixed price agricultural commodity positions permissible for our operating companies, which are generally a combination of volume and value-at-risk ("VaR") limits. We measure and review our net commodities position on a daily basis. Bunge also employs stress testing techniques in order to quantify its exposures to price and liquidity risks under non-normal or event driven market conditions.

Our daily net agricultural commodity position consists of inventory, forward purchase and sale contracts, OTC and exchange traded derivative instruments, including those used to hedge portions of our production requirements. The fair value of that position is a summation of the fair values calculated for each agricultural commodity by valuing all of our commodity positions at quoted market prices for the period where available or utilizing a close proxy. VaR is calculated on the net position and monitored at the 95% confidence interval.

In addition, scenario analysis and stress testing are performed. For example, one measure of market risk is estimated as the potential loss in fair value 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, 2016		YEAR ENDED DECEMBER 31, 2015	
	FAIR VALUE	MARKET RISK	FAIR VALUE	MARKET RISK
(US\$ in millions)				
Highest daily aggregated position value	\$1,207	\$(121)	\$ 642	\$(64)
Lowest daily aggregated position value	(682)	(68)	(950)	(95)

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 electricity, natural gas and bunker fuel, 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*, Canadian *dollar*, 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 foreign currency forward contracts, swaps and 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, 2016 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 \$257 million and \$541 million for the years ended December 31, 2016 and 2015, 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, based on market yields at December 31, 2016, was \$4,420 million with a carrying value of \$4,264 million.

A hypothetical 100 basis point increase in the interest yields on our senior note debt at December 31, 2016 would result in a decrease of approximately \$22 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, 2016 would cause an increase of approximately \$22 million in the fair value of our debt.

A hypothetical 1% change in LIBOR would result in a change of approximately \$36 million in our interest expense on our variable rate debt at December 31, 2016. 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 and certain benchmark rates in local bank markets. As such, the hypothetical 1% change in interest rate ignores the potential impact of any currency movements.

Derivative Instruments

Interest Rate Derivatives. Interest rate derivatives used by us as hedging instruments are recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these swap agreements may be designated as fair value hedges. The carrying amount of the associated hedged debt is also adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. We may enter into interest rate swap agreements for the purpose of managing certain of our interest rate exposures. We may also enter into interest rate basis swap agreements that do not qualify as hedges for accounting purposes. Changes in fair value of such interest rate basis swap agreements are recorded in earnings.

We recognized gains of approximately \$3 million, \$9 million and \$12 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, 2016, 2015 and 2014.

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.

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

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.

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.

For more information, see Note 14 to our consolidated financial statements included as part of this Annual Report on Form 10-K.

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-72 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 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, 2016, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as that term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the fiscal year covered by this Annual Report on Form 10-K.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Bunge Limited’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Bunge Limited’s internal control over financial

reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. Generally Accepted Accounting Principles.

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

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

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in our internal control over financial reporting during the fourth fiscal quarter ended December 31, 2016 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 errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls may also be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

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, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016 of the Company and our report dated February 28, 2017 expressed an unqualified opinion on the consolidated financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

New York, New York
February 28, 2017

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 2017 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 2017 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 Conduct” 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 2017 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 2017 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 2017 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 2017 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.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

See “Index to Exhibits” set forth below.

	EXHIBIT NUMBER	DESCRIPTION
a. (1) (2) Financial Statements and Financial Statement Schedules	3.1	Memorandum of Association (incorporated by reference from the Registrant's Form F-1 (No. 333-65026) filed July 13, 2001)
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.	3.2	Certificate of Deposit of Memorandum of Increase of Share Capital (incorporated by reference from the Registrant's Form 10-Q filed August 11, 2008)
	3.3*	Bye-laws, amended and restated as of May 25, 2016
	4.1	Form of Common Share Certificate (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008)
a. (3) Exhibits	4.2	Certificate of Designation of 4.875% Cumulative Convertible Perpetual Preference Shares (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006)
The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Form 10-K.	4.3	Form of 4.875% Cumulative Convertible Perpetual Preference Share Certificate (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006)
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 .	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
	10.1	Fifth Amended and Restated Pooling Agreement, dated as of June 28, 2004, among Bunge Funding Inc., Bunge Management Services Inc., as Servicer, and The Bank of New York Mellon, as Trustee (incorporated by reference from the Registrant's Form 10-K filed February 27, 2012)
	10.2	Fifth Amended and Restated Series 2000-1 Supplement, dated as of June 28, 2004, among Bunge Funding Inc., Bunge Management Services, Inc., as Servicer, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank International,” New York Branch, as Letter of Credit Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, The Bank of New York Mellon, as Collateral Agent and Trustee, and Bunge Asset Funding Corp., as Series 2000-1 Purchaser (incorporated by reference from the Registrant's Form 10-K filed February 27, 2012)
	10.3	Twelfth Amended and Restated Liquidity Agreement, dated as of November 20, 2014, among Bunge Asset Funding Corp., the financial institutions party thereto, Citibank, N.A., as Syndication Agent, BNP Paribas and The Bank of Tokyo Mitsubishi UFJ, Ltd., as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference from the Registrant's Form 8-K filed November 24, 2014)
	10.4	Annex X, dated as of November 20, 2014 (incorporated by reference from the Registrant's Form 8-K filed on November 24, 2014)

EXHIBIT NUMBER	DESCRIPTION	EXHIBIT NUMBER	DESCRIPTION
10.5	Eighth Amended and Restated Guaranty, dated as of November 20, 2014, by Bunge Limited, as Guarantor, to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank International,” New York Branch, in its capacity as the letter of credit agent under the Letter of Credit Reimbursement Agreement for the benefit of the Letter of Credit Banks, JPMorgan Chase Bank, N.A., in its capacity as the administrative agent under the Liquidity Agreement, for the benefit of the Liquidity Banks and The Bank of New York Mellon (formerly known as The Bank of New York), in its capacity as collateral agent under the Security Agreement and as trustee under the Pooling Agreement (incorporated by reference from the Registrant’s Form 8-K filed on November 24, 2014)	10.10	Guaranty, dated as of November 20, 2014, by Bunge Limited, as Guarantor, to JPMorgan Chase Bank, N.A., as administrative agent under the Revolving Credit Agreement (incorporated by reference from the Registrant’s Form 8-K filed on November 24, 2014)
10.6	Facility Agreement, dated March 17, 2014, among Bunge Finance Europe B.V., as Borrower, ABN AMRO Bank N.V., BNP Paribas, ING Bank N.V., Lloyds Bank plc, The Royal Bank of Scotland plc, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Industrial and Commercial Bank of China Ltd., New York Branch, Mizuho Bank, Ltd., Natixis, SG Americas Securities LLC, Standard Chartered Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Unicredit Bank AG, New York Branch, as Mandated Lead Arrangers, the financial institutions from time to time party thereto, and ABN AMRO Bank N.V., as Agent (incorporated by reference from the Registrant’s Form 8-K filed on March 19, 2014)	10.11	Amended and Restated Credit Agreement, dated June 17, 2014, among Bunge Limited Finance Corp., as Borrower, CoBank ACB, as Administrative Agent and Lead Arranger, and certain lenders party thereto (incorporated by reference from the Registrant’s Form 10-K filed on March 2, 2015)
10.7	Amendment Agreement, dated August 10, 2015, relating to the Facility Agreement, dated March 17, 2014, among Bunge Finance Europe B.V., as Borrower, ABN AMRO Bank N.V., BNP Paribas, ING Bank N.V., Lloyds Bank plc, The Royal Bank of Scotland plc, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Industrial and Commercial Bank of China Ltd., New York Branch, Mizuho Bank, Ltd., Natixis, SG Americas Securities LLC, Standard Chartered Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Unicredit Bank AG, New York Branch, as Mandated Lead Arrangers, the financial institutions from time to time party thereto, and ABN AMRO Bank N.V., as Agent (incorporated by reference from Registrant’s Form 8-K filed on August 10, 2015)	10.12	Amended and Restated Guaranty, dated as of June 17, 2014, between Bunge Limited, as Guarantor, and CoBank ACB, as Administrative Agent (incorporated by reference from the Registrant’s Form 10-K filed on March 2, 2015)
10.8	Amended and Restated Guaranty, dated as of August 10, 2015, by Bunge Limited, as Guarantor, to ABN AMRO Bank N.V., as Agent (incorporated by reference from the Registrant’s Form 8-K filed on August 10, 2015)	10.13	Eighth Amendment to and Restatement of the Receivables Transfer Agreement, dated May 26, 2016, among Bunge Securitization B.V., as Seller, Koninklijke Bunge B.V. (f/k/a 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 Rabobank U.A. (f/k/a Centrale Raiffeisen-Boerenleenbank B.A.), as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant’s Form 10-Q filed on July 28, 2016)
10.9	Revolving Credit Agreement, dated as of November 20, 2014, among Bunge Limited Finance Corp., as Borrower, Citibank, N.A., as Syndication Agent, BNP Paribas and The Bank of Tokyo Mitsubishi UFJ, Ltd., as Co-Documentation Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, and certain lenders party thereto (incorporated by reference from the Registrant’s Form 8-K filed on November 24, 2014)	10.14	Ninth Amendment to the Receivables Transfer Agreement, dated June 30, 2016, among Bunge Securitization B.V., as Seller, Koninklijke Bunge 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 Rabobank U.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider (incorporated by reference from the Registrant’s form 10-Q filed on July 28, 2016)
		10.15*	Tenth Amendment to the Receivables Transfer Agreement, dated October 11, 2016, among Bunge Securitization B.V., as Seller, Koninklijke Bunge 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 Rabobank U.A., as Administrative Agent and Purchaser Agent, and Bunge Limited, as Performance Undertaking Provider
		10.16*	Amendment to and Restatement of the Servicing Agreement, dated May 26, 2016, among Bunge Securitization B.V., as Seller, Bunge North America Capital, Inc., as U.S. Intermediate Transferor, Coöperatieve Rabobank U.A., as Italian Intermediate Transferor, Koninklijke Bunge B.V., as Master Servicer, the persons named therein as Sub-Servicers, and Coöperatieve Rabobank U.A., as Administrative Agent

EXHIBIT NUMBER	DESCRIPTION	EXHIBIT NUMBER	DESCRIPTION
10.17	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)	10.26	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)
10.18	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)	10.27	Bunge Limited 2009 Equity Incentive Plan (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 11, 2014)
10.19	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)	10.28	Form of Nonqualified Stock Option Award Agreement under the 2009 Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2011)
++10.20	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)	10.29	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)
10.21	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)	10.30	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)
10.22*	Second Amendment to the U.S. Receivables Purchase Agreement, dated June 30, 2016, 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, Koninklijke Bunge B.V., as Seller Agent, Bunge North America Capital, Inc., as the Buyer, and Coöperatieve Rabobank U.A., as Administrative Agent	10.31	Bunge Limited 2016 Equity Incentive Plan (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 15, 2016)
++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)	10.32*	Form of Global Stock Option Agreement under the 2016 Bunge Limited Equity Incentive Plan
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)	10.33*	Form of Global Restricted Stock Unit Agreement under the 2016 Bunge Limited Equity Incentive Plan (for RSUs subject to pro rata vesting)
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)	10.34*	Form of Global Restricted Stock Unit Agreement under the 2016 Bunge Limited Equity Incentive Plan (for RSUs subject to cliff vesting)
		10.35*	Form of Global Performance Unit Agreement under the 2016 Bunge Limited Equity Incentive Plan
		10.36	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)
		10.37	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)
		10.38	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)
		10.39	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)
		10.40	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)

EXHIBIT NUMBER	DESCRIPTION	EXHIBIT NUMBER	DESCRIPTION
10.41	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)	10.52	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)
10.42	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)	10.53*	Offer Letter, dated as of April 11, 2014 for Brian Thomsen
10.43	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)	10.54*	Offer Letter, dated as of December 7, 2016, for Thomas Boehlert
10.44	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)	12.1*	Computation of Ratio of Earnings to Fixed Charges
10.45	Bunge Limited Employee Deferred Compensation Plan (effective January 1, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)	21.1*	Subsidiaries of the Registrant
10.46	Bunge Limited Annual Incentive Plan (effective January 1, 2011) (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 16, 2010)	23.1*	Consent of Deloitte & Touche LLP
10.47	Description of Non-Employee Directors' Compensation (effective as of January 1, 2014)	31.1*	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act
10.48	Offer Letter, amended and restated as of December 31, 2008, for Andrew J. Burke (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)	31.2*	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act
10.49	Compensation Letter to Andrew J. Burke, dated August 3, 2011 (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2011)	32.1*	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act
10.50	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)	32.2*	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act
10.51	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)	101*	The following financial information from Bunge Limited's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Notes to the Consolidated Financial Statements and (vi) Schedule II - Valuation and Qualifying Accounts

* Filed herewith.

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

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BUNGE LIMITED
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
(US\$ IN MILLIONS)

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS ^(b)	DEDUCTIONS FROM RESERVES	BALANCE AT END OF PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2014					
Allowances for doubtful accounts ^(a)	\$ 283	71	(23)	(84) ^(c)	\$ 247
Allowances for secured advances to suppliers	\$ 75	9	(7)	(16)	\$ 61
Allowances for recoverable taxes	\$ 70	7	(14)	(20)	\$ 43
Income tax valuation allowances.....	\$1,048	76	(46) ^(d)	-	\$1,078
FOR THE YEAR ENDED DECEMBER 31, 2015					
Allowances for doubtful accounts ^(a)	\$ 247	64	(47)	(54) ^(c)	\$ 210
Allowances for secured advances to suppliers	\$ 61	11	(21)	(9)	\$ 42
Allowances for recoverable taxes	\$ 43	7	(16)	(2)	\$ 32
Income tax valuation allowances.....	\$1,078	44	(324) ^(d)	-	\$ 798
FOR THE YEAR ENDED DECEMBER 31, 2016					
Allowances for doubtful accounts ^(a)	\$ 210	45	15	(58) ^(c)	\$ 212
Allowances for secured advances to suppliers	\$ 42	1	9	(2)	\$ 50
Allowances for recoverable taxes	\$ 32	162	1	(160)	\$ 35
Income tax valuation allowances.....	\$ 798	(44)	85 ^(d)	-	\$ 839

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

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

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

(d) Includes primarily cumulative translation adjustments.

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2016 and 2015, 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, 2016. 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, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, 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, 2016, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2017 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte & Touche LLP

New York, New York
February 28, 2017

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BUNGE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(U.S. dollars in millions, except per share data)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Net sales	\$ 42,679	\$ 43,455	\$ 57,161
Cost of goods sold	(40,269)	(40,762)	(54,540)
Gross profit	2,410	2,693	2,621
Selling, general and administrative expenses	(1,286)	(1,435)	(1,691)
Interest income	51	43	87
Interest expense	(234)	(258)	(347)
Foreign exchange gains (losses)	(8)	(8)	47
Other income (expense) - net	12	(18)	17
Gain on disposition of equity interests and sale of assets	122	47	-
Equity investment impairments	(59)	-	-
Goodwill and intangible impairments	(12)	(13)	-
Income (loss) from continuing operations before income tax	996	1,051	734
Income tax (expense)	(220)	(296)	(249)
Income (loss) from continuing operations	776	755	485
Income (loss) from discontinued operations, net of tax	(9)	35	32
Net income (loss)	767	790	517
Net loss (income) attributable to noncontrolling interests	(22)	1	(2)
Net income (loss) attributable to Bunge	745	791	515
Convertible preference share dividends and other obligations	(36)	(53)	(48)
Net income (loss) available to Bunge common shareholders	\$ 709	\$ 738	\$ 467
Earnings per common share - basic (Note 23)			
Net income (loss) from continuing operations	\$ 5.13	\$ 4.90	\$ 2.98
Net income (loss) from discontinued operations	(0.06)	0.24	0.22
Net income (loss) to Bunge common shareholders	\$ 5.07	\$ 5.14	\$ 3.20
Earnings per common share - diluted (Note 23)			
Net income (loss) from continuing operations	\$ 5.07	\$ 4.84	\$ 2.96
Net income (loss) from discontinued operations	(0.06)	0.23	0.21
Net income (loss) to Bunge common shareholders	\$ 5.01	\$ 5.07	\$ 3.17

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(U.S. dollars in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Net income (loss)	\$ 767	\$ 790	\$ 517
Other comprehensive income (loss):			
Foreign exchange translation adjustment	713	(2,550)	(1,419)
Unrealized gains (losses) on designated cash flow and net investment hedges, net of tax (expense) benefit of nil, nil and nil	(305)	147	21
Unrealized gains (losses) on investments, net of tax (expense) benefit of nil, nil and \$2	-	-	(2)
Reclassification of realized net losses (gains) to net income, net of tax expense (benefit) of nil, nil and nil	(11)	77	(9)
Pension adjustment, net of tax (expense) benefit of \$4, \$1 and \$32	(11)	20	(85)
Total other comprehensive income (loss)	386	(2,306)	(1,494)
Total comprehensive income (loss)	1,153	(1,516)	(977)
Less: comprehensive (income) loss attributable to noncontrolling interest	(26)	5	6
Total comprehensive income (loss) attributable to Bunge	<u>\$ 1,127</u>	<u>\$ (1,511)</u>	<u>\$ (971)</u>

