

Bunge LTD
Form 10-Q/A
February 25, 2016
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q/A

Amendment No 1

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

For the quarterly period ended September 30, 2015

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

BUNGE LIMITED

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of incorporation or organization)

98-0231912
(I.R.S. Employer Identification No.)

50 Main Street, White Plains, New York
(Address of principal executive offices)

10606
(Zip Code)

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

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 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. (Check one):

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 Securities Exchange Act of 1934). Yes No

As of October 30, 2015 the number of shares issued of the registrant was:

Common shares, par value \$.01 per share: 142,458,656

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Explanatory Note

Bunge Limited (Bunge , the Company , we , us , and our) is filing this Amendment No. 1 on Form 10-Q/A (this Amendment) to its Quarterly Report on Form 10-Q for the nine months ended September 30, 2015 (Original Form 10-Q) filed with the Securities and Exchange Commission on November 6, 2015 (Original Filing Date) to restate the Company s previously issued unaudited condensed consolidated financial statements and related financial information for the nine months ended September 30, 2015 and to amend certain other disclosures in the Original Form 10-Q as a result of the restatement. The restatement corrects an error in our condensed consolidated statement of cash flows for the nine months ended September 30, 2015 relating to the classification of cash received from settlement of net investment hedges, which resulted in an overstatement of operating cash flows and understatement of investing cash flows in the same amount. There was no impact to the Condensed Consolidated Statement of Cash Flows for the nine months ended September, 30, 2014 or any of the other financial statements contained in the Original Form 10-Q.

Effects of Restatement

The following sections in the Original Form 10-Q are revised in this Form 10-Q/A to reflect the restatement:

- Part I, Item 1 - Unaudited Condensed Consolidated Financial Statements;
- Part I, Item 2 - Management s Discussion and Analysis of Financial Condition and Results of Operations;
- Part I, Item 4 - Controls and Procedures;
- Part II, Item 1A - Risk Factors
- Part II, Item 6 - Exhibits.

Except as described in this Explanatory Note, the unaudited condensed consolidated financial statements and other disclosures in the Original Form 10-Q remain unchanged. Except as described above, this Amendment has not been updated to reflect any events that have occurred after the Original Form 10-Q was filed. Accordingly, forward-looking statements included in this Amendment represent management s views as of the Original Filing Date and should not be assumed to be accurate as of any date thereafter. This Amendment should be read in conjunction with the Company s other filings with the SEC, together with any amendments to those filings.

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BUNGE LIMITED

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****BUNGE LIMITED AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)****(U.S. dollars in millions, except per share data)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$ 10,762	\$ 13,676	\$ 32,350	\$ 43,930
Cost of goods sold	(10,017)	(12,957)	(30,360)	(42,004)
Gross profit	745	719	1,990	1,926
Selling, general and administrative expenses	(358)	(403)	(1,050)	(1,161)
Interest income	18	19	42	71
Interest expense	(77)	(70)	(187)	(225)
Foreign exchange gains (losses)	(24)	23	(15)	59
Other income (expense) net	2	(2)	(6)	5
Gain on sale of Canadian grain assets	47		47	
Income from continuing operations before income tax	353	286	821	675
Income tax (expense) benefit	(140)	(9)	(270)	(150)
Income from continuing operations, net of tax	213	277	551	525
Income from discontinued operations, net of tax	21	27	36	37
Net income	234	304	587	562
Net loss (income) attributable to noncontrolling interests	5	(10)	1	7
Net income attributable to Bunge	239	294	588	569
Convertible preference share dividends and other obligations	(10)	(10)	(38)	(40)
Net income available to Bunge common shareholders	\$ 229	\$ 284	\$ 550	\$ 529
Earnings per common share basic (Note 16)				
Net income (loss) from continuing operations	\$ 1.45	\$ 1.77	\$ 3.57	\$ 3.36
Net income (loss) from discontinued operations	0.14	\$ 0.19	\$ 0.25	\$ 0.25

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Net income (loss) attributable to Bunge common shareholders	\$	1.59	\$	1.96	\$	3.82	\$	3.61
Earnings per common share diluted (Note 16)								
Net income (loss) from continuing operations	\$	1.42	\$	1.73	\$	3.53	\$	3.34
Net income (loss) from discontinued operations		0.14	\$	0.17	\$	0.24	\$	0.24
Net income (loss) attributable to Bunge common shareholders	\$	1.56	\$	1.90	\$	3.77	\$	3.58
Dividends declared per common share	\$	0.38	\$	0.34	\$	1.10	\$	0.98