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in millions, except share data)	DECEMBER 31, 2016	DECEMBER 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 934	\$ 411
Time deposits under trade structured finance program (Note 3)	64	325
Trade accounts receivable (less allowances of \$122 and \$125) (Note 17)	1,676	1,607
Inventories (Note 4)	4,773	4,466
Deferred income taxes (Note 13)	-	208
Other current assets (Note 5)	3,645	3,899
Total current assets	11,092	10,916
Property, plant and equipment, net (Note 6)	5,099	4,736
Goodwill (Note 7)	373	418
Other intangible assets, net (Note 8)	336	326
Investments in affiliates (Note 10)	373	329
Deferred income taxes (Note 13)	524	417
Time deposits under trade structured finance program (Note 3)	464	-
Other non-current assets (Note 11)	927	772
Total assets	\$19,188	\$17,914
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt (Note 15)	\$ 257	\$ 648
Current portion of long-term debt (Note 16)	938	869
Letter of credit obligations under trade structured finance program (Note 3)	528	325
Trade accounts payable	3,485	2,675
Deferred income taxes (Note 13)	-	60
Other current liabilities (Note 12)	2,476	2,763
Total current liabilities	7,684	7,340
Long-term debt (Note 16)	3,069	2,926
Deferred income taxes (Note 13)	239	209
Other non-current liabilities	853	750
Commitments and contingencies (Note 20)		
Redeemable noncontrolling interests (Note 21)	-	37
Equity (Note 22):		
Convertible perpetual preference shares, par value \$.01; authorized, issued and outstanding:		
2016 and 2015 - 6,900,000 shares (liquidation preference \$100 per share)	690	690
Common shares, par value \$.01; authorized - 400,000,000 shares; issued and outstanding:		
2016 - 139,500,862 shares, 2015 - 142,483,467 shares	1	1
Additional paid-in capital	5,143	5,105
Retained earnings	8,208	7,725
Accumulated other comprehensive income (loss) (Note 22)	(5,978)	(6,360)
Treasury shares, at cost - 2016 - 12,882,313 and 2015 - 9,586,083 shares, respectively	(920)	(720)
Total Bunge shareholders' equity	7,144	6,441
Noncontrolling interests	199	211
Total equity	7,343	6,652
Total liabilities and equity	\$19,188	\$17,914

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
OPERATING ACTIVITIES			
Net income	\$ 767	\$ 790	\$ 517
Adjustments to reconcile net income to cash provided by (used for) operating activities:			
Impairment charges	87	57	130
Foreign exchange loss (gain) on debt	80	(213)	(215)
Gain on disposition of equity interest of operations	(122)	(47)	-
Bad debt expense	13	35	30
Depreciation, depletion and amortization	547	545	607
Share-based compensation expense	44	46	49
Deferred income tax expense/(benefit)	126	16	(90)
Other, net	15	(26)	(76)
Changes in operating assets and liabilities, excluding the effects of acquisitions:			
Trade accounts receivable	(131)	(97)	108
Inventories	(269)	314	(161)
Secured advances to suppliers	38	(397)	21
Trade accounts payable	708	(88)	(100)
Advances on sales	36	22	78
Net unrealized gain/loss on derivative contracts	(84)	(16)	237
Margin deposits	199	(154)	(22)
Recoverable and income taxes, net	(178)	(36)	(59)
Accrued liabilities	(148)	(7)	367
Other, net	176	(134)	(22)
Cash provided by (used for) operating activities	1,904	610	1,399
INVESTING ACTIVITIES			
Payments made for capital expenditures	(784)	(649)	(839)
Acquisitions of businesses (net of cash acquired)	(34)	(347)	(39)
Proceeds from investments	802	295	282
Payments for investments	(553)	(235)	(196)
Settlement of net investment hedges	(375)	203	-
Proceeds from disposals of property, plant and equipment	27	13	22
Change in restricted cash	(2)	1	101
Proceeds from sale of grain assets in Canada and investments in affiliates	-	88	-
Payments for investments in affiliates	(40)	(167)	(57)
Other, net	33	(4)	41
Cash provided by (used for) investing activities	(926)	(802)	(685)
FINANCING ACTIVITIES			
Net change in short-term debt with maturities of 90 days or less	(206)	(176)	(134)
Proceeds from short-term debt with maturities greater than 90 days	428	713	863
Repayments of short-term debt with maturities greater than 90 days	(477)	(350)	(667)
Proceeds from long-term debt	10,396	9,354	13,014
Repayments of long-term debt	(10,080)	(8,659)	(13,667)
Proceeds from sale of common shares	-	25	74
Repurchases of common shares	(200)	(300)	(300)
Dividends paid to preference shareholders	(34)	(34)	(34)
Dividends paid to common shareholders	(223)	(207)	(187)
Dividends paid to noncontrolling interests	(25)	(8)	(9)
Capital contributions (return of capital) from noncontrolling interests, net	(10)	(13)	6
Acquisition of noncontrolling interest	(39)	-	-
Other, net	(18)	15	(17)
Cash provided by (used for) financing activities	(488)	360	(1,058)
Effect of exchange rate changes on cash and cash equivalents	33	(119)	(36)
Net increase (decrease) in cash and cash equivalents	523	49	(380)
Cash and cash equivalents, beginning of period	411	362	742
Cash and cash equivalents, end of period	\$ 934	\$ 411	\$ 362

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

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)	TREASURY SHARES	NONCONTROLLING INTERESTS	TOTAL EQUITY
		SHARES	AMOUNT	SHARES	AMOUNT						
Balance, January 1, 2014	\$ 37	6,900,000	\$ 690	147,796,784	\$ 1	\$ 4,967	\$ 6,891	\$ (2,572)	\$ (120)	\$ 231	\$ 10,088
Net income (loss)	(9)	-	-	-	-	-	515	-	-	2	517
Accretion of noncontrolling interest	14	-	-	-	-	(14)	-	-	-	-	(14)
Other comprehensive income (loss)	(5)	-	-	-	-	-	-	(1,486)	-	(8)	(1,494)
Dividends on common shares	-	-	-	-	-	-	(192)	-	-	-	(192)
Dividends on preference shares	-	-	-	-	-	-	(34)	-	-	-	(34)
Dividends to noncontrolling interests on subsidiary common stock	-	-	-	-	-	-	-	-	-	(10)	(10)
Acquisition of Noncontrolling interest	-	-	-	-	-	(23)	-	-	-	29	6
Share-based compensation expense	-	-	-	-	-	49	-	-	-	-	49
Repurchase of common shares	-	-	-	(3,780,987)	-	-	-	-	(300)	-	(300)
Issuance of common shares	-	-	-	1,687,401	-	74	-	-	-	-	74
Balance, December 31, 2014	\$ 37	6,900,000	\$ 690	145,703,198	\$ 1	\$ 5,053	\$ 7,180	\$ (4,058)	\$ (420)	\$ 244	\$ 8,690
Net income (loss)	(14)	-	-	-	-	-	791	-	-	(1)	790
Accretion of noncontrolling interests	19	-	-	-	-	(19)	-	-	-	-	(19)
Other comprehensive income (loss)	(5)	-	-	-	-	-	-	(2,302)	-	(4)	(2,306)
Dividends on common shares	-	-	-	-	-	-	(212)	-	-	-	(212)
Dividends on preference shares	-	-	-	-	-	-	(34)	-	-	-	(34)
Dividends to noncontrolling interests on subsidiary common stock	-	-	-	-	-	-	-	-	-	(9)	(9)
Return of capital to noncontrolling interests	-	-	-	-	-	-	-	-	-	(19)	(19)
Share-based compensation expense	-	-	-	-	-	46	-	-	-	-	46
Repurchase of common shares	-	-	-	(3,871,810)	-	-	-	-	(300)	-	(300)
Issuance of common shares	-	-	-	652,079	-	25	-	-	-	-	25
Balance, December 31, 2015	\$ 37	6,900,000	\$ 690	142,483,467	\$ 1	\$ 5,105	\$ 7,725	\$ (6,360)	\$ (720)	\$ 211	\$ 6,652
Net income (loss)	1	-	-	-	-	-	745	-	-	22	767
Accretion of noncontrolling interests	2	-	-	-	-	(2)	-	-	-	-	(2)
Other comprehensive income (loss)	(1)	-	-	-	-	-	-	382	-	4	386
Dividends on common shares	-	-	-	-	-	-	(228)	-	-	-	(228)
Dividends on preference shares	-	-	-	-	-	-	(34)	-	-	-	(34)
Dividends to noncontrolling interests on subsidiary common stock	-	-	-	-	-	-	-	-	-	(25)	(25)
Noncontrolling decrease from redemption	-	-	-	-	-	-	-	-	-	(6)	(6)
Acquisition of Noncontrolling interest	(39)	-	-	-	-	(2)	-	-	-	19	17
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	-	(26)	(26)
Share-based compensation expense	-	-	-	-	-	44	-	-	-	-	44
Repurchase of common shares	-	-	-	(3,296,230)	-	-	-	-	(200)	-	(200)
Issuance of common shares	-	-	-	313,625	-	(2)	-	-	-	-	(2)
Balance, December 31, 2016	\$ -	6,900,000	\$ 690	139,500,862	\$ 1	\$ 5,143	\$ 8,208	\$ (5,978)	\$ (920)	\$ 199	\$ 7,343

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Description of Business – Bunge Limited, a Bermuda holding company, together with its consolidated subsidiaries and variable interest entities (“VIEs”) in which it is considered the primary beneficiary, through which its businesses are conducted (collectively “Bunge”), is an integrated, global Agribusiness and Food company. Bunge’s common shares trade on the New York Stock Exchange under the ticker symbol “BG.” Bunge operates in four principal business areas, which include five reportable segments: Agribusiness, Edible Oil Products, Milling Products, Sugar and Bioenergy and Fertilizer.

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

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

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

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

Sugar and Bioenergy – Bunge’s Sugar and Bioenergy segment includes its global sugar merchandising and distribution activities, sugar and ethanol production in Brazil, and ethanol production investments. This segment is an integrated business involved in the growing and harvesting of sugarcane from land owned or managed through agricultural partnership agreements and additional sourcing of sugarcane from third parties to be processed at its eight mills in Brazil to produce sugar, ethanol and electricity. The Sugar and Bioenergy segment is also a merchandiser and distributor of sugar and ethanol within Brazil and a global merchandiser and distributor

of sugar through its global trading offices. In addition, the segment includes investments in corn-based ethanol producers in the United States and Argentina.

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

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

Discontinued Operations – In determining whether a disposal group should be presented as discontinued operations, Bunge makes a determination of whether such a group being disposed of comprises a component of the entity, or a group of components of the entity, that represents a strategic shift that has, or will have, a major effect on the reporting entity’s operations and financial results. If these determinations are made affirmatively, the results of operations of the group 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.

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 to be 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 U.S. 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.

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires the application of accounting policies that often require management to make 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. Actual results could differ from those estimates.

Translation of Foreign Currency Financial Statements

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

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

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

Trade Accounts Receivable and Secured Advances to Suppliers – Trade accounts receivable and secured advances to suppliers are stated at their historical carrying amounts net of write-offs and allowances for uncollectible accounts. Bunge establishes an allowance for uncollectible trade accounts receivable and secured advances to farmers based on historical experience, farming economics and other market conditions as well as specific customer collection issues. Uncollectible accounts are written off when a settlement is reached for an

amount below the outstanding historical balance or when Bunge has determined that collection is unlikely.

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

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

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

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

Inventories other than RMI 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 14).

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 affect earnings or when the hedge is no longer considered to be effective. The ineffective portion of cash flow hedges is recorded in earnings. In addition, Bunge may designate certain derivative instruments as net investment hedges to hedge the exposure associated with its equity investments in foreign operations. The effective portions of changes in the fair values of net investment hedges, which are evaluated based on forward rates, are recorded as a 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.

Marketable Securities and Other Short-Term Investments

Bunge classifies its marketable securities and short-term investments as held-to-maturity and trading. Available-for sale securities are reported at fair value with unrealized gains (losses) included in accumulated other comprehensive income (loss). Held-to-maturity securities and investments represent financial assets in which Bunge has the intent and ability to hold to maturity. Trading securities are bought and held principally for the purpose of selling them in the near term and therefore held for only a short period of time. Bunge values its marketable securities at fair value and monitors its held-to-maturity investments for impairment periodically, and recognizes an impairment charge when the decline in fair value of an investment is judged to be other than temporary.

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 and Europe. 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 - 7
Buildings	10 - 50
Machinery and equipment	7 - 25
Furniture, fixtures and other	3 - 20
Computer software	3 - 10

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

Goodwill is tested for impairment at the reporting unit level, which has been determined to be the Company's operating segments or one level below the operating segments in certain instances (see Note 7).

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 8) or their estimated useful lives where such lives are not determined by law or contract.

Bunge reviews its property, plant and equipment and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Bunge bases its evaluation of recoverability on such indicators as the nature, future economic benefits and geographic locations of the assets, historical or future profitability measures and other external market conditions. If these indicators result in the expected non-recoverability of the carrying amount of an asset or asset group, Bunge evaluates potential impairment using undiscounted estimated future cash flows. If such undiscounted future cash flows during the

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 9).

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

Impairment of Investments in Affiliates – Bunge reviews its investments annually or when an event or circumstances indicate that a potential decline in value may be other than temporary. Bunge considers various factors in determining whether to recognize an impairment charge, including the length of time that the fair value of the investment is expected to be below its carrying value, the financial condition, operating performance and near-term prospects of the affiliate and Bunge's intent and ability to hold the investment for a period of time sufficient to allow for recovery of the fair value. Impairment charges for investments in affiliates are included within selling, general and administrative expenses (see Note 9 and 10).

Share-Based Compensation – Bunge maintains equity incentive plans for its employees and non-employee directors (see Note 24). Bunge accounts for share-based compensation based on the grant date fair value. Share-based compensation expense is recognized on a straight-line basis over the requisite service period.

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 current evidence does not suggest that the deferred tax asset will be realized. Accrued interest and penalties related to unrecognized tax benefits are recognized in income tax (expense) benefit in the consolidated statements of income (see Note 13).

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. Investment tax credits are recorded in income tax expense in the period in which such credits are granted.

Revenue Recognition – Sales of agricultural commodities, fertilizers and other products are recognized when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, title to the product and risk of loss transfer to the customer, which is dependent on the agreed upon sales terms with the customer and when collection of the sale price is reasonably assured. Sales terms provide for passage of title either at the time and point of shipment or at the time and point of delivery of the product being sold. Net sales consist of gross sales less discounts related to promotional programs and sales taxes. Interest income on secured advances to suppliers is included in net sales due to its operational nature (see Note 5). 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 \$17 million, \$16 million and \$20 million for the years ended December 31, 2016, 2015 and 2014, respectively.

New Accounting Pronouncements – In November 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash (a consensus of the Emerging Issues Task Force)*. Similar to ASU 2016-15 as described below, this update attempts to reduce diversity in practice and provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The guidance will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. Bunge is evaluating the impact of this guidance on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810), Interests Held through Related Parties That Are under Common Control*, which provides that a single decision maker is not required to consider indirect interests held through related parties that are under common control with the decision maker to be equivalents of direct interests in their entity. The new guidance will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The adoption of this standard is not expected to have a material impact on Bunge's consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory*, which eliminates an exception in the current guidance prohibiting a reporting entity to recognize income taxes consequences of an intra-entity transfer of an asset other than inventory, such as transfers of intellectual property and property, plant, and equipment, until the asset has been sold to an outside party. The new guidance does not include new

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

disclosure requirements; however, existing disclosure requirements might be applicable when accounting for the current and deferred income taxes for an intra-entity transfer. ASU 2016-16 will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. Bunge is evaluating the impact of this standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)*. This update attempts to reduce diversity in practice by providing guidance on the classification of certain cash receipts and payments in the statement of cash flows. The new standard is effective for Bunge for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. Bunge is evaluating the impact of this standard on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which introduces a new accounting model, referred to as the current expected credit losses (CECL) model, for estimating credit losses on certain financial instruments and expands the disclosure requirements for estimating such credit losses. Under the new model, an entity is required to estimate the credit losses expected over the life of an exposure (or pool of exposures). The guidance also amends the current impairment model for debt securities classified as available-for-sale securities. The new guidance will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. Bunge is evaluating the impact of this standard on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting*. This update identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The adoption of this standard is not expected to have a material impact on Bunge's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new provisions, all lessees will report on the balance sheet a right-of-use asset and a liability for the

obligation to make payments with the exception of those leases with a term of 12 months or less. The new provisions will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Bunge is evaluating the expected impact of this standard on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which amends the guidance relating to the classification and measurement of financial instruments. Changes to the current guidance primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The new standard is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is not permitted except for certain provisions. Bunge is evaluating the expected impact of this standard on its consolidated financial statements.

In May 2014, the FASB amended ASC (Topic 605) *Revenue Recognition* and created ASC (Topic 606) *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The initial effective date is for interim and annual periods beginning on or after December 15, 2016. However, in August 2015, the FASB issued an amendment effectively deferring the implementation date for all entities by one year but also permitting companies to early adopt the guidance as of the original effective date, but not before January 1, 2017. During 2016, the FASB issued additional implementation guidance and practical expedients in ASU 2016-08 *Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU 2016-10 *Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing*, ASU 2016-12 *Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients*, and ASU 2016-20 *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, to improve the guidance. The new requirements may be implemented either retrospectively for all prior periods presented (i.e., the full retrospective approach), or retrospectively with a cumulative-effect adjustment at the date of initial application (i.e., the modified retrospective approach). The Company expects to adopt the standard under the modified retrospective approach upon its effective date with a cumulative-effect adjustment to opening retained earnings. The Company has substantially completed its adoption assessment and does not expect a material measurement impact on the Company's results of operations, financial position or cash flows. The adoption of the new guidance will require expanded disclosure which the Company is still evaluating.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Recently Adopted Accounting Pronouncements – In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740), Balance Sheet Classification of Deferred Taxes*. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified balance sheet. The update is effective for fiscal years beginning after December 15, 2016 on a prospective or retrospective basis, with earlier application permitted. Bunge early adopted this ASU on a prospective basis effective April 1, 2016 and the adoption did not have a material impact on Bunge's consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, *Interest—Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*. The amendments in this update require debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, consistent with debt discounts, instead of being presented as an asset. Bunge adopted this ASU upon its effective date of January 1, 2016 and the adoption did not have a material impact on Bunge's consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Consolidation (Topic 810), Amendments to the Consolidation Analysis*. The standard makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the VIE guidance and requires companies to reevaluate all legal entities under revised consolidation guidance. The revised consolidation rules provide guidance for evaluating: i) limited partnerships and similar entities for consolidation, ii) how decision maker or service provider fees affect the consolidation analysis, iii) how interests held by related parties affect the consolidation analysis and iv) the consolidation analysis required for certain investment funds. The standard was effective for interim and annual reporting periods beginning after December 15, 2015 and Bunge adopted ASU 2015-02 upon its effective date of January 1, 2016 using a modified retrospective approach. As a result of the initial application of ASU 2015-02, Bunge deconsolidated a Brazilian grain terminal and the remainder of its previously consolidated private equity and other investment funds. There was no cumulative effect to retained earnings as a result of the deconsolidation of these entities since there was no difference between the net amounts subtracted from Bunge's financial statements and the retained interest in those entities.

2. BUSINESS ACQUISITIONS AND DISPOSTIONS

Acquisitions

On October 4, 2016, Bunge acquired a 62.8% equity stake in Walter Rau Neusser Öl und Fett Aktiengesellschaft ("Walter Rau Neusser"), a vegetable oil blends producer for large-scale commercial customers based in Germany. Bunge paid approximately \$33 million for its controlling interest in Walter Rau Neusser and has been consolidated in Bunge's financial statements.

On August 30, 2016, Bunge announced it had reached an agreement to acquire a controlling interest in Grupo Minsa S.A.B. de C.V. ("Minsa"), a leading corn flour producer in North America. The transaction is expected to close in the first half of 2017, subject to certain closing conditions, including the resolution of pending litigation brought by a former shareholder of the parent company of Minsa challenging the proposed acquisition. As part of the transaction, Bunge will acquire control of four mills in Mexico and two mills in the United States. The purchase price is expected to be approximately \$311 million, subject to working capital and other adjustments.

On February 28, 2017, Bunge and Cargill, Inc. closed on the acquisition of two oilseed processing plants and operations in the Netherlands and France pursuant to an agreement on August 5, 2016. Bunge paid a total purchase price of approximately \$225 million, plus working capital and other adjustments of approximately \$120 million. Results of operations for this acquisition will be included in Bunge's consolidated financial statements from the date of acquisition.

In October 2015, Bunge Alimentos S.A., an indirect wholly owned subsidiary of Bunge, closed on the acquisition of 100% ownership interest in Moinho Pacifico, a Brazilian wheat mill and port terminal in Santos, Brazil. Bunge paid approximately 1,087 million Brazilian *reais* (approximately \$282 million). The final allocation of the purchase price based on the fair values of assets and liabilities acquired resulted in \$98 million in property, plant and equipment, \$10 million in inventory, \$9 million in other net assets and liabilities and \$97 million of finite-lived intangible assets. The transaction also resulted in \$68 million of goodwill allocated to Bunge's milling operations in Brazil.

In October 2015, Bunge acquired Whole Harvest Foods ("WHF") for \$27 million, including \$25 million in cash and \$2 million in a working capital adjustment. The purchase price allocation resulted in \$4 million in property, plant and equipment, \$2 million in inventory and \$15 million of intangible assets. The transaction also resulted in \$6 million of goodwill allocated to Bunge's edible oils operations in the United States. WHF refines expeller pressed soybean, canola, and cottonseed oil to produce extended life oil that is chemical solvent, trans

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BUSINESS ACQUISITIONS AND DISPOSITIONS

(Continued)

fat and cholesterol free. WHF has operations in North Carolina and a packaging/distribution center in Nevada within the United States.

In June 2015, Bunge entered into a transaction to acquire the 80% majority interest in a biodiesel entity operating a plant in Spain where Bunge had, prior to this transaction, a 20% interest accounted for under the equity method in its Agribusiness segment. The purchase price of the majority interest was \$7 million, net of cash acquired including existing loans and other receivables totaling \$3 million owed to Bunge by the entity were extinguished as part of the transaction. The preliminary purchase price of \$7 million was allocated primarily to property, plant and equipment and \$2 million to goodwill.

In April 2015, Bunge and Saudi Agricultural and Livestock Investment Company ("SALIC"), formed a Canadian entity, G3. Bunge had a 51% ownership interest in G3. Bunge accounts for G3 under the equity method of accounting as the ownership interest does not provide Bunge with a controlling financial interest due to certain contractual restrictions. In July 2015, G3 closed on the acquisition of an approximate 61% ownership interest in G3 Canada Limited, formerly the Canadian Wheat Board ("CWB") for \$368 million Canadian dollars (approximately \$266 million, as of December 31, 2015). The remaining interest was acquired by the CWB Farmers Equity Trust. In order to fund the acquisition amount and future cash flow requirements, Bunge contributed capital to G3 of \$130 million and SALIC contributed capital in the amount of \$126 million and \$115 million in the form of convertible debt. Simultaneously, the CWB acquired certain assets of Bunge's grain business in Canada for \$88 million, which includes Bunge's export facility and grain elevators in Quebec for \$54 million plus certain working capital of \$34 million. The consolidated statement of income for the year ended December 31, 2015 includes a pre-tax gain of \$47 million on the sale of the grain assets in Canada. In February 2016, SALIC completed the conversion of debt to equity under the promissory notes granted in favor of G3, thus reducing Bunge's ownership interest from 51% to 35%. Additionally, Bunge has exercised its right under a put option and sold an additional 10% ownership interest in G3 to SALIC for cash, which further reduced Bunge's ownership interest to 25%.

In March 2015, Bunge acquired the assets of Heartland Harvest, Inc. ("HHI") for \$47 million, including \$40 million in cash and cash settlement of an existing third-party loan to HHI of \$7 million. The purchase price allocation resulted in \$18 million in property, plant and equipment, \$2 million in inventory and \$18 million of finite-lived intangible assets. The transaction also resulted in \$9 million of goodwill allocated to Bunge's milling operations in the United State. HHI produces

die cut pellets made of a variety of starches which are then expanded through popping, baking or frying in the production of certain lower fat snacks. HHI consists of one facility in the state of Illinois, United States.

Dispositions

On November 30, 2016, Bunge closed on the disposition of a 50% ownership interest in its Terfron port terminal Terminal Fronteira Norte Logistica S.A. ("TFN") in Brazil to Amaggi Exportação E Importação Ltda. for a total consideration in cash of approximately \$145 million, which resulted in a gain of \$90 million. As a result of this transaction Bunge will account for the TFN joint venture as an equity method investment.

On November 30, 2016, Bunge and Wilmar International Limited ("Wilmar") completed the formation of a joint venture in Vietnam in which Wilmar will invest into Bunge's crush operations in Vietnam, creating a three-party joint venture with Bunge and Wilmar as equal 45% shareholders and Quang Dung, a leading soybean meal distributor in Vietnam, retaining its existing 10% stake in the operations. Bunge received \$33 million cash in consideration for its 45% share of interest in Bunge's crush operations. This transaction resulted in a gain of \$30 million. As a result of this transaction Bunge will account for the joint venture as an equity method investment.

On February 1, 2016, SALIC Canada Limited ("SALIC Canada") converted two non-interest bearing convertible promissory notes issued to SALIC by G3 of \$106 million into 148,323,000 common shares of G3, increasing SALIC Canada's ownership percentage in G3 from 49% to 65% and reducing Bunge Canada's ownership in G3 from 51% to 35%. On the same day, Bunge Canada and SALIC Canada transferred all of their common shares of G3 to G3 Global Holdings Limited Partnership in exchange for additional Class A limited partnership units in G3 Global Holdings Limited Partnership. As a result, as of February 1, 2016, G3 Global Holdings Limited Partnership became the holder of all of the issued and outstanding common shares in G3. On March 30, 2016, Bunge Canada, under the G3 Global Holdings Shareholders Agreement, exercised a contractual put right and sold 10% of its common shares to SALIC Canada in exchange for \$37 million of cash so that Bunge Canada now holds 25% ownership of G3 Global Holdings Limited Partnership and SALIC Canada holds 75% ownership.

3. TRADE STRUCTURED FINANCE PROGRAM

Bunge engages in various trade structured finance activities to leverage the value of its trade flows across its operating regions. For the years ended December 31, 2016 and 2015, net return from these activities, were \$57 million and \$66 million, respectively, and were included as a reduction of cost of goods sold in the accompanying consolidated statements of income.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. TRADE STRUCTURED FINANCE PROGRAM (Continued)

These activities include programs under which Bunge generally obtains U.S. dollar-denominated letters of credit ("LCs") (each based on an underlying commodity trade flow) from financial institutions and time deposits denominated in either the local currency of the financial institutions counterparties or in U.S. dollars, as well as foreign exchange forward contracts, 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, 2016 and December 31, 2015.

The table below summarizes the assets and liabilities included in the condensed consolidated balance sheets and the associated fair value amounts at December 31, 2016 and December 31, 2015, related to the program. The fair values approximated the carrying amount of the related financial instruments.

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Current assets:		
Carrying value of time deposits	\$ 64	\$325
Fair value (Level 2 measurement) of time deposits	\$ 64	\$325
Non-current assets:		
Carrying value of time deposits	\$464	\$ -
Fair value (Level 2 measurement) of time deposits	\$464	\$ -
Current liabilities:		
Carrying value of letters of credit obligations and foreign exchange contracts	\$528	\$325
Fair value (Level 2 measurement) of letters of credit obligations	\$528	\$323
Fair value (Level 2 measurement) of foreign exchange forward contracts-(gains) losses	-	2
Total fair value (Level 2 measurement) of letters of credit obligations and foreign exchange contracts	\$528	\$325

As of December 31, 2016 and 2015, time deposits, LCs, and foreign exchange contracts of \$5,732 million and \$3,394 million, respectively, were presented net on the consolidated balance sheets as the criteria of ASC 210-20, *Offsetting*, had been met. At December 31, 2016 and 2015, time deposits, including those presented on a net basis, carried weighted-average interest rates of 2.36% and 2.21%, respectively. During the years ended December 31, 2016, 2015 and 2014, total net proceeds from issuances of LCs were \$7,191 million, \$5,563 million and \$7,058 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 programs are included in operating activities in the consolidated statements of cash flows.

4. INVENTORIES

Inventories by segment are presented below. RMI are agricultural commodity inventories, such as soybeans, soybean meal, soybean oil, corn and wheat, carried at fair value because of their commodity characteristics, widely available markets and international pricing mechanisms. All other inventories are carried at lower of cost or market.

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Agribusiness ⁽¹⁾	\$3,741	\$3,533
Edible Oil Products ⁽²⁾	404	356
Milling Products	167	164
Sugar and Bioenergy ⁽³⁾	406	350
Fertilizer	55	63
Total	\$4,773	\$4,466

(1) Includes RMI of \$3,593 million and \$3,393 million at December 31, 2016 and 2015, respectively. Of these amounts \$2,523 million and \$2,513 million can be attributable to merchandising activities at December 31, 2016 and 2015, respectively.

(2) Includes RMI of bulk soybean and canola oil in the aggregate amount of \$123 million and \$110 million at December 31, 2016 and 2015, respectively.

(3) Includes sugar RMI, which can be attributable to Bunge's trading and merchandising business of \$139 million and \$163 million at December 31, 2016 and 2015, respectively.

5. OTHER CURRENT ASSETS

Other current assets consist of the following:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Unrealized gains on derivative contracts, at fair value	\$1,327	\$1,456
Prepaid commodity purchase contracts ⁽¹⁾	273	287
Secured advances to suppliers, net ⁽²⁾	601	521
Recoverable taxes, net	467	364
Margin deposits	251	467
Marketable securities, at fair value and other short-term investments	94	234
Deferred purchase price receivable, at fair value ⁽³⁾	87	79
Prepaid expenses	148	132
Other	397	359
Total	\$3,645	\$3,899

(1) Prepaid commodity purchase contracts represent advance payments against 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 operational risks associated with the related growing crops. The

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER CURRENT ASSETS (Continued)

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 \$1 million and \$2 million at December 31, 2016 and December 31, 2015, respectively. There were no significant changes in the allowance for 2016 and 2015, respectively.

Interest earned on secured advances to suppliers of \$38 million, \$38 million and \$37 million, respectively, for the years ended December 31, 2016, 2015 and 2014, respectively, is included in net sales in the consolidated statements of income.

(3) Deferred purchase price receivable represents additional credit support for the investment conduits in Bunge's accounts receivables sales program (see Note 17).

Marketable Securities and Other Short-Term Investments – The Company invests in foreign government securities, corporate debt securities, deposits, and other securities. The following is a summary of amounts recorded on the consolidated balance sheets for marketable securities and other short-term investments.

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Foreign government securities	\$28	\$ 61
Corporate debt securities	57	92
Certificate of deposits/time deposits	7	55
Other	2	26
Total marketable securities and other short-term investments	<u>\$94</u>	<u>\$234</u>

As of December 31, 2016, total marketable securities and other short-term investments includes \$22 million of assets classified as available for sale, \$63 million as trading and \$9 million as other short-term investments. As of December 31, 2015, total marketable securities and other short-term investments includes \$76 million of assets classified as held-to-maturity and \$158 million as trading. Held-to-maturity foreign government and corporate debt securities and certificate of deposits/time deposits are expected to be converted to cash within a twelve month period and are therefore classified as current. Due to the short term nature of these investments, carrying value approximates fair value.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Land	\$ 356	\$ 339
Biological assets	613	454
Buildings	1,934	1,840
Machinery and equipment	5,055	4,488
Furniture, fixtures and other	514	437
Construction in progress	765	721
	<u>9,237</u>	<u>8,279</u>
Less: accumulated depreciation and depletion	(4,138)	(3,543)
Total	<u>\$ 5,099</u>	<u>\$ 4,736</u>

Bunge capitalized expenditures of \$810 million, \$592 million and \$846 million during the years ended 2016, 2015 and 2014, respectively. Included in these capitalized expenditures was capitalized interest on construction in progress of \$9 million, \$7 million and \$6 million for the years ended December 31, 2016, 2015 and 2014, respectively. Depreciation and depletion expense was \$517 million, \$518 million and \$576 million for the years ended December 31, 2016, 2015 and 2014, respectively.

7. 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 certain 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 investing characteristics similar to those 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 other reporting units, the estimated fair value of the reporting unit is determined utilizing a discounted cash flow analysis.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. GOODWILL (Continued)

Changes in the carrying value of goodwill by segment for the years ended December 31, 2016 and 2015 are as follows:

(US\$ in millions)	AGRIBUSINESS	EDIBLE OIL PRODUCTS	MILLING PRODUCTS	SUGAR AND BIOENERGY	FERTILIZER	TOTAL
Goodwill	155	86	111	514	2	868
Accumulated impairment losses	(2)	-	(3)	(514)	-	(519)
Balance, December 31, 2014, net.....	153	86	108	-	2	349
Goodwill acquired	2	6	141	-	-	149
Impairment ⁽³⁾	-	(13)	-	-	-	(13)
Tax benefit on goodwill amortization ⁽²⁾	(3)	-	-	-	-	(3)
Foreign exchange translation	(31)	(14)	(18)	-	(1)	(64)
Goodwill, gross of impairments	123	78	234	514	1	950
Accumulated impairment losses	(2)	(13)	(3)	(514)	-	(532)
Balance, December 31, 2015, net.....	121	65	231	-	1	418
Goodwill acquired ⁽¹⁾	-	13	-	-	-	13
Measurement period adjustments	-	-	(76)	-	-	(76)
Tax benefit on goodwill amortization ⁽²⁾	(3)	-	-	-	-	(3)
Foreign exchange translation	8	-	13	-	-	21
Goodwill, gross of impairments	128	91	171	514	1	905
Accumulated impairment losses	(2)	(13)	(3)	(514)	-	(532)
Balance, December 31, 2016, net.....	\$126	\$ 78	\$168	\$ -	\$ 1	\$ 373

(1) Relates to the 2016 acquisition of Walter Rau Neusser.

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

(3) In 2015, goodwill impairment charge of \$13 million represents all of the goodwill of the Brazilian tomato products business, recorded in the fourth quarter upon completion of Bunge's annual impairment analysis. This analysis was performed using discounted cash flow projections (the income approach) to determine the fair value of the business unit. The income approach estimates fair value by discounting the business unit's estimated future cash flows using a discount rate that reflects current market conditions and the risk profile of the business and includes, among other things, making assumptions about variables such as product pricing, future profitability and future capital expenditures that might be used by a market participant. All of these assumptions are subject to a high degree of judgment.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. OTHER INTANGIBLE ASSETS

Other intangible assets consist of the following:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Trademarks/brands, finite-lived	\$ 141	\$ 144
Licenses	7	11
Port rights	156	124
Other	254	220
	<u>558</u>	<u>499</u>
Less accumulated amortization:		
Trademarks/brands ⁽¹⁾	(64)	(53)
Licenses	(5)	(6)
Port rights	(23)	(16)
Other	(130)	(98)
	<u>(222)</u>	<u>(173)</u>
Intangible assets, net of accumulated amortization	<u>\$ 336</u>	<u>\$ 326</u>

(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 2016, Bunge acquired \$9 million of port rights, \$4 million of brands and trademarks, and \$8 million other intangible assets. Bunge allocated \$12 million to the Edible Oils segment and \$9 million to the Agribusiness segment. Finite lives of these intangibles range from 10 to 27 years. In 2015, Bunge acquired \$73 million of port rights and \$55 million other intangible assets including \$36 million of customer lists. Bunge allocated \$111 million to the Milling segment, \$15 million to the Edible Oils segment and \$2 million to the Agribusiness segment. Finite lives of these intangibles range from 10 to 27 years.