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

Table of Contents**BUNGE LIMITED AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(Unaudited)****(U.S. dollars in millions)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 234	\$ 304	\$ 587	\$ 562
Other comprehensive income (loss):				
Foreign exchange translation adjustment	(1,248)	(1,025)	(2,360)	(667)
Unrealized gains (losses) on designated cash flow and net investment hedges, net of tax (expense) benefit of nil and nil in 2015, nil and nil in 2014	166	29	146	13
Unrealized gains (losses) on investment, net of tax (expense) benefit of nil and nil in 2015, \$1 and \$1 in 2014		(2)		(2)
Reclassification of realized net losses (gains) to net income, net of tax expense (benefit) of nil and nil in 2015, nil and nil in 2014	33	(7)	51	(11)
Pension adjustment, net of tax (expense) benefit of nil and nil in 2015, nil and nil in 2014	1		5	(1)
Total other comprehensive income (loss)	(1,048)	(1,005)	(2,158)	(668)
Total comprehensive income (loss)	(814)	(701)	(1,571)	(106)
Less: comprehensive (income) loss attributable to noncontrolling interest	8	5	5	3
Total comprehensive income (loss) attributable to Bunge	\$ (806)	\$ (696)	\$ (1,566)	\$ (103)

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

Table of Contents**BUNGE LIMITED AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)****(U.S. dollars in millions, except share data)**

	September 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 303	\$ 362
Time deposits under trade structured finance program (Note 4)	296	1,343
Trade accounts receivable (less allowances of \$119 and \$121) (Note 12)	1,908	1,840
Inventories (Note 5)	5,013	5,554
Deferred income taxes	120	177
Other current assets (Note 6)	3,866	3,805
Total current assets	11,506	13,081
Property, plant and equipment, net	4,616	5,626
Goodwill	296	349
Other intangible assets, net	228	256
Investments in affiliates	411	294
Deferred income taxes	454	565
Other non-current assets (Note 7)	928	1,261
Total assets	\$ 18,439	\$ 21,432
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 832	\$ 594
Current portion of long-term debt (Note 11)	519	408
Letter of credit obligations under trade structured finance program (Note 4)	296	1,343
Trade accounts payable	3,465	3,248
Deferred income taxes	54	42
Other current liabilities (Note 9)	3,004	3,069
Total current liabilities	8,170	8,704
Long-term debt (Note 11)	2,583	2,855
Deferred income taxes	136	177
Other non-current liabilities	851	969
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests	38	37
Equity (Note 15):		
Convertible perpetual preference shares, par value \$.01; authorized, issued and outstanding: 2015 and 2014 6,900,000 shares (liquidation preference \$100 per share)	690	690
Common shares, par value \$.01; authorized 400,000,000 shares; issued and outstanding: 2015 142,453,910 shares, 2014 145,703,198 shares	1	1
Additional paid-in capital	5,102	5,053
Retained earnings	7,585	7,180
Accumulated other comprehensive income (loss) (Note 15)	(6,212)	(4,058)

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Treasury shares, at cost - 2015 - 9,586,083 and 2014 - 5,714,273 shares	(720)	(420)
Total Bunge shareholders' equity	6,446	8,446
Noncontrolling interests	215	244
Total equity	6,661	8,690
Total liabilities and equity	\$ 18,439	\$ 21,432

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

Table of Contents**BUNGE LIMITED AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)****(U.S. dollars in millions)**

	Nine Months Ended September 30,	
	2015	2014
	(Restated)	
OPERATING ACTIVITIES		
Net income	\$ 587	\$ 562
Adjustments to reconcile net income (loss) to cash provided by (used for) operating activities:		
Gain on sale of Canadian grain assets	(47)	
Impairment charges	24	4
Foreign exchange loss (gain) on debt	(227)	(61)
Bad debt expense	20	22
Depreciation, depletion and amortization	403	448
Stock-based compensation expense	38	36
Deferred income tax expense (benefit)	(13)	(17)
Other, net	(40)	(86)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Trade accounts receivable	(330)	(424)
Inventories	(114)	590
Secured advances to suppliers	(382)	(4)
Trade accounts payable and accrued liabilities	722	439
Advances on sales	(104)	(109)
Net unrealized gain/loss on derivative contracts	7	(296)
Margin deposits	(32)	86
Other, net	15	(74)
Cash provided by (used for) operating activities	527	1,116
INVESTING ACTIVITIES		
Payments made for capital expenditures	(365)	(515)
Acquisitions of businesses (net of cash acquired)	(54)	(14)
Proceeds from the sale of Canadian grain assets	90	
Settlement of net investment hedges	106	
Proceeds from investments	269	261
Payments for investments	(203)	(140)
Payments for investments in affiliates	(158)	(40)
Other, net	4	(5)
Cash provided by (used for) investing activities	(311)	(453)
FINANCING ACTIVITIES		
Net change in short-term debt with maturities of 90 days or less	31	(58)
Proceeds from short-term debt with maturities greater than 90 days	562	802
Repayments of short-term debt with maturities greater than 90 days	(303)	(630)
Proceeds from long-term debt	5,781	7,492
Repayments of long-term debt	(5,792)	(8,191)
Proceeds from sale of common shares	24	34
Repurchases of common shares	(300)	(300)