Aggregate amortization expense was \$31 million, \$27 million and \$32 million for the years ended December 31, 2016, 2015 and 2014, respectively. The estimated future aggregate amortization expense is \$31 million for 2017 and approximately \$31 million annually for 2018 through 2020.

9. IMPAIRMENTS

For the year ended December 31, 2016, Bunge recorded pre-tax, impairment charges of \$87 million, of which \$9 million and \$71 million are in cost of goods sold and other income (expense) – net, respectively, in its consolidated statement of income. These amounts are primarily made up of \$44 million

that relates to the impairment of an investment in affiliate and other investments in the Sugar and Bioenergy segment, \$15 million that relates to the impairment of an investment in affiliate in the Agribusiness segment, \$12 million that relates to an intangible asset impairment of aquaculture patents and \$9 million that relates to a property, plant and equipment impairment of an Argentina fertilizer plant. The remaining impairment amounts recorded by Bunge for the year ended December 31, 2016 were individually insignificant. The fair values of the assets were determined utilizing discounted future expected cash flows, and in the case of the investment in affiliate in the Agribusiness segment, net market value based on quotes of similar assets.

For the year ended December 31, 2015, Bunge recorded pre-tax, impairment charges of \$57 million, of which \$15 million, \$14 million and \$13 million are included in cost of goods sold, selling, general and administrative expenses and goodwill impairment, respectively, in its consolidated statement of income. These amounts are primarily made up of \$15 million that relates to the announced closure of an oil packaging plant in the United States, \$14 million that relates to the impairment of an equity method investment in a freight shipping company in Europe and \$13 million that relates to a pre-tax goodwill impairment charge related to the tomato products business in Brazil. The remaining impairment amounts recorded by Bunge for the year ended December 31, 2015 were individually insignificant. The fair values of the assets were determined utilizing discounted future expected cash flows, and in the case of the equity method investment, net market value based on broker quotes of similar assets.

For the year ended December 31, 2014, Bunge recorded pre-tax, non-cash impairment charges of \$130 million, of which \$103 million and \$18 million are included in cost of goods sold and selling, general and administrative expenses, respectively, in its consolidated statement of income. These amounts are primarily made up of \$114 million that relates to a Brazil sugarcane mill and a portion of the associated biological assets as well as agricultural machinery in the Sugar and Bioenergy segment, \$5 million that relates to the impairment of an investment in a biodiesel company in Europe and \$2 million in certain Agribusiness assets in Brazil. The remaining impairment amounts recorded by Bunge for the year ended December 31, 2014 were individually insignificant. The fair values of the assets were determined utilizing discounted future expected cash flows and, in the case of the agricultural machinery, bids from prospective buyers.

Nonrecurring fair value measurements – The following table summarizes assets measured at fair value on a nonrecurring basis subsequent to initial recognition at December 31, 2016,

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. IMPAIRMENTS (Continued)

2015 and 2014, respectively. For additional information on Level 1, 2 and 3 inputs see Note 14.

(US\$ in millions)	CARRYING VALUE YEAR ENDED DECEMBER 31, 2016	LEVEL 1	FAIR VALUE MEASUREMENTS USING LEVEL 2	LEVEL 3	IMPAIRMENT LOSSES YEAR ENDED DECEMBER 31, 2016
Property, plant and equipment	\$ 7	\$ -	\$ -	\$ 7	\$ (9)
Intangibles	\$ -	\$ -	\$ -	\$ -	\$(12)
Investment in affiliates and other investments	\$13	\$ -	\$ -	\$13	\$(59)

(US\$ in millions)	CARRYING VALUE YEAR ENDED DECEMBER 31, 2015	LEVEL 1	FAIR VALUE MEASUREMENTS USING LEVEL 2	LEVEL 3	IMPAIRMENT LOSSES YEAR ENDED DECEMBER 31, 2015
Property, plant and equipment	\$12	\$ -	\$ -	\$12	\$(15)
Goodwill (see Note 7)	\$ -	\$ -	\$ -	\$ -	\$(13)
Investments in affiliates	\$ 3	\$ -	\$ -	\$ 3	\$(14)

(US\$ in millions)	CARRYING VALUE YEAR ENDED DECEMBER 31, 2014	LEVEL 1	FAIR VALUE MEASUREMENTS USING LEVEL 2	LEVEL 3	IMPAIRMENT LOSSES YEAR ENDED DECEMBER 31, 2014
Non-current assets held for sale	\$ 33	\$ -	\$ -	\$ 33	\$ (13)
Investment in affiliates	\$ 17	\$ -	\$ -	\$ 17	\$ (5)
Property, plant and equipment	\$165	\$ -	\$ -	\$165	\$(103)

10. 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, 2016 are described below. Bunge allocates equity in earnings of affiliates to its reporting segments.

Agribusiness

Vietnam Agribusiness Holdings Ptd. Ltd. – Bunge and Wilmar International Limited (“Wilmar”) completed the formation of a joint venture in Vietnam in which Wilmar will invest into Bunge’s crush operations in Vietnam, creating a three-party joint venture with Bunge and Wilmar as equal 45%

shareholders and Quang Dung, a leading soybean meal distributor in Vietnam, retaining its existing 10% stake in the operations.

Terminal Fronteira Norte Logística S.A. (“TFN”) – Bunge has a 50% ownership interest in TFN, a joint venture with Amaggi located in Barcarena, Brazil. The TFN complex is mainly dedicated to exporting soybean and corn from the key Brazilian producing region of Mato Grosso.

Terminais do Graneis do Guarujá (“TGG”) – Bunge has a 57% ownership interest in Terminais do Graneis do Guarujá, a joint venture with Amaggi International Ltd. located on the left bank of the Port of Santos, Brazil. TGG acts as a port terminal for reception, storage and shipment of solid bulk cargoes.

G3 Global Holding GP Inc. – Bunge has a 25% ownership interest in G3 Global Holding GP Inc., a joint venture with SALIC that operates grain facilities in Canada.

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

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

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

Sugar and Bioenergy

Solazyme Bunge Produtos Renovaveis Ltda. – In April 2012, Bunge entered into a joint venture with TerraVia Holdings Inc. (formerly Solazyme Inc.) for the production of renewable oils in Brazil, using sugar supplied by one of Bunge’s mills. Bunge owns a 49.9% interest in this entity.

ProMaiz – Bunge has a joint venture in Argentina with AGD for the 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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(US\$ in millions)	DECEMBER 31, 2016	2015
Recoverable taxes, net ⁽¹⁾	\$139	\$133
Judicial deposits ⁽¹⁾	129	119
Other long-term receivables	23	23
Income taxes receivable ⁽¹⁾	261	195
Long-term investments	54	49
Affiliate loans receivable	25	15
Long-term receivables from farmers in Brazil, net ⁽¹⁾	133	117
Other	163	121
Total	\$927	\$772

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

Recoverable taxes, net – Recoverable taxes are reported net of allowances of \$32 million and \$20 million at December 31, 2016 and 2015, respectively.

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

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

Affiliate loans receivable – Affiliate loans receivable, are primarily interest bearing receivables from unconsolidated affiliates with a remaining maturity of greater than one year.

Long-term receivables from farmers in Brazil, net of reserves – 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 table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil.

(US\$ in millions)	DECEMBER 31, 2016	2015
Legal collection process ⁽¹⁾	\$144	\$119
Renegotiated amounts ⁽²⁾	52	58
Other long-term receivables	46	40
Total	\$242	\$217

(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, 2016 and 2015 was \$235 million and \$214 million, respectively. The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts.

(US\$ in millions)	DECEMBER 31, 2016		DECEMBER 31, 2015	
	RECORDED INVESTMENT	ALLOWANCE	RECORDED INVESTMENT	ALLOWANCE
For which an allowance has been provided:				
Legal collection process	\$ 84	78	\$ 78	\$ 69
Renegotiated amounts	36	31	37	31
For which no allowance has been provided:				
Legal collection process	60	-	41	-
Renegotiated amounts	16	-	21	-
Other long-term receivables	46	-	40	-
Total	\$242	\$109	\$217	\$100

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

(US\$ in millions)	DECEMBER 31, 2016	2015
Beginning balance	\$ 100	\$153
Bad debt provisions	3	11
Recoveries	(12)	(20)
Write-offs	(1)	(2)
Transfers ⁽¹⁾	—	5
Foreign exchange translation	19	(47)
Ending balance	\$ 109	\$100

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Accrued liabilities	\$ 548	\$ 688
Unrealized losses on derivative contracts at fair value	1,203	1,471
Advances on sales	395	371
Other	330	233
Total	\$2,476	\$2,763

13. INCOME TAXES

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

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

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
United States	\$102	\$ 207	\$315
Non-United States	894	844	419
Total	\$996	\$1,051	\$734

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Current:			
United States	\$ (76)	\$ 35	\$ 93
Non-United States	170	245	246
	94	280	339
Deferred:			
United States	38	36	20
Non-United States	88	(20)	(110)
	126	16	(90)
Total	\$220	\$296	\$249

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Income from operations before income tax	\$996	\$1,051	\$734
Income tax rate	35%	35%	35%
Income tax expense at the U.S. Federal tax rate	349	368	257
Adjustments to derive effective tax rate:			
Foreign earnings taxed at different statutory rates	(68)	(16)	(37)
Valuation allowances	(44)	44	112
Fiscal incentives ⁽¹⁾	(34)	(41)	(41)
Foreign exchange on monetary items	5	(5)	(24)
Tax rate changes	4	1	4
Non-deductible expenses	3	16	38
Uncertain tax positions	89	(14)	6
Deferred balance adjustments	-	(8)	25
Equity distributions	-	(64)	(32)
Foreign income taxed in Brazil	-	-	(93)
Tax credits	(89)	-	-
Other	5	15	34
Income tax (benefit) expense	\$220	\$ 296	\$249

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAXES (Continued)

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

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Deferred income tax assets:⁽¹⁾		
Net operating loss carryforwards	\$ 944	\$ 923
Employee benefits	158	89
Tax credit carryforwards	10	8
Inventories	18	-
Intangibles	9	20
Accrued expenses and other	231	378
Total deferred tax assets	1,370	1,418
Less valuation allowances	(839)	(798)
Deferred tax assets, net of valuation allowance	531	620
Deferred income tax liabilities:⁽¹⁾		
Property, plant and equipment	200	211
Undistributed earnings of affiliates	13	11
Investments	33	38
Inventories	-	4
Total deferred tax liabilities	246	264
Net deferred tax assets	\$ 285	\$ 356

(1) Bunge has changed its presentation of the composition of deferred tax assets and liabilities to a net approach, where a net deferred tax asset or liability is disclosed for each primary component of the deferred tax assets and liabilities. The change in presentation did not impact the consolidated balance sheet presentation of deferred tax assets and liabilities.

Bunge has provided a deferred tax liability totaling \$13 million and \$11 million as of December 31, 2016 and 2015, respectively for unremitted earnings that are not considered to be permanently reinvested. As of December 31, 2016, Bunge has determined it has unremitted earnings that are considered to be indefinitely reinvested of approximately \$1,120 million and accordingly, no provision for income taxes has been made. If these earnings were distributed in the form of dividends or otherwise, Bunge would be subject to income taxes either in the form of withholding taxes or income taxes to the recipient; however, it is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings.

At December 31, 2016, Bunge's net operating loss carryforwards totaled \$3,350 million, of which \$2,709 million have no expiration, including loss carryforwards of \$1,705 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 2016 through the year 2033.

Income Tax Valuation Allowances. Bunge records valuation allowances when current evidence does not suggest that some portion or all of its deferred tax assets will 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.

As of December 31, 2016 and 2015, Bunge has recorded valuation allowances of \$839 million and \$798 million, respectively. The net increase of \$41 million results primarily from cumulative translation adjustments for Brazil offset by the release of valuation allowances from sugar mills in Brazil.

Unrecognized Tax Benefits. ASC Topic 740 requires applying a "more likely than not" threshold to the recognition and de-recognition of tax benefits. Accordingly, Bunge recognizes the amount of tax benefit that has a greater than 50 percent likelihood of being ultimately realized upon settlement. At December 31, 2016 and 2015, respectively, Bunge had recorded unrecognized tax benefits of \$81 million and \$63 million in other non-current liabilities and \$49 million and \$1 million in current liabilities in its consolidated balance sheets. During 2016, 2015 and 2014, respectively, Bunge recognized \$10 million, \$1million and \$16 million of interest and penalty charges in income tax (expense) benefit in the consolidated statements of income. At December 31, 2016 and 2015, respectively, Bunge had included accrued interest and penalties of \$36 million and \$26 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)	2016	2015	2014
Balance at January 1,	\$ 51	\$ 72	\$151
Additions based on tax positions related to the current year	9	6	9
Additions based on acquisitions	2	10	-
Additions based on tax positions related to prior years	374	1	16
Reductions for tax positions of prior years	-	(14)	(12)
Settlement or clarification from tax authorities	(1)	(6)	(79)
Expiration of statute of limitations	(9)	(5)	(1)
Foreign currency translation	(17)	(13)	(12)
Balance at December 31,	\$409	\$ 51	\$ 72

The majority of the additions based on tax positions related to prior years relates to three events recognized during 2016. During the second quarter of 2016, one of Bunge's European subsidiaries amended a tax position for the 2010-2015 tax years as a result of the receipt of a tax ruling, and filed refund claims. However, given the unique factual circumstances and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAXES (Continued)

the uncertain state of the applicable tax regulations, Bunge has recorded an unrecognized tax benefit of \$240 million as of December 31, 2016. In addition, the Company recorded additional unrecognized tax benefits of \$30 million and \$26 million for tax positions in Asia in the first and fourth quarters of 2016.

Except for a \$24 million unrecognized tax benefit for temporary differences, substantially all of the unrecognized tax benefits balance, if recognized, would affect Bunge's effective tax rate. A significant portion of the unrecognized tax benefits, if recognized, would result in additional deferred tax assets that would be assessed for recoverability. It is anticipated that approximately \$213 million of the unrecognized tax benefits, if recognized, would be fully offset by a valuation allowance as it is more likely than not that Bunge would not realize a tax benefit from the deferred tax assets.

Bunge believes that it is reasonably possible that approximately \$50 million of its unrecognized tax benefits may be recognized by the end of 2017 as a result of a lapse of the statute of limitations or settlement with the tax authorities.

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	2009 - 2016
South America	2010 - 2016
Europe	2004 - 2016
Asia-Pacific	2003 - 2016

As of December 31, 2016, Bunge's Brazilian subsidiaries have received income tax and penalty assessments through 2012 of approximately 4,453 million Brazilian *reais* (approximately \$1,366 million), plus applicable interest on the outstanding amount. Bunge has recorded unrecognized tax benefits related to these assessments of 23 million Brazilian *reais* (approximately \$7 million) as of December 31, 2016.

In addition, as of December 31, 2016, Bunge's Argentine subsidiary had received income tax assessments relating to 2006 through 2009 of approximately 1,275 million Argentine *pesos* (approximately \$80 million), plus applicable interest on the outstanding amount of approximately 3,327 million Argentine *pesos* (approximately \$209 million). Bunge anticipates that the tax authorities will examine subsequent fiscal years, although no notice has been rendered to Bunge's Argentine subsidiary.

Management, in consultation with external legal advisors, believes that it is more likely than not that Bunge will prevail on the proposed assessments (with exception of unrecognized tax benefit discussed above) in Brazil and Argentina and intends to vigorously defend its position against these assessments.

Bunge made cash income tax payments, net of refunds received, of \$144 million, \$271 million and \$303 million during the years ended December 31, 2016, 2015, and 2014, respectively.

14. 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 3 for trade structured finance program, Note 17 for deferred purchase price receivable related to sales of trade receivables, Note 11 for long-term receivables from farmers in Brazil, net and other long-term investments, Note 16 for long-term debt, Note 9 for other non-recurring fair value measurements and Note 18 for employee benefit plans. 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, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs based on market data obtained from sources independent of Bunge that reflect the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are inputs that are developed based on the best information available in circumstances that reflect Bunge's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability. The fair value standard describes three levels within its hierarchy that may be used to measure fair value.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

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

(US\$ in millions)	FAIR VALUE MEASUREMENTS AT REPORTING DATE							
	DECEMBER 31, 2016				DECEMBER 31, 2015			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets:								
Readily marketable inventories (Note 4)	\$ -	\$ 3,618	\$ 237	\$ 3,855	\$ -	\$ 3,421	\$ 245	\$ 3,666
Trade accounts receivable ⁽¹⁾	-	6	-	6	-	6	-	6
Unrealized gain on designated derivative contracts ⁽²⁾ :								
Interest Rate	-	1	-	1	-	-	-	-
Foreign exchange	-	29	-	29	-	30	-	30
Unrealized gain on undesignated derivative contracts ⁽²⁾ :								
Interest rate	-	1	-	1	-	-	-	-
Foreign exchange	-	312	-	312	9	176	-	185
Commodities	421	431	96	948	252	696	220	1,168
Freight	16	-	-	16	65	-	-	65
Energy	23	1	-	24	7	-	1	8
Deferred purchase price receivable (Note 17)	-	87	-	87	-	79	-	79
Other ⁽³⁾	18	108	-	126	68	176	-	244
Total assets	\$ 478	\$ 4,594	\$ 333	\$ 5,405	\$ 401	\$ 4,584	\$ 466	\$ 5,451
Liabilities:								
Trade accounts payable ⁽¹⁾	\$ -	\$ 478	\$ 44	\$ 522	\$ -	\$ 399	\$ 44	\$ 443
Unrealized loss on designated derivative contracts ⁽⁴⁾ :								
Interest rate	-	18	-	18	-	3	-	3
Foreign exchange	-	-	-	-	-	15	-	15
Unrealized loss on undesignated derivative contracts ⁽⁴⁾ :								
Foreign exchange	-	233	-	233	1	605	-	606
Commodities	356	444	144	944	402	304	52	758
Freight	14	-	1	15	56	-	-	56
Energy	9	-	2	11	31	-	2	33
Total liabilities	\$ 379	\$ 1,173	\$ 191	\$ 1,743	\$ 490	\$ 1,326	\$ 98	\$ 1,914

(1) Trade accounts receivable and payable are generally stated at historical amounts, net of write-offs and allowances, with the exception of \$6 million and \$522 million, at December 31, 2016 and \$6 million and \$443 million at December 31, 2015, 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 were \$5 million and nil included in other non-current assets at December 31, 2016 and December 31, 2015, respectively.

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

(4) Unrealized losses on designated and undesignated derivative contracts are generally included in other current liabilities. There were \$18 million and nil included in other non-current liabilities at December 31, 2016 and December 31, 2015, respectively.

Derivatives – Exchange traded futures and options contracts and exchange cleared 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.

BUNGE LIMITED AND SUBSIDIARIES

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14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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 – RMI 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 RMI 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 RMI 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 significant input became observable during the period. Bunge's policy regarding the timing of transfers between levels is to record the transfers at the beginning of the reporting period.

Level 3 Derivatives – Level 3 derivative instruments utilize both market observable and unobservable inputs within the fair value measurements. These inputs include commodity prices, price volatility, interest rates, volumes and locations. In addition, with the exception of the exchange cleared instruments, Bunge is exposed to loss in the event of the non-performance by counterparties on OTC derivative instruments and forward purchase and sale contracts. Adjustments are made to fair values on occasions when non-performance risk is determined to represent a significant input in Bunge's fair value determination. These adjustments are based on Bunge's estimate of the potential loss in the event of counterparty non-performance. Bunge did not have significant adjustments related to non-performance by counterparties at December 31, 2016 and 2015, respectively.

Level 3 Readily marketable inventories and other – The significant unobservable inputs resulting in Level 3 classification for RMI, 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, 2016 and 2015. These instruments were valued using pricing models that management believes reflect

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

the assumptions that would be used by a marketplace participant.

(US\$ in millions)	LEVEL 3 INSTRUMENTS			
	FAIR VALUE MEASUREMENTS			
	DERIVATIVES, NET ⁽¹⁾	READILY MARKETABLE INVENTORIES	TRADE ACCOUNTS RECEIVABLE/ PAYABLE, NET ⁽²⁾	TOTAL
Balance, January 1, 2016	\$ 167	\$ 245	\$ (44)	\$ 368
Total gains and losses (realized/unrealized) included in cost of goods sold	(88)	162	24	98
Purchases	-	1,107	(222)	885
Sales	-	(1,400)	-	(1,400)
Issuances	(1)	-	-	(1)
Settlements	(133)	-	206	73
Transfers into Level 3	(4)	760	(78)	678
Transfers out of Level 3	8	(637)	70	(559)
Balance, December 31, 2016	\$ (51)	\$ 237	\$ (44)	\$ 142

(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.

(US\$ in millions)	LEVEL 3 INSTRUMENTS			
	FAIR VALUE MEASUREMENTS			
	DERIVATIVES, NET ⁽¹⁾	READILY MARKETABLE INVENTORIES	TRADE ACCOUNTS RECEIVABLE/ PAYABLE, NET ⁽²⁾	TOTAL
Balance, January 1, 2015	\$ (2)	\$ 255	\$ (33)	\$ 220
Total gains and losses (realized/unrealized) included in cost of goods sold	389	135	(6)	518
Purchases	1	1,329	(12)	1,318
Sales	-	(1,982)	-	(1,982)
Issuances	(1)	-	(327)	(328)
Settlements	(219)	-	610	391
Transfers into Level 3	5	845	(204)	646
Transfers out of Level 3	(6)	(337)	(72)	(415)
Balance, December 31, 2015	\$ 167	\$ 245	\$ (44)	\$ 368

(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 tables below summarize changes in unrealized gains or (losses) recorded in earnings during the years ended

December 31, 2016 and 2015 for Level 3 assets and liabilities that were held at December 31, 2016 and 2015.

	LEVEL 3 INSTRUMENTS			
	FAIR VALUE MEASUREMENTS			
(US\$ in millions)	DERIVATIVES, NET ⁽¹⁾	READILY MARKETABLE INVENTORIES	TRADE ACCOUNTS RECEIVABLE AND PAYABLE, NET ⁽²⁾	TOTAL
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2016				
Cost of goods sold	\$ (1)	\$(41)	\$ 1	\$(48)
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2015				
Cost of goods sold	\$37	\$(13)	\$(2)	\$ 22

(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 and Hedging Activities

Interest rate derivatives – Bunge from time-to-time uses interest rate derivatives, including interest rate swaps, interest rate basis swaps, interest rate options or interest rate futures. Bunge has entered into interest rate swap agreements for the purpose of managing certain of its interest rate exposures. The interest rate swaps used by Bunge as hedging instruments have been recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. These swap agreements have been designated as fair value hedges. Additionally, the carrying amount of the associated hedged debt is 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.

As of December 31, 2016, Bunge had fixed-to-variable interest rate swap agreements. Below is a summary of Bunge's current interest rate swap agreements designated as fair value hedge agreements as of December 31, 2016.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

NOTIONAL AMOUNT OF HEDGED OBLIGATION	NOTIONAL AMOUNT OF DERIVATIVE	MATURITY DATE	PAYMENT WEIGHTED AVERAGE RATE PAYABLE	FIXED RATE RECEIVABLE
\$500	\$ 500	November 24, 2020	3 month LIBOR plus 1.91%	3.50%
euro 800	euro 800	June 16, 2023	6 month EURIBOR plus 1.64%	1.85%
\$550	\$ 550	August 15, 2026	3 month LIBOR plus 1.12%	3.25%

Additionally, on various dates in 2016, Bunge entered into interest rate futures, one year interest rate swap agreements and forward rate agreements that do not qualify for hedge accounting, and therefore Bunge has not designated these as hedge instruments for accounting purposes. The interest rate futures, interest rate swaps and forward rate agreements have been recorded at fair value in the consolidated condensed balance sheets with changes in fair value recorded contemporaneously in earnings. Below is a summary of Bunge's outstanding interest rate swap agreements and forward rate agreements.

	DECEMBER 31, 2016				
	EXCHANGE TRADED	NON-EXCHANGE TRADED			UNIT OF
(US\$ in millions)	NET (SHORT) & LONG ⁽¹⁾	(SHORT) ⁽²⁾	LONG ⁽²⁾		MEASURE
Interest Rate					
Futures	\$ 5	\$ -	\$ -		Notional
Swaps	-	(500)	569		Notional
Forward Rate Agreements	-	(68)	979		Notional

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

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

Foreign exchange derivatives and hedging activities – Bunge uses a combination of foreign exchange forward, swap and option contracts in certain of its operations to mitigate the risk from exchange rate fluctuations in connection with certain commercial and balance sheet exposures. The foreign exchange forward and option contracts may be designated as cash flow hedges. Bunge may also use net investment hedges to partially offset the translation adjustments arising from the remeasurement of its investment in certain of its foreign subsidiaries.

Foreign exchange risk is also managed through the use of foreign currency debt. Bunge has 800 million *euro* senior unsecured *euro*-denominated notes of which 797 million *euro* is designated as, and effective as, a net investment hedge of *euro* denominated assets. Accordingly, foreign currency transaction gains or losses due to spot rate fluctuations on the *euro*-denominated debt instruments are included in foreign currency translation adjustment within OCI.

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

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

	DECEMBER 31, 2016				
	EXCHANGE TRADED	NON-EXCHANGE TRADED			UNIT OF
(US\$ in millions)	NET (SHORT) & LONG ⁽¹⁾	(SHORT) ⁽²⁾	LONG ⁽²⁾		MEASURE
Foreign Exchange					
Options	\$ -	\$ (126)	\$ 268		Delta
Forwards	-	(8,889)	6,126		Notional
Swaps	-	(129)	157		Notional

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

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

Commodity derivatives – Bunge uses commodity derivative instruments to manage its exposure to movements associated with agricultural commodity prices. Bunge generally uses exchange traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on its agricultural commodity inventories and forward purchase and sale contracts, but may also from time-to-time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Forward purchase and sale contracts are primarily settled through delivery of agricultural commodities. While Bunge considers these exchange traded futures and forward purchase and sale contracts to be effective economic hedges, Bunge does not designate or account for the majority of its commodity contracts as hedges. The forward contracts require performance of both Bunge and the contract counterparty in future periods. Contracts to purchase agricultural commodities generally relate to current or future crop years for delivery periods quoted by regulated commodity exchanges. Contracts for the sale of agricultural commodities generally do not extend beyond one future crop cycle.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

	DECEMBER 31, 2016			
	EXCHANGE TRADED	NON-EXCHANGE TRADED		UNIT OF MEASURE
	NET (SHORT) & LONG ⁽¹⁾	(SHORT) ⁽²⁾	LONG ⁽²⁾	
Agricultural Commodities				
Futures	(6,914,908)	-	-	Metric Tons
Options	(334,494)	-	-	Metric Tons
Forwards	-	(35,672,883)	25,960,476	Metric Tons
Swaps	-	(3,326,874)	1,442,144	Metric Tons

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

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

Ocean freight derivatives – Bunge uses derivative instruments referred to as freight forward agreements (FFAs) and FFA options to hedge portions of its current and anticipated ocean freight costs. Changes in the fair values of ocean freight derivatives that are not designated as hedges are recorded in earnings. There were no designated hedges at December 31, 2016 and 2015, respectively.

The table below summarizes the open ocean freight positions.

	DECEMBER 31, 2016			
	EXCHANGE CLEARED	NON-EXCHANGE CLEARED		UNIT OF MEASURE
	NET (SHORT) & LONG ⁽¹⁾	(SHORT) ⁽²⁾	LONG ⁽²⁾	
Ocean Freight				
FFA	(3,165)	-	-	Hire Days
FFA Options	(467)	-	-	Hire Days

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

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

Energy derivatives – Bunge uses energy derivative instruments for various purposes including to manage its exposure to volatility in energy costs. Bunge's operations use energy, including electricity, natural gas, coal, and fuel oil, including bunker fuel.

The table below summarizes the open energy positions.

	DECEMBER 31, 2016			
	EXCHANGE TRADED	NON-EXCHANGE CLEARED		UNIT OF MEASURE ⁽³⁾
	NET (SHORT) & LONG ⁽¹⁾	(SHORT) ⁽²⁾	LONG ⁽²⁾	
Natural Gas ⁽³⁾				
Futures	3,930,000	-	-	MMBtus
Swaps	-	-	1,351,351	MMBtus
Energy - Other				
Futures	1,777	-	-	Metric Tons
Forwards	-	-	6,048,869	Metric Tons
Swaps	215,100	-	-	Metric Tons
Options	(1,285)	-	-	Metric Tons

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

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

(3) Million British Thermal Units ("MMBtus") are standard units of measurement used to denote an amount of electricity and natural gas, respectively.

The Effect of Financial Instruments on the Consolidated Statements of Income

The table below summarizes the effect of derivative instruments that are designated as fair value hedges and also derivative instruments that are undesignated on the consolidated statements of income for the years ended December 31, 2016 and 2015.

(US\$ in millions)	Location	GAIN OR (LOSS) RECOGNIZED IN INCOME ON DERIVATIVE INSTRUMENTS	
		DECEMBER 31,	
		2016	2015
Designated Derivative Contracts:			
Interest Rate	Interest income/Interest expense	\$ 5	\$ -
Total		\$ 5	\$ -
Undesignated Derivative Contracts:			
Interest Rate	Interest income/Interest expense	\$ (4)	\$ -
Interest Rate	Other income (expense) - net	-	(2)
Foreign Exchange	Foreign exchange gains (losses)	267	(302)
Foreign Exchange	Cost of goods sold	772	(620)
Commodities	Cost of goods sold	(618)	1,062
Freight	Cost of goods sold	8	6
Energy	Cost of goods sold	19	(25)
Total		\$ 444	\$ 119

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes the effect of financial instruments that are designated and qualify as cash flow and net investment hedges on the consolidated statement of income.

(US\$ in millions)	YEAR ENDED DECEMBER 31, 2016					
	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⁾	\$ 181	\$ 48	Foreign exchange gains (losses)	\$ 16	Foreign exchange gains (losses)	\$ -
Total	<u>\$181</u>	<u>\$ 48</u>		<u>\$16</u>		<u>\$ -</u>
Net Investment Hedge:						
Foreign Currency denominated debt ⁽⁴⁾	\$ 881	\$ 41	Foreign currency denominated debt	\$ -	Foreign currency denominated debt	\$ -
Foreign Exchange ⁽³⁾	\$ -	\$ (394)	Foreign exchange gains (losses)	\$ -	Foreign exchange gains (losses)	\$ -
Total	<u>\$881</u>	<u>\$(353)</u>		<u>\$ -</u>		<u>\$ -</u>

(1) The gain (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2016, Bunge expects to reclassify into income in the next 12 months \$44 million of after-tax loss related to its foreign exchange cash flow hedges and nil for net investment hedges.

(2) There was no gain or loss recognized in income relating to the ineffective portion of the hedging relationships or relating to amounts excluded from the assessment of hedge effectiveness.

(3) The foreign exchange contracts mature at various dates through January 2018.

(4) The *euro* loans mature in 2023.

The table below summarizes the effect of financial instruments that are designated and qualify as cash flow hedges on the condensed consolidated statement of income for the year ended December 31, 2015.

(US\$ in millions)	YEAR ENDED DECEMBER 31, 2015					
	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⁾	\$ 238	\$ 76	Foreign exchange gains (losses)	\$ (76)	Foreign exchange gains (losses)	\$ -
Total	<u>\$ 238</u>	<u>\$ 76</u>		<u>\$ (76)</u>		<u>\$ -</u>
Net Investment Hedge:						
Foreign Exchange ⁽³⁾	\$ 1,878	\$ 223	Foreign exchange gains (losses)	\$ -	Foreign exchange gains (losses)	\$ -
Total	<u>\$1,878</u>	<u>\$223</u>		<u>\$ -</u>		<u>\$ -</u>

(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2015, Bunge expected to reclassify into income in the next 12 months approximately \$76 million of after-tax gains (losses) related to its foreign exchange cash flow hedges and nil for net investment hedges.

(2) There was no gain or loss recognized in income relating to the ineffective portion of the hedging relationships or to amounts excluded from the assessment of hedge effectiveness.

(3) The foreign exchange contracts matured at various dates through November 2020.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SHORT-TERM DEBT AND CREDIT FACILITIES

Bunge's short-term borrowings are typically sourced from various banking institutions and the U.S. commercial paper market. Bunge also borrows from time to time in local currencies in various foreign jurisdictions. Interest expense includes facility commitment fees, amortization of deferred financing costs and charges on certain lending transactions, including certain intercompany loans and foreign currency conversions in Brazil. The weighted-average interest rate on short-term borrowings at December 31, 2016 and 2015 was 8.69% and 4.92%, respectively.

	DECEMBER 31,	
(US\$ in millions)	2016	2015
Lines of credit:		
Secured, variable interest rate of 2.33%	\$ -	\$ 25
Unsecured, variable interest rates from 1.27% to 32.00% ⁽¹⁾	257	623
Total short-term debt	\$257	\$648

(1) Includes \$148 million and \$137 million of local currency borrowings in certain Central and Eastern European, South American, South African and Asia-Pacific countries at a weighted-average interest rate of 13.63% and 15.54% as of December 31, 2016 and 2015, respectively.

Bunge's commercial paper program is supported by an identical amount of committed back up bank credit lines (the "Liquidity Facility") provided by banks that are rated at least A-1 by Standard & Poor's Financial Services and P-1 by Moody's Investors Service. On November 20, 2014, Bunge entered into an unsecured \$600 million five-year Liquidity Facility with certain lenders party thereto. The Liquidity Facility replaced the then existing \$600 million five-year liquidity facility, dated as of November 17, 2011. The cost of borrowing under the Liquidity Facility would typically be higher than the cost of issuing under Bunge's commercial paper program. At December 31, 2016 and December 31, 2015, there were no borrowings outstanding under the commercial paper program and no borrowings under the Liquidity Facility.

In addition to the committed facilities discussed above, from time-to-time, Bunge Limited and/or its financing subsidiaries enter into uncommitted bilateral short-term credit lines as necessary based on its financing requirements. At December 31, 2016 and 2015, nil and nil were outstanding under these bilateral short-term credit lines, respectively. Loans under such credit lines are non-callable by the respective lenders. In addition, Bunge's operating companies had \$257 million in short-term borrowings outstanding from local bank lines of credit at December 31, 2016 to support working capital requirements.

16. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt obligations are summarized below.

	DECEMBER 31,	
(US\$ in millions)	2016	2015
Revolving credit facilities	\$ -	\$ 752
Term loan due 2019 - three-month Yen LIBOR plus 0.75% (Tranche A)	243	237
Term loan due 2019 - fixed Yen interest rate of 0.96% (Tranche B)	51	50
Term loan due 2019 - three-month LIBOR plus 1.30% (Tranche C)	85	85
4.10% Senior Notes due 2016	-	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
3.50% Senior Notes due 2020	497	497
1.85% Senior Notes due 2023 - Euro	843	-
3.25% Senior Notes due 2026	694	-
Consolidated investment fund debt ⁽¹⁾	-	53
Other	144	171
Subtotal	4,007	3,795
Less: Current portion of long-term debt	(938)	(869)
Total long-term debt	\$3,069	\$2,926

(1) There is no consolidated investment fund debt as of December 31, 2016. Bunge elected to account for \$53 million at fair value as of December 31, 2015.