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Dividends paid	(178)	(162)
Other, net	(10)	(18)
Cash provided by (used for) financing activities	(185)	(1,031)
Effect of exchange rate changes on cash and cash equivalents	(90)	(17)
Net increase (decrease) in cash and cash equivalents	(59)	(385)
Cash and cash equivalents, beginning of period	362	742
Cash and cash equivalents, end of period	\$ 303	\$ 357

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

Table of Contents**BUNGE LIMITED AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS**

(Unaudited)

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

	Redeemable Non- Controlling Interests	Convertible Preference Shares	Amount	Common Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non- Controlling Interests	Total Equity
Balance, January 1, 2015	\$ 37	6,900,000	\$ 690	145,703,198	\$ 1	\$ 5,053	\$ 7,180	\$ (4,058)	\$ (420)	\$ 244	\$ 8,690
Net income (loss)	(9)						588			(1)	587
Accretion of noncontrolling interests	13					(13)					(13)
Other comprehensive income (loss)	(3)							(2,154)		(4)	(2,158)
Dividends on common shares							(158)				(158)
Dividends on preference shares							(25)				(25)
Dividends to noncontrolling interests on subsidiary common stock										(7)	(7)
Return of capital to noncontrolling interests										(17)	(17)
Stock-based compensation expense						38					38
Repurchase of common shares				(3,871,810)					(300)		(300)
Issuance of common shares				622,522		24					24
Balance, September 30, 2015	\$ 38	6,900,000	\$ 690	142,453,910	\$ 1	\$ 5,102	\$ 7,585	\$ (6,212)	\$ (720)	\$ 215	\$ 6,661
	Redeemable Non- Controlling Interests	Convertible Preference Shares	Amount	Common Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non- Controlling Interests	Total Equity
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)	(11)						569			(7)	562
Accretion of noncontrolling interests	15					(15)					(15)

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interest																				
Other comprehensive income (loss)	(3)							(672)	4					(668)						
Dividends on common shares								(143)						(143)						
Dividends on preference shares								(25)						(25)						
Dividends to noncontrolling interests on subsidiary common stock													(8)	(8)						
Acquisition of noncontrolling interest								(23)					23							
Stock-based compensation expense								36						36						
Repurchase of common shares								(3,780,987)					(300)	(300)						
Issuance of common shares								1,037,927	35					35						
Balance, September 30, 2014																				
	\$	38	6,900,000	\$	690	145,053,724	\$	1	\$	5,000	\$	7,292	\$	(3,244)	\$	(420)	\$	243	\$	9,562

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

Table of Contents**BUNGE LIMITED AND SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(Unaudited)****1. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION**

The accompanying unaudited condensed consolidated financial statements include the accounts of Bunge Limited (Bunge), its subsidiaries and variable interest entities (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. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended (Exchange Act). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to Securities and Exchange Commission (SEC) rules. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included. The condensed consolidated balance sheet at December 31, 2014 has been derived from Bunge's audited consolidated financial statements at that date. Operating results for the nine months ended September 30, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2014, forming part of Bunge's 2014 Annual Report on Form 10-K filed with the SEC on March 2, 2015.

Restatement of Financial Statements

Bunge's condensed consolidated statement of cash flows for the nine months ended September 30, 2015 presented in this amended report is restated solely to reflect a reclassification of cash received from the settlement of net investment hedges from operating cash flows to investing cash flows. As a result, our previously filed interim condensed consolidated financial statements for the quarter ended September 30, 2015 should no longer be relied upon. The impact of the reclassification on other previously reported periods was immaterial.