The fair values of long-term debt, including current portion, at December 31, 2016 and 2015 \$4,163 million and \$3,940 million, respectively, are 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, 2016			DECEMBER 31, 2015		
	CARRYING	FAIR	FAIR	CARRYING	FAIR	FAIR
(US\$ in millions)	VALUE	VALUE (LEVEL 2)	VALUE (LEVEL 3)	VALUE	VALUE (LEVEL 2)	VALUE (LEVEL 3)
Long-term debt, including current portion	\$4,007	\$4,163	\$ -	\$3,795	\$3,887	\$53

On August 15, 2016, Bunge completed the sale of \$700 million aggregate principal amount of 3.25% senior notes due August 15, 2026. The unsecured senior notes were issued by Bunge's 100% owned finance subsidiary, Bunge Limited Finance Corp., and are fully and unconditionally guaranteed by Bunge. The offering was made pursuant to a registration statement filed with the U.S. Securities and Exchange Commission. The net proceeds of \$695 million were used for general corporate purposes, including, but not limited to, the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. LONG-TERM DEBT AND CREDIT FACILITIES

(Continued)

repayment of outstanding indebtedness, which includes indebtedness under revolving credit facilities.

On June 24, 2016, Bunge completed the refinancing on a \$200 million three-year committed unsecured bilateral revolving credit facility, to mature on June 24, 2019. A further \$500 million of unsecured bilateral revolving credit facilities were refinanced on September 23, 2016 to mature on September 23, 2019. Borrowings under these facilities bear interest at LIBOR plus a margin, which will vary from 0.65% to 1.40% per annum based on the credit ratings on its senior long-term unsecured debt. Amounts under the Facilities that remain undrawn are subject to a commitment fee payable at a rate ranging from 0.20% to 0.25%.

On June 16, 2016, Bunge completed the sale of 600 million *euro* (approximately \$670 million) aggregate principal amount of 1.85% senior notes due June 16, 2023 ("Notes"). Additionally, on November 17, 2016 Bunge completed the sale of 200 million *euro* (approximately \$214 million) of the Notes bringing the aggregate principal amount to 800 million *euro*. The Notes were issued by Bunge's 100% owned finance subsidiary, Bunge Finance Europe B.V., and are fully and unconditionally guaranteed by Bunge. The offering was made pursuant to a registration statement filed with the U.S. Securities and Exchange Commission. The aggregated net proceeds of 802 million *euro* (approximately \$887 million) were used for general corporate purposes, including, but not limited to the repayment of outstanding indebtedness, which includes indebtedness under revolving credit facilities.

At December 31, 2016, Bunge had \$5,015 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 \$63 million at December 31, 2016 have been mortgaged or otherwise collateralized against long-term debt of \$41 million at December 31, 2016.

Principal Maturities – Principal maturities of long-term debt at December 31, 2016 are as follows:

(US\$ in millions)

2017	\$ 938
2018	14
2019	992
2020	511
2021	18
Thereafter	1,551
Total ⁽¹⁾	<u>\$4,024</u>

(1) Excludes changes in long-term debt attributable to fair value hedge accounting of \$17 million.

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, 2016.

During the years ended December 31, 2016, 2015 and 2014, Bunge paid interest, net of interest capitalized, of \$234 million, \$227 million and \$223 million, respectively.

17. TRADE RECEIVABLES SECURITIZATION PROGRAM

Bunge and certain of its subsidiaries participate in a trade receivables securitization program ("Program") with a financial institution, as administrative agent, and certain commercial paper conduit purchasers and committed purchasers (collectively, the Purchasers) that provides for funding of up to \$700 million against receivables sold into the Program. The Program is designed to enhance Bunge's financial flexibility by providing an additional source of liquidity for its operations. In connection with the Program, certain of Bunge's U.S. and non-U.S. subsidiaries that originate trade receivables may sell eligible receivables in their entirety on a revolving basis to a consolidated bankruptcy remote special purpose entity, Bunge Securitization B.V. ("BSBV") formed under the laws of The Netherlands. BSBV in turn sells such purchased trade receivables to the administrative agent (acting on behalf of the Purchasers) pursuant to a receivables transfer agreement. In connection with these sales of accounts receivable, Bunge receives a portion of the proceeds up front and an additional amount upon the collection of the underlying receivables, which is expected to be generally between 10% and 15% of the aggregate amount of receivables sold through the Program.

Koninklijke Bunge B.V., a wholly owned subsidiary of Bunge, acts as master servicer, responsible for servicing and collecting the accounts receivable for the Program. The Program terminates on May 26, 2021. The trade receivables sold under the program are subject to specified eligibility criteria, including eligible currencies, and country and obligor concentration limits.

The table below summarizes the cash flows and discounts of Bunge's trade receivables associated with the Program.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE RECEIVABLES SECURITIZATION PROGRAM (Continued)

Servicing fees under the Program were not significant in any period.

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Receivables sold which were derecognized on Bunge balance sheet	<u>\$ 628</u>	<u>\$ 524</u>
Proceeds received in cash related to transfer of receivables	<u>\$9,197</u>	<u>\$10,396</u>
Cash collections from customers on receivables previously sold	<u>\$9,176</u>	<u>\$10,542</u>
Gross receivables sold	<u>\$9,405</u>	<u>\$10,601</u>

(US\$ in millions)	2016	DECEMBER 31,	
		2015	2014
Discounts related to gross receivables sold included in SG&A	<u>\$6</u>	<u>\$5</u>	<u>\$7</u>

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Deferred purchase price included in other current assets	<u>\$87</u>	<u>\$79</u>

Bunge's risk of loss following the sale of the trade receivables is limited to the deferred purchase price ("DPP"), and is included in other current assets in the consolidated balance sheets (see Note 5). The DPP will be repaid in cash as receivables are collected, generally within 30 days.

Delinquencies and credit losses on trade receivables sold under the Program during the years ended December 31, 2016 and 2015 were insignificant. Bunge has reflected all cash flows under the Program as operating cash flows in the consolidated statements of cash flows for the years ended December 31, 2016, 2015 and 2014.

18. EMPLOYEE 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.

Certain United States and Brazil based subsidiaries of Bunge have benefit plans to provide certain postretirement healthcare benefits to eligible retired employees of those subsidiaries. The plans require minimum retiree contributions and define the maximum amount the subsidiaries will be obligated to pay under the plans. Bunge's policy is to fund these costs as they become payable.

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, 2016 or 2015.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT PLANS (Continued)

The following table sets forth in aggregate the changes in the defined benefit pension and postretirement benefit plans' benefit obligations, assets and funded status at December 31, 2016 or 2015. A measurement date of December 31 was used for all plans.

(US\$ in millions)	PENSION BENEFITS DECEMBER 31,		POSTRETIREMENT BENEFITS DECEMBER 31,	
	2016	2015	2016	2015
Change in benefit obligations:				
Benefit obligation at the beginning of year	\$ 864	\$ 906	\$ 56	\$ 69
Service cost	32	35	-	-
Interest cost	35	33	7	5
Plan curtailments	(3)	(6)	-	-
Actuarial (gain) loss, net	31	(54)	8	8
Employee contributions	6	6	1	1
Net transfers in (out)	8	-	-	-
Plan settlements	(5)	(6)	-	-
Benefits paid	(21)	(30)	(7)	(8)
Expenses paid	(2)	(3)	-	-
Impact of foreign exchange rates	(4)	(17)	9	(19)
Benefit obligation at the end of year	<u>\$ 941</u>	<u>\$ 864</u>	<u>\$ 74</u>	<u>\$ 56</u>
Change in plan assets:				
Fair value of plan assets at the beginning of year	\$ 689	\$ 650	\$ -	\$ -
Actual return on plan assets	53	(3)	-	-
Employer contributions	20	90	6	7
Employee contributions	6	6	1	1
Plan settlements	(4)	(6)	-	-
Effect of plan combinations	1	-	-	-
Benefits paid	(21)	(30)	(7)	(8)
Expenses paid	(3)	(3)	-	-
Impact of foreign exchange rates	(1)	(15)	-	-
Fair value of plan assets at the end of year	<u>\$ 740</u>	<u>\$ 689</u>	<u>\$ -</u>	<u>\$ -</u>
Funded (unfunded) status and net amounts recognized:				
Plan assets (less than) in excess of benefit obligation	<u>\$(201)</u>	<u>\$(175)</u>	<u>\$(74)</u>	<u>\$(56)</u>
Net (liability) asset recognized in the balance sheet	<u>\$(201)</u>	<u>\$(175)</u>	<u>\$(74)</u>	<u>\$(56)</u>
Amounts recognized in the balance sheet consist of:				
Non-current assets	\$ 16	\$ 12	\$ -	\$ -
Current liabilities	(5)	(5)	(8)	(6)
Non-current liabilities	(212)	(182)	(66)	(50)
Net liability recognized	<u>\$(201)</u>	<u>\$(175)</u>	<u>\$(74)</u>	<u>\$(56)</u>

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT PLANS (Continued)

Included in accumulated other comprehensive income for pension benefits at December 31, 2016 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized prior service credit of \$6 million (\$4 million, net of tax) and unrecognized actuarial loss of \$190 million (\$124 million, net of tax). Expected prior service costs and unrecognized actuarial losses as a component of net periodic benefit costs included in accumulated other comprehensive income in 2016 is \$10 million (\$7 million, net of tax).

Included in accumulated other comprehensive income for postretirement healthcare benefits at December 31, 2016 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized prior service credit of \$1 million (\$1 million, net of tax), and unrecognized actuarial loss of \$14 million (\$9 million, net of tax). Bunge does not expect to recognize any unrecognized prior service credits or unrecognized actuarial losses as components of net periodic benefit costs for its postretirement benefit plans in 2016.

Bunge has aggregated certain 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, 2016, \$941 million projected benefit obligations includes plans with projected benefit obligations of \$806 million which were in excess of the fair value of related plan assets of \$589 million. At December 31, 2015, the \$864 million projected benefit obligations include plans with projected benefit obligations of \$758 million which were in excess of the fair value of related plan assets of \$570 million. The accumulated benefit obligation for the defined pension benefit plans, respectively, was \$850 million at December 31, 2016 and \$786 million at December 31, 2015.

The following table summarizes information relating to aggregated defined benefit pension plans with an accumulated benefit obligation in excess of plan assets:

	PENSION BENEFITS DECEMBER 31,	
(US\$ in millions)	2016	2015
Projected benefit obligation	\$680	\$642
Accumulated benefit obligation	\$617	\$588
Fair value of plan assets	\$484	\$474

At December 31, 2016, for measurement purposes related to postretirement benefit plans, an 8.8% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2016, decreasing to 8.0% by 2038, remaining at that level thereafter. At December 31, 2015, for measurement purposes related to postretirement benefit plans, an 8.1% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2015, decreasing to 7.4% by 2029, remaining at that level thereafter.

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	\$1	\$ -
Effect on postretirement benefit obligation	\$5	\$(5)

The components of net periodic benefit costs are as follows for defined benefit pension plans and postretirement benefit plans:

	PENSION BENEFITS DECEMBER 31,			POSTRETIREMENT BENEFITS DECEMBER 31,		
(US\$ in millions)	2016	2015	2014	2016	2015	2014
Service cost	\$ 32	\$ 35	\$ 30	\$ -	\$ -	\$ -
Interest cost	35	33	36	7	5	6
Expected return on plan assets	(44)	(42)	(39)	-	-	-
Amortization of prior service cost	-	1	1	-	-	-
Amortization of net loss	10	12	4	-	-	(1)
Curtailement loss	-	1	-	-	-	(2)
Settlement loss recognized	-	1	-	-	-	-
Special termination benefit	1	-	-	-	-	-
Net periodic benefit costs	\$ 34	\$ 41	\$ 32	\$ 7	\$ 5	\$ 3

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT PLANS (Continued)

The weighted-average actuarial assumptions used in determining the benefit obligation under the defined benefit pension and postretirement benefit plans are as follows:

	PENSION BENEFITS DECEMBER 31,		POSTRETIREMENT BENEFITS DECEMBER 31,	
	2016	2015	2016	2015
Discount rate	3.9%	4.2%	10.8%	11.4%
Increase in future compensation levels	3.2%	3.3%	N/A	N/A

The weighted-average actuarial assumptions used in determining the net periodic benefit cost under the defined benefit pension and postretirement benefit plans are as follows:

	PENSION BENEFITS DECEMBER 31,			POSTRETIREMENT PENSION BENEFITS DECEMBER 31,		
	2016	2015	2014	2016	2015	2014
Discount rate	4.2%	3.8%	4.9%	11.4%	9.8%	10.0%
Expected long-term rate of return on assets	6.4%	6.7%	6.7%	N/A	N/A	N/A
Increase in future compensation levels	3.3%	3.5%	3.5%	N/A	N/A	N/A

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.

Pension Benefit Plan Assets – The objectives of the 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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT PLANS (Continued)

The fair values of Bunge's defined benefit pension plans' assets at the measurement date, by category, are as follows:

(US\$ IN MILLIONS) ASSET CATEGORY	FAIR VALUE MEASUREMENTS AT DECEMBER 31, 2016			
	PENSION BENEFITS			
	TOTAL	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Cash.....	\$ 8	\$ 8	\$ -	\$ -
Equities:				
Mutual Funds ⁽¹⁾	406	366	40	-
Fixed income securities:				
Mutual Funds ⁽²⁾	299	199	100	-
Others ⁽³⁾	27	-	23	4
Total	\$740	\$573	\$163	\$ 4

(US\$ IN MILLIONS) ASSET CATEGORY	FAIR VALUE MEASUREMENTS AT DECEMBER 31, 2015			
	PENSION BENEFITS			
	TOTAL	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Cash.....	\$ 81	\$ 81	\$ -	\$ -
Equities:				
Mutual Funds ⁽¹⁾	354	306	48	-
Fixed income securities:				
Mutual Funds ⁽²⁾	242	80	162	-
Others ⁽³⁾	12	-	12	-
Total	\$689	\$467	\$222	\$ -

(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 \$13 million and \$8 million, respectively, to its defined benefit pension and postretirement benefit plans in 2017.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT PLANS (Continued)

The following benefit payments, which reflect future service as appropriate, are expected to be paid related to defined benefit pension and postretirement benefit plans:

(US\$ in millions)	PENSION BENEFIT PAYMENTS	POSTRETIREMENT BENEFIT PAYMENTS
2017	\$ 42	\$ 8
2018	42	8
2019	44	8
2020	46	7
2021	48	7
2022 and onwards.....	270	30

Employee Defined Contribution Plans – Bunge also makes contributions to qualified defined contribution plans for eligible employees. Contributions to these plans amounted to \$11 million, \$11 million and \$12 million during the years ended December 31, 2016, 2015 and 2014, respectively.

19. RELATED PARTY TRANSACTIONS

Notes receivable – Bunge holds a note receivable from Navegações Unidas Tapajós S.A., a 50% equity method investment in Brazil, having a carrying value of \$20 million at December 31, 2016, which matures in June 2019, with interest based on CDI, the average one-day interbank deposit rate in Brazil.

Bunge holds a note receivable from Solazyme Bunge Renewable Oils Cooperatief U.A., a 49.9% equity method investment in Brazil, having a carrying value of \$10 million at December 31, 2016, which matures in April 2017, with an interest rate of 11.05%.

In addition, Bunge held notes receivables from other related parties totaling \$6 million at December 31, 2016, and 2015, respectively.

Notes payable – Bunge holds a note payable with its joint venture Bunge SCF Grain LLC with a carrying value of \$18 million at December 31, 2016. This note matures on March 31, 2019 with an interest rate based on LIBOR and is included in other long-term liabilities in Bunge's consolidated balance sheet.

Other – Bunge purchased soybeans and other commodity products and received port services from certain of its unconsolidated ventures, totaling \$1,054 million, \$757 million and \$746 million for the years ended December 31, 2016, 2015 and 2014, respectively. Bunge also sold soybeans and other commodity products and provided port services to certain of its unconsolidated ventures, totaling \$326 million, \$351 million and \$345 million for the years ended December 31, 2016, 2015 and

2014, respectively. At December 31, 2016 and 2015, Bunge had approximately \$33 million and \$16 million of receivables from these ventures included in trade accounts receivable in the consolidated balance sheets as of those dates. In addition, at December 31, 2016 and 2015, Bunge had approximately \$46 million and \$25 million of payables to these ventures included in trade accounts payable in the consolidated balance sheets as of those dates.

In addition, Bunge provided services during the years ended December 31, 2016, 2015 and 2014, to its unconsolidated ventures totaling \$103 million, \$106 million and \$111 million, respectively, for services including primarily tolling and administrative support. Bunge believes all of these transaction values are similar to those that would be conducted with third parties.

20. COMMITMENTS AND CONTINGENCIES

Bunge is party to a large number of claims and lawsuits, primarily non-income tax and labor claims in Brazil and non-income tax claims in Argentina, arising in the normal course of business. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. Bunge records liabilities related to its general claims and lawsuits when the exposure item becomes probable and can be reasonably estimated. Bunge management does not expect these matters to have a material adverse effect on Bunge's financial condition, results of operations or liquidity. However, these matters are subject to inherent uncertainties and there exists the remote possibility of an adverse impact on Bunge's position in the period the uncertainties are resolved whereby the settlement of the identified contingencies could exceed the amount of provisions included in the consolidated balance sheets. Included in other non-current liabilities at December 31, 2016 and 2015 are the following amounts related to these matters:

(US\$ in millions)	DECEMBER 31,	
	2016	2015
Non-income tax claims	\$170	\$ 163
Labor claims	82	75
Civil and other claims	98	78
Total	\$350	\$ 316

Non-income Tax claims – These tax claims relate principally to claims against Bunge's Brazilian subsidiaries, primarily value added tax claims (ICMS, IPI, PIS/COFINS). The determination of the manner in which various Brazilian federal, state and municipal taxes apply to the operations of Bunge is subject to varying interpretations arising from the complex nature of Brazilian tax law. In addition to the matter discussed below, Bunge monitors other potential claims in Brazil regarding these

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. COMMITMENTS AND CONTINGENCIES (Continued)

value-added taxes. In particular, Bunge monitors the Brazilian federal and state governments' responses to recent Brazilian Supreme Court decisions invalidating on constitutional grounds certain ICMS incentives and benefits granted by various states. While Bunge was not a recipient of any of the incentives and benefits that were the subject of these Supreme Court decisions, it has received other similar tax incentives and benefits, which are being challenged before the Supreme Court. Bunge has not received any tax assessment from the states that granted these incentives or benefits related to their validity and, based on the Company's evaluation of this matter as required by U.S. GAAP, no liability has been recorded in the consolidated financial statements.

On February 13, 2015, Brazil's Supreme Federal Court ruled in a leading case that certain state ICMS tax credits for staple foods (including soy oil, margarine, mayonnaise and wheat flours) are unconstitutional. Bunge, like other companies in the Brazilian food industry, is involved in several administrative and judicial disputes with Brazilian states regarding these tax credits. While the leading case does not involve Bunge and each case is unique in facts and circumstances and applicable state law, the ruling has general precedent authority on lower court cases. Based on management's review of the ruling (without considering the future success of any potential clarification or modulation of the ruling) and its general application to Bunge's pending cases, management recorded a liability of 468 million Brazilian *reais* (approximately \$144 million and \$120 million as of December 31, 2016 and 2015, respectively), plus applicable interest. During the fourth quarter of 2016, Bunge settled a portion of its outstanding liabilities in amnesty programs in certain Brazilian states. As of December 31, 2016, the accrued liability was 418 million Brazilian *reais* (approximately \$128 million), plus applicable interest.

As of December 31, 2016, the Brazilian state authorities have concluded examinations of the ICMS tax returns from 1990 to the present and have issued approximately 1,300 assessments totaling approximately 797 million Brazilian *reais* (approximately \$245 million as of December 31, 2016), plus applicable interest and penalties on the outstanding amount. As of December 31, 2015, the claims were approximately 740 million Brazilian *reais* (approximately \$228 million), plus applicable interest and penalties on the outstanding amount. Management intends to continue to vigorously defend against its pending state cases. Management, in consultation with external legal advisors, has established appropriate reserves for potential exposures.

As of December 31, 2016 the Brazilian authorities have concluded examinations of the PIS COFINS tax returns and

issued assessments relating to years 2004 through the first quarter of 2011. As of December 31, 2016, the cumulative claims for 2004 through 2011 were approximately 510 million Brazilian *reais* (approximately \$156 million), plus applicable interest and penalties on the outstanding amount. As of December 31, 2015, the claims for 2004 through 2010 were approximately 500 million Brazilian *reais* (approximately \$154 million as of December 31, 2016), plus applicable interest and penalties on the outstanding amount. Management, in consultation with external legal advisors, has established appropriate reserves for potential exposures.

Since 2010, 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, the Company has been subject to a number of assessments, proceedings and claims related to its activities. In 2011, Bunge's subsidiary in Argentina paid \$112 million of accrued export tax obligations under protest and preserved its rights with respect to such payment. In 2012, the Argentine tax authorities further assessed interest on these payments, which as of December 31, 2016, totaled approximately \$234 million. In 2012, the Argentine government suspended Bunge's Argentine subsidiary from a registry of grain traders. While the suspension has not had a material adverse effect on Bunge's business in Argentina, these actions have resulted in additional administrative requirements and increased logistical costs on domestic grain shipments within Argentina. Bunge is challenging these actions in the Argentine courts.

Labor claims – The labor claims are principally claims against Bunge's Brazilian subsidiaries. The labor claims primarily relate to dismissals, severance, health and safety, salary adjustments and supplementary retirement benefits.

Civil and other claims – The civil and other claims relate to various disputes with third parties, including suppliers and customers.

During the first quarter of 2016, Bunge received a notice from the Brazilian Administrative Council for Economic Defense initiating an administrative proceeding against its Brazilian subsidiary and two of its employees, certain of its former employees, several other companies in the Brazilian wheat milling industry and others for alleged anticompetitive activities in the north and northeast of Brazil. Bunge is defending against this action; however, the proceedings are at an early stage and Bunge cannot, at this time, reasonably predict the ultimate outcome of the proceedings or sanctions, if any, which may be imposed.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. COMMITMENTS AND CONTINGENCIES (Continued)

Guarantees – Bunge has issued or was a party to the following guarantees at December 31, 2016:

(US\$ in millions)	MAXIMUM POTENTIAL FUTURE PAYMENTS
Unconsolidated affiliates guarantee ⁽¹⁾⁽²⁾	\$ 99
Residual value guarantee ⁽³⁾	222
Total	\$321

(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 2017 through 2022. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At December 31, 2016, Bunge recorded no obligation related to these guarantees.

(2) Bunge issued guarantees to certain third parties related to performance of its unconsolidated joint ventures. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At December 31, 2016, Bunge recorded no obligation related to these guarantees.

(3) 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 2018 through 2021. At December 31, 2016, Bunge's recorded obligation related to these guarantees was \$4 million.

Bunge Limited has provided a Guaranty to the Director of the Illinois Department of Agriculture as Trustee for Bunge North America, Inc. ("BNA"), an indirect wholly-owned subsidiary, which guarantees all amounts due and owing by BNA, to grain producers and/or depositors in the State of Illinois who have delivered commodities to BNA's Illinois facilities.

In addition, Bunge Limited has provided full and unconditional parent level guarantees of the outstanding indebtedness under certain credit facilities entered into and senior notes issued by, its subsidiaries. At December 31, 2016, Bunge's consolidated balance sheet includes debt with a carrying amount of \$4,035 million related to these guarantees. This debt includes the senior notes issued by three of Bunge's 100% owned finance subsidiaries, Bunge Limited Finance Corp., Bunge Finance Europe B.V. and Bunge N.A. Finance L.P. There are largely no restrictions on the ability of Bunge Limited Finance Corp., Bunge Finance Europe B.V. and 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 five to nine 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	MINIMUM PAYMENT OBLIGATIONS
2017	\$114	\$ 43	\$157
2018 and 2019	112	68	180
2020 and 2021	91	68	159
2022 and thereafter	53	102	155
Total	\$370	\$281	\$651

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 \$60 million during the year ended December 31, 2016 and expects to receive payments of approximately \$10 million in 2017 under such relet agreements.

Commitments – At December 31, 2016, Bunge had approximately \$16 million of purchase commitments related to its inventories, \$109 million of power supply contracts and \$72 million of contractual commitments related to construction in progress.

21. REDEEMABLE NONCONTROLLING INTERESTS

In July 2012, Bunge and Nutre Farming B.V. entered into a joint venture agreement whereby Bunge acquired a 55% interest in a newly formed oilseed processing venture in its agribusiness segment in Eastern Europe. Bunge consolidates the 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 were reasonably determinable. As a result, Bunge had classified the noncontrolling interest as redeemable noncontrolling interest in its consolidated balance sheet as of December 31, 2012. During the second quarter of 2016, Bunge exercised its call option for the remaining 45% interest in the joint venture for

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. REDEEMABLE NONCONTROLLING INTERESTS (Continued)

approximately \$39 million. The transaction has concluded in September 2016.

22. EQUITY

Share Repurchase Program – In May 2015, Bunge established a new program for the repurchase of up to \$500 million of Bunge's issued and outstanding common shares. The program has no expiration date. Bunge did not repurchase any common shares during the fourth quarter ended December 31, 2016. Bunge repurchased 3,296,230 common shares for the nine months ended September 30, 2016 under this program for \$200 million. Total repurchases under the program from its inception in May 2015 through December 31, 2016 were 4,707,440 shares for \$300 million. Bunge completed the previous program of \$975 million during the first quarter of 2015 with the repurchase of 2,460,600 common shares for \$200 million.

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, 2016. 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 1.1507 common shares based on a conversion price of \$86.9010 per convertible preference share, subject in each case to certain specified anti-dilution adjustments (which represents 7,939,830 Bunge Limited common shares at December 31, 2016).

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, 2016, 2015 and 2014, Bunge recorded \$34 million of dividends on its convertible preference shares.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. EQUITY (Continued)

Accumulated Other Comprehensive Income (Loss) Attributable to Bunge – The following table summarizes the balances of related after-tax components of accumulated other comprehensive income (loss) attributable to Bunge:

(US\$ in millions)	FOREIGN EXCHANGE TRANSLATION ADJUSTMENT ⁽¹⁾	DEFERRED GAINS (LOSSES) ON HEDGING ACTIVITIES	PENSION AND OTHER POSTRETIREMENT LIABILITY ADJUSTMENTS	UNREALIZED GAINS (LOSSES) ON INVESTMENTS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
Balance January 1, 2014	\$ (2,486)	\$ (22)	(69)	5	(2,572)
Other comprehensive income (loss) before reclassifications	(1,411)	21	(90)	(2)	(1,482)
Amount reclassified from accumulated other comprehensive income	-	(9)	5	-	(4)
Net-current period other comprehensive income (loss)	(1,411)	12	(85)	(2)	(1,486)
Balance, December 31, 2014	(3,897)	\$ (10)	(154)	3	(4,058)
Other comprehensive income (loss) before reclassifications	(2,546)	147	7	-	(2,392)
Amount reclassified from accumulated other comprehensive income (loss)	-	77	13	-	90
Net-current period other comprehensive income (loss)	(2,546)	224	20	-	(2,302)
Balance, December 31, 2015	(6,443)	\$ 214	(134)	3	(6,360)
Other comprehensive income (loss) before reclassifications	709	(305)	(11)	-	393
Amount reclassified from accumulated other comprehensive income (loss)	-	(11)	-	-	(11)
Net-current period other comprehensive income (loss)	709	(316)	(11)	-	382
Balance, December 31, 2016	\$ (5,734)	\$ (102)	\$ (145)	\$ 3	\$ (5,978)

(1) Bunge has significant operating subsidiaries in Brazil, Argentina, North America, Europe and Asia-Pacific. The functional currency of Bunge's subsidiaries is the local currency. The assets and liabilities of these subsidiaries are translated into U.S. dollars from local currency at month-end exchange rates, and the resulting foreign exchange translation gains (losses) are recorded in the consolidated balance sheets as a component of accumulated other comprehensive income (loss).

23. EARNINGS PER COMMON SHARE

Basic earnings per share is computed by dividing net income available to Bunge common shareholders by the weighted-average number of common shares outstanding, excluding any dilutive effects of stock options, restricted stock unit awards, convertible preference shares and convertible notes during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include additional shares from the assumed exercise of stock options, restricted stock unit awards and convertible securities

and notes, if dilutive. The number of additional shares is calculated by assuming 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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. EARNINGS PER COMMON 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,		
	2016	2015	2014
Income from continuing operations	\$ 776	\$ 755	\$ 485
Net (income) loss attributable to noncontrolling interests	(22)	1	(2)
Income (loss) from continuing operations attributable to Bunge	754	756	483
Other redeemable obligations ⁽¹⁾	(2)	(19)	(14)
Convertible preference share dividends	(34)	(34)	(34)
Income (loss) from discontinued operations, net of tax	(9)	35	32
Net income (loss) available to Bunge common shareholders	\$ 709	\$ 738	\$ 467
Weighted-average number of common shares outstanding:			
Basic	139,845,124	143,671,546	146,209,508
Effect of dilutive shares:			
— stock options and awards ⁽²⁾	441,521	749,031	1,021,270
— convertible preference shares ⁽³⁾	7,939,830	7,818,390	-
Diluted	148,226,475	152,238,967	147,230,778
Basic earnings per common share:			
Net income (loss) from continuing operations	\$ 5.13	\$ 4.90	\$ 2.98
Net income (loss) from discontinued operations	(0.06)	0.24	0.22
Net income (loss) to Bunge common shareholders - basic	\$ 5.07	\$ 5.14	\$ 3.20
Diluted earnings per common share:			
Net income (loss) from continuing operations	\$ 5.07	\$ 4.84	\$ 2.96
Net income (loss) from discontinued operations	(0.06)	0.23	0.21
Net income (loss) to Bunge common shareholders - diluted	\$ 5.01	\$ 5.07	\$ 3.17

(1) Accretion of redeemable noncontrolling interest of \$2 million, \$19 million and \$14 million for the years ended December 31, 2016, 2015 and 2014, respectively, relates to a non-fair value variable put arrangement whereby the noncontrolling interest holder may have required Bunge to purchase the remaining shares of an oilseed processing operation in Central and Eastern Europe. As further discussed in Note 21 Redeemable Noncontrolling Interest, during the second quarter of 2016 Bunge exercised its call option with Prio for their 45% interest in the joint venture for approximately \$39 million. The

transaction concluded in September 2016. Accretion for the respective periods includes the effect of losses incurred by the operations for the years ended December 31, 2016, 2015 and 2014, respectively.

(2) The weighted-average common shares outstanding-diluted excludes approximately 4 million, 3 million and 2 million stock options and contingently issuable restricted stock units, which were not dilutive and not included in the computation of earnings per share for the years ended December 31, 2016, 2015 and 2014, respectively.

(3) Weighted-average common share outstanding-diluted for the year ended December 31, 2014 excludes approximately 8 million weighted-average common shares that are issuable upon conversion of the convertible preference shares that were not dilutive and not included in the weighted-average number of common shares outstanding.

24. SHARE-BASED COMPENSATION

For the years ended December 31, 2016, 2015 and 2014, Bunge recognized in additional paid-in capital approximately \$44 million, \$46 million and \$49 million, respectively, of total compensation expense for awards classified as equity awards related to its stock option and restricted stock unit awards in additional paid-in capital.

In 2016, Bunge granted equity awards under the 2016 Equity Incentive Plan (the "2016 EIP") and 2009 Equity Incentive Plan (the "2009 EIP"), both shareholder approved plans. Under the 2016 EIP and 2009 EIP, the Compensation Committee of Bunge's Board of Directors may grant equity based awards to officers, employees, consultants and independent contractors in the form of stock options, restricted stock units (performance based or time-vested) or other equity based awards. The 2016 EIP replaced the 2009 EIP, under which, beginning May 26, 2016, no further awards may be granted. Shares issued under the Plan may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares reacquired by the Company in any manner, or a combination thereof.

(i) *Stock Option Awards* – Options to purchase Bunge Limited common shares are granted with an exercise price equal to the grant date fair market value of Bunge common stock, vest over service periods that generally range from one to three years, and expire 10 years from the date of grant. Vesting may be accelerated in certain circumstances as provided in the plans or associated Award Agreements. Grant date fair value is recognized as compensation expense on a straight-line basis for option grants beginning in 2006 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* – Restricted stock units ("RSUs") give recipients the right to receive shares of Bunge common stock upon the lapse of related restrictions determined by the Compensation Committee. Restrictions on RSUs may be based on continued service by the recipient through the designated term and/or based on the achievement of certain performance targets. These targets may be financial or market-based, and the number of units actually earned varies based on the level

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. SHARE-BASED COMPENSATION (Continued)

of achievement of predefined goals. Compensation expense is recognized on a straight-line basis over the vesting period for restricted stock units. RSUs vest in various increments and at various dates, generally over periods ranging from one to three years. Vesting may be accelerated under certain circumstances as defined in the plans or associated Award Agreements. RSUs are generally settled in shares of Bunge common stock upon satisfaction of the applicable vesting terms. Where share settlement may be prohibited under local law, RSUs are settled in cash. At the time of settlement, a participant holding a vested restricted stock unit will also be entitled to receive corresponding accrued dividend equivalent share payments.

Bunge has also 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. The 2007 Directors' Plan replaced the Non-Employee Directors Equity Incentive Plan, under which no further awards may be granted.

(i) *Stock Option Awards* – Options to purchase Bunge Limited common shares were historically granted with an exercise price equal to the grant date fair market value of Bunge Limited common stock. Options were set to expire ten years after the date of grant and generally vested and became exercisable on the third anniversary of the grant date. Bunge no longer makes grants of options under the 2007 Directors' Plan and there are no longer any options outstanding under the plan.

(ii) *Restricted Stock Units* – Restricted stock units granted to non-employee directors generally vest on the first anniversary of the grant date, provided the director continues to serve on the Board until such date, and are settled in Bunge Limited common stock. RSUs granted as part of our Chairman's supplemental annual retainer have historically vested on December 31 of the year of grant. At the time of settlement, a participant holding a vested restricted stock unit or deferred restricted stock unit is also entitled to receive corresponding accrued dividend equivalent share payments.

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. Assumptions for the prior three years are noted in the following table. The expected volatility of Bunge's common

shares is a weighted average of historical volatility calculated using the daily closing price of Bunge's shares up to the grant date and implied volatilities on open option contracts on Bunge's stock as of 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.

ASSUMPTIONS:	DECEMBER 31,		
	2016	2015	2014
Expected option term (in years)	5.67	5.87	6.02
Expected dividend yield	3.04%	1.67%	1.51%
Expected volatility	26.06%	27.47%	40.91%
Risk-free interest rate	1.41%	1.73%	1.84%

A summary of option activity under the plans for the year ended December 31, 2016 is presented below:

OPTIONS	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	WEIGHTED-AVERAGE REMAINING CONTRACTUAL TERM (YEARS)	AGGREGATE INTRINSIC VALUE
Outstanding at January 1, 2016	4,795,671	\$ 75.64		
Granted	1,586,400	\$ 50.18		
Exercised	(78,189)	\$ 57.77		
Forfeited or expired	(354,063)	\$ 72.30		
Outstanding at December 31, 2016	5,949,819	\$69.35	6.26	\$45
Exercisable at December 31, 2016	3,635,613	\$75.19	4.67	\$10

The weighted-average grant date fair value of options granted during the years ended December 31, 2016, 2015 and 2014 was \$8.86, \$19.36 and \$28.25, respectively. The total intrinsic value of options exercised during the years ended December 31, 2016, 2015 and 2014 was approximately \$1 million, \$11 million and \$34 million, respectively. The excess tax benefit classified as a financing cash flow was not significant for any of the periods presented.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. SHARE-BASED COMPENSATION (Continued)

At December 31, 2016, \$17 million of total unrecognized compensation cost related to non-vested stock options granted under the equity incentive plan is expected to be recognized over the next two years.

A summary of activity under Bunge's restricted stock unit plans for the year ended December 31, 2016 is presented below.

RESTRICTED STOCK UNITS	SHARES	WEIGHTED-AVERAGE GRANT-DATE FAIR VALUE
Restricted stock units at January 1, 2016	1,160,628	\$79.16
Granted	866,790	51.42
Vested/issued ⁽²⁾	(317,586)	75.43
Forfeited/cancelled ⁽²⁾	(165,567)	75.43
Restricted stock units at December 31, 2016 ⁽¹⁾	<u>1,544,265</u>	<u>\$64.85</u>

(1) Includes accrued unvested dividends, which are payable in Bunge's common shares upon vesting of underlying restricted stock units.

(2) During the year ended December 31, 2016, Bunge issued 235,204 common shares, net of common shares withheld to cover taxes, including related common shares representing accrued dividends, with a weighted-average fair value of \$57.91 per share. During the year ended December 31, 2016, 82,520 performance-based restricted stock units vested. During the year ended December 31, 2016, Bunge canceled approximately 135,948 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 fair value of RSU and performance-based awards is determined based on the market value of the Company's shares on the grant date. The weighted-average grant date fair value of restricted stock units granted during the years ended December 31, 2016, 2015 and 2014 was \$51.42, \$81.97 and \$79.26, respectively.

At December 31, 2016, there was approximately \$42 million of total unrecognized compensation cost related to restricted stock units share-based compensation arrangements under the equity incentive plans, 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, 2016 was approximately \$18 million.

Common Shares Reserved for Share-Based Awards – The 2007 Directors' Plan, the 2009 EIP and the 2016 EIP provide that 600,000, 10,000,000 and 5,800,000 common shares, respectively, are to be reserved for grants of stock options, restricted stock units and other awards under the plans. At December 31, 2016, 113,732 and 5,766,487 common shares were available for future grants under the 2007 Directors' Plan and the 2016 EIP, respectively. Upon approval of the 2016 EIP, no shares were available for future grant under the 2009 EIP.

25. 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, 2016 are as follows:

(US\$ in millions)	MINIMUM LEASE PAYMENTS
2017	\$152
2018	115
2019	99
2020	72
2021	59
Thereafter	171
Total	<u>\$668</u>

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Rent expense	\$213	\$182	\$259
Sublease income	(9)	(6)	(22)
Net rent expense	<u>\$204</u>	<u>\$176</u>	<u>\$237</u>

In addition, Bunge enters into agricultural partnership agreements for the production of sugarcane. These agreements have an average remaining life of four years and cover approximately 211,017 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, sugar and ethanol council. During the years ended December 31, 2016, 2015 and 2014, Bunge made payments related to these agreements of \$154 million, \$125 million and \$162 million, respectively. Of these amounts \$89 million, \$75 million and \$95 million, respectively, were payments for advances on future production and \$65 million, \$50 million and \$67 million, respectively, were included in cost of goods sold in the consolidated statements of income for the years ended December 31, 2016, 2015 and 2014, respectively.

26. SEGMENT INFORMATION

Bunge has five reportable segments – Agribusiness, Edible Oil Products, Milling Products, Sugar and Bioenergy, and

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. SEGMENT INFORMATION (Continued)

Fertilizer – which are organized based upon similar economic characteristics and are similar in nature of products and services offered, the nature of production processes and the type and class of customer and distribution methods. The Agribusiness segment is characterized by both inputs and outputs being agricultural commodities and thus high volume and low margin. The Edible Oil Products segment involves the processing, production and marketing of products derived from vegetable oils. The Milling Products segment involves the processing, production and marketing of products derived primarily from wheat and corn. The Sugar and Bioenergy segment involves sugarcane growing and milling in Brazil, sugar merchandising in various countries, as well as sugarcane-based ethanol production and corn-based ethanol

investments and related activities. Following the classification of the Brazilian fertilizer distribution and North American fertilizer businesses as discontinued operations, the activities of the Fertilizer segment include its port operations in Brazil and Argentina and its blending and retail operations in Argentina.

The “Discontinued Operations & Unallocated” column in the following table contains the reconciliation between the totals for reportable segments and Bunge consolidated totals, which consist primarily of amounts attributable to discontinued operations, corporate items not allocated to the operating segments and inter-segment eliminations. Transfers between the segments are generally valued at market. The segment revenues generated from these transfers are shown in the following table as “Inter-segment revenues.”

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. SEGMENT INFORMATION (Continued)

(US\$ in millions)	AGRIBUSINESS	EDIBLE OIL PRODUCTS	MILLING PRODUCTS	SUGAR AND BIOENERGY	FERTILIZER	DISCONTINUED OPERATIONS & UNALLOCATED ⁽¹⁾	TOTAL
2016							
Net sales to external customers	\$30,061	\$6,859	\$1,647	\$3,709	\$403	\$ -	\$42,679
Inter-segment revenues	3,867	115	9	13	-	(4,004)	-
Foreign exchange gains (losses)	(7)	(1)	(7)	9	(2)	-	(8)
Noncontrolling interests ⁽¹⁾	(21)	(13)	-	-	(2)	14	(22)
Other income (expense) - net	24	7	(4)	(16)	1	-	12
Segment EBIT ⁽³⁾	875	112	131	(4)	29	-	1,143
Discontinued operations ⁽²⁾	-	-	-	-	-	(9)	(9)
Depreciation, depletion and amortization	(236)	(94)	(62)	(143)	(12)	-	(547)
Investments in affiliates	325	-	-	48	-	-	373
Total assets	12,159	2,329	1,444	2,754	318	184	19,188
Capital expenditures	421	108	75	131	16	33	784
2015							
Net sales to external customers	\$ 31,267	\$ 6,698	\$ 1,609	\$ 3,495	\$ 386	\$ -	\$ 43,455
Inter-segment revenues	3,499	178	37	12	-	(3,726)	-
Foreign exchange gains (losses)	67	-	(8)	(68)	1	-	(8)
Noncontrolling interests ⁽¹⁾	(9)	(8)	-	-	(1)	19	1
Other income (expense) - net	(3)	4	(3)	(15)	(1)	-	(18)
Segment EBIT ⁽⁴⁾	1,108	59	103	(27)	5	-	1,248
Discontinued operations ⁽²⁾	-	-	-	-	-	35	35
Depreciation, depletion and amortization	(234)	(90)	(46)	(160)	(15)	-	(545)
Investments in affiliates	249	-	-	80	-	-	329
Total assets	11,832	1,963	1,343	2,318	299	159	17,914
Capital expenditures	359	63	60	125	17	25	649
2014							
Net sales to external customers	\$ 42,109	\$ 7,972	\$ 2,064	\$ 4,542	\$ 474	\$ -	\$ 57,161
Inter-segment revenues	3,510	161	88	-	-	(3,759)	-
Foreign exchange gains (losses)	39	(4)	(8)	19	1	-	47
Noncontrolling interests ⁽¹⁾	(23)	(9)	-	(1)	(5)	36	(2)
Other income (expense) - net	8	5	(4)	10	(2)	-	17
Segment EBIT	890	58	131	(168)	45	-	956
Discontinued operations ⁽²⁾	-	-	-	-	-	32	32
Depreciation, depletion and amortization	(240)	(96)	(47)	(208)	(16)	-	(607)
Investments in affiliates	178	-	-	116	-	-	294
Total assets	14,268	2,235	1,174	3,143	356	249	21,425
Capital expenditures	411	95	103	193	16	21	839

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

(2) Represents net income (loss) from discontinued operations.

(3) 2016 EBIT includes \$122 million of gains related to disposition of equity interest in operations in Agribusiness, recorded in other income (expense)-net. In addition, Bunge recorded pre-tax impairment charges of \$71 million and \$9 million in other income (expense)-net and cost of goods sold, respectively. Of these pre-tax impairment charges, \$44 million was allocated to Sugar and Bioenergy, \$27 million to Agribusiness and \$9 million to Fertilizer.

(4) 2015 EBIT includes a \$47 million gain on the sale of assets in Agribusiness. In addition, Bunge recorded pre-tax impairment charges of \$57 million, of which \$15 million, \$14 million and \$13 million are included in cost of goods sold, selling, general and administrative expenses and goodwill impairment, respectively. Of these pre-tax impairment charges, \$14 million was allocated to Agribusiness and \$28 million to Edible Oil Products.

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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. SEGMENT INFORMATION (Continued)

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Total segment EBIT from continuing operations	\$1,143	\$1,248	\$ 956
Interest income	51	43	87
Interest expense	(234)	(258)	(347)
Income tax (expense) benefit	(220)	(296)	(249)
Income (loss) from discontinued operations, net of tax	(9)	35	32
Noncontrolling interests' share of interest and tax	14	19	36
Net income attributable to Bunge	<u>\$ 745</u>	<u>\$ 791</u>	<u>\$ 515</u>

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

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Agricultural Commodity Products	\$30,061	\$ 31,267	\$ 42,109
Edible Oil Products	6,859	6,698	7,972
Wheat Milling Products	1,079	1,054	1,462
Corn Milling Products	568	555	602
Sugar and Bioenergy Products	3,709	3,495	4,542
Fertilizer Products	403	386	474
Total	<u>\$42,679</u>	<u>\$ 43,455</u>	<u>\$ 57,161</u>

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:

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Net sales to external customers:			
Europe	\$14,238	\$14,346	\$18,234
United States	10,239	10,256	12,199
Asia-Pacific	7,843	8,680	10,932
Brazil	6,604	6,117	10,422
Argentina	1,406	1,490	1,857
Canada	1,120	1,245	1,784
Rest of world	1,229	1,321	1,733
Total	<u>\$42,679</u>	<u>\$43,455</u>	<u>\$57,161</u>

(US\$ in millions)	YEAR ENDED DECEMBER 31,		
	2016	2015	2014
Long-lived assets ⁽¹⁾ :			
Brazil	\$2,452	\$2,086	\$2,711
United States	1,249	1,130	1,022
Europe	1,107	1,074	1,181
Asia-Pacific	505	558	572
Canada	378	400	347
Argentina	189	204	257
Rest of world	320	377	480
Total	<u>\$6,200</u>	<u>\$5,829</u>	<u>\$6,570</u>

(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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(US\$ in millions, except per share data)	QUARTER					YEAR END
	FIRST	SECOND	THIRD	FOURTH		
2016						
Net sales	\$ 8,916	\$ 10,541	\$ 11,423	\$ 11,799	\$ 42,679	
Gross profit	620	530	556	704	2,410	
Income (loss) from discontinued operations, net of tax	(9)	(4)	5	(1)	(9)	
Net income (loss)	232	120	130	285	767	
Net income (loss) attributable to Bunge	235	121	118	271	745	
Earnings per common share - basic⁽¹⁾						
Net income (loss)	\$ 1.64	\$ 0.86	\$ 0.93	\$ 2.04	\$ 5.48	
Net income (loss) from continuing operations	\$ 1.64	\$ 0.81	\$ 0.80	\$ 1.89	\$ 5.13	
Net income (loss) from discontinued operations	(0.07)	(0.03)	0.03	(0.01)	(0.06)	
Net income (loss) to Bunge common shareholders	\$ 1.57	\$ 0.78	\$ 0.83	\$ 1.88	\$ 5.07	
Earnings per common share - diluted⁽¹⁾						
Net income (loss)	\$ 1.55	\$ 0.86	\$ 0.93	\$ 1.92	\$ 5.17	
Net income (loss) from continuing operations	\$ 1.60	\$ 0.81	\$ 0.79	\$ 1.83	\$ 5.07	
Net income (loss) from discontinued operations	(0.06)	(0.03)	0.04	(0.01)	(0.06)	
Net income (loss) to Bunge common shareholders	\$ 1.54	\$ 0.78	\$ 0.83	\$ 1.82	\$ 5.01	
Weighted-average number of shares:						
Weighted-average number of shares outstanding - basic	141,062,415	139,406,634	139,444,320	139,475,593	139,845,124	
Weighted-average number of shares outstanding - diluted	149,213,091	139,764,877	139,927,845	148,078,492	148,226,475	
Market price:						
High	\$ 66.82	\$ 67.77	\$ 66.21	\$ 73.61		
Low	\$ 47.79	\$ 55.62	\$ 57.76	\$ 58.64		
2015						
Net sales	\$ 10,806	\$ 10,782	\$ 10,762	\$ 11,105	\$ 43,455	
Gross profit	710	535	745	703	2,693	
Income (loss) from discontinued operations, net of tax	14	1	21	(1)	35	
Net income (loss)	260	93	234	203	790	
Net income (loss) attributable to Bunge	263	86	239	203	791	
Earnings per common share - basic⁽¹⁾						
Net income (loss)	\$ 1.79	\$ 0.65	\$ 1.63	\$ 1.42	\$ 5.50	
Net income (loss) from continuing operations	\$ 1.61	\$ 0.50	\$ 1.45	\$ 1.33	\$ 4.90	
Net income (loss) from discontinued operations	0.10	0.01	0.14	(0.01)	0.24	
Net income (loss) to Bunge common shareholders	\$ 1.71	\$ 0.51	\$ 1.59	\$ 1.32	\$ 5.14	
Earnings per common share - diluted⁽¹⁾						
Net income (loss)	\$ 1.69	\$ 0.64	\$ 1.54	\$ 1.35	\$ 5.19	
Net income (loss) from continuing operations	\$ 1.58	\$ 0.50	\$ 1.42	\$ 1.31	\$ 4.84	
Net income (loss) from discontinued operations	0.09	-	0.14	(0.01)	0.23	
Net income (loss) to Bunge common shareholders	\$ 1.67	\$ 0.50	\$ 1.56	\$ 1.30	\$ 5.07	
Weighted-average number of shares:						
Weighted-average number of shares outstanding - basic	145,164,587	143,726,689	143,361,057	142,466,906	143,671,546	
Weighted-average number of shares outstanding - diluted	153,817,713	144,626,753	151,794,399	150,744,716	152,238,967	
Market price:						
High	\$ 92.31	\$ 92.85	\$ 89.86	\$ 79.41		
Low	\$ 78.50	\$ 83.16	\$ 68.94	\$ 61.81		

(1) Earnings per share to Bunge common shareholders for both basic and diluted is computed independently for each period presented. As a result, the sum of the quarterly earnings per share for the years ended December 31, 2016 and 2015 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, 2017

By: /s/ THOMAS M. BOEHLERT

Thomas M. Boehlert
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

February 28, 2017

By: /s/ SOREN SCHRODER

Soren Schroder
Chief Executive Officer

February 28, 2017

By: /s/ THOMAS M. BOEHLERT

Thomas Boehlert
Chief Financial Officer

February 28, 2017

By: /s/ J. MATT SIMMONS, JR.

J. Matt Simmons, Jr.
Controller and Principal Accounting Officer

February 28, 2017

By: /s/ ERNEST G. BACHRACH

Ernest G. Bachrach
Director

February 28, 2017

By: /s/ ENRIQUE H. BOILINI

Enrique H. Boilini
Director

February 28, 2017

By: /s/ CAROL M. BROWNER

Carol M. Browner
Director

February 28, 2017

By: /s/ PAUL CORNET DE WAYS-RUART

Paul Cornet De Ways-Ruart
Director

February 28, 2017

By: /s/ WILLIAM ENGELS

William Engels
Director

February 28, 2017

By: /s/ ANDREW FERRIER

Andrew Ferrier
Director

February 28, 2017

By: /s/ ANDREAS FIBIG

Andreas Fibig
Director

February 28, 2017

By: /s/ KATHLEEN W. HYLE

Kathleen W. Hyle
Director

February 28, 2017

By: /s/ L. PATRICK LUPO

L. Patrick Lupo
Director and Chairman of the Board of Directors

February 28, 2017

By: /s/ JOHN E. MCGLADE

John E. McGlade
Director

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Shareholder Information

CORPORATE OFFICE

Bunge Limited
50 Main Street
White Plains, NY 10606
U.S.A.
914-684-2800

CONTACT INFORMATION

Corporate and Investor Relations
914-684-3476

BOARD OF DIRECTORS

L. Patrick Lupo, Chairman
Ernest G. Bachrach
Enrique H. Boilini
Carol M. Browner
Paul Cornet de Ways-Ruart
William Engels
Andrew Ferrier
Andreas Fibig
Kathleen Hyle
John E. McGlade
Soren Schroder, CEO Bunge Limited

SHAREHOLDER WEBSITE

www.computershare.com/investor

INVESTOR INFORMATION

Copies of the company's annual report, filed with the Securities and Exchange Commission (SEC) on Form 10-K, and other SEC filings can be obtained free of charge on our website at www.bunge.com or by contacting our Investor Relations department.

STOCK LISTING

New York Stock Exchange
Ticker Symbol: BG



TRANSFER AGENT

Computershare, Inc.
480 Washington Boulevard
Jersey City, NJ 07310-1900
U.S.A.

U.S. Shareholders Toll-Free

800-851-9677

Shareholders Outside the U.S.

201-680-6578

TDD for Hearing-Impaired

U.S. Shareholders
800-231-5469

TDD for Hearing-Impaired Shareholders Outside the U.S.

201-680-6610

ANNUAL MEETING

The annual meeting will be held on May 25, 2017, at 10:00 a.m. at the Sofitel Hotel, 45 West 44th Street, New York, NY 10036, U.S.A. See the proxy statement for additional information.

INDEPENDENT AUDITORS

Deloitte & Touche LLP

BUNGE
www.bunge.com





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