The following table summarizes the effects of the reclassification (U.S. dollars in millions):

	As Reported	Nine Months Ended September 30, 2015 Restatement	As Restated
OPERATING ACTIVITIES			
Other, net	\$ 121	\$ (106)	\$ 15
Cash provided by (used for) operating activities	633	(106)	527
INVESTING ACTIVITIES			
Settlement of net investment hedges	\$	\$ 106	\$ 106

Cash provided by (used for) investing activities	(417)	106	(311)
Cash and cash equivalents, end of period	\$ 303	\$	\$ 303

2. ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements In July 2015, the FASB issued Accounting Standards Update (ASU), *Inventory Simplifying the Measurement of Inventory*, which requires entities that measure inventory using the first-in, first-out or average cost methods to measure inventory at the lower of cost and net realizable value. Net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation. The update is effective for fiscal years beginning after December 15, 2016 on a prospective basis, with earlier application permitted. The adoption of this update is not expected to have a material impact on Bunge's results of operations, financial position or cash flows.

In April 2015, the FASB issued ASU (Subtopic 835-30) *Interest - Imputation of Interest: 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. The update requires retrospective application and is effective for fiscal years beginning after December 15, 2015, early adoption is permitted. Bunge is evaluating the potential impact of this standard on its consolidated financial statements.

In February 2015, the FASB issued ASU (Topic 810) *Consolidation-Amendments to the Consolidation Analysis*. The standard makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the VIE guidance. The standard is effective for interim and annual reporting periods beginning after December 15, 2015, early adoption is permitted. Bunge expects the adoption of this standard to result in the deconsolidation of investment funds in its asset management business and is evaluating the potential impact of this standard on the consolidation of certain other legal entities.

In May 2014, the FASB amended the Accounting Standards Codification (ASC) 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, FASB issued an ASU effectively deferring the implementation date by one year. In addition, the ASU permits companies to early adopt the guidance as of the original effective date, but not before January 1, 2017. The new requirements may be implemented either retrospectively for all prior periods presented, or retrospectively with a cumulative-effect adjustment at the date of initial application. Bunge is evaluating the potential impact of this standard on its consolidated financial statements.

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3. BUSINESS ACQUISITIONS

On June 1, 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. In addition, 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.

On April 15, 2015, Bunge and Saudi Agricultural and Livestock Investment Company (SALIC), formed a Canadian entity, G3 Global Grain Group Limited (G3). See Note 13.

On March 6, 2015, Bunge acquired the assets of Heartland Harvest, Inc. (HHI) for \$48 million, including \$41 million in cash and cash settlement of an existing third-party loan to HHI of \$7 million. The final purchase price allocation resulted in \$19 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. 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 United States.

4. TRADE STRUCTURED FINANCE PROGRAM

Bunge engages in various trade structured finance activities to leverage the value of its trade flows across its operating regions. These activities include a program under which a Bunge entity generally obtains U.S. dollar-denominated letters of credit (LCs) (each based on an underlying commodity trade flow) from financial institutions, as well as foreign exchange forward contracts, and time deposits denominated in the local currency of the financial institution counterparties, all of which are subject to legally enforceable set-off agreements. The LCs and foreign exchange contracts are presented within the line item letter of credit obligations under trade structured finance program on the condensed consolidated balance sheets as of September 30, 2015 and December 31, 2014. The net return from activities under this program, including fair value changes, is included as a reduction of cost of goods sold in the condensed consolidated statements of income.

At September 30, 2015 and December 31, 2014, time deposits and LCs, including foreign exchange contracts totaled \$296 million and \$1,343 million, respectively. In addition, at September 30, 2015 and December 31, 2014, the fair values of the time deposits (Level 2 measurements) totaled approximately \$296 million and \$1,343 million, respectively, and the fair values of the LCs, including foreign exchange contracts (Level 2 measurements) totaled approximately \$296 million and \$1,353 million, respectively. The fair values approximated the carrying amount of the related financial instruments due to their short-term nature. The fair values of the foreign exchange forward contracts (Level 2 measurements) were nil and gains of \$10 million at September 30, 2015 and December 31, 2014, respectively. Additionally, as of September 30, 2015 and December 31, 2014, time deposits, LCs, and foreign exchange contracts of nil and \$1,496 million, respectively, were presented net on the condensed consolidated balance sheets as the criteria of ASC 210-20, *Offsetting*, had been met.

At September 30, 2015 and December 31, 2014, time deposits had weighted-average interest rates of 7.62% and 8.77%, respectively. During the nine months ended September 30, 2015 and 2014, total proceeds from issuances of LCs under the program were \$1,125 million and \$4,240 million, respectively. These cash inflows are offset by the related cash outflows resulting from placement of the time deposits and repayment of

the LCs. All cash flows related to the program are included in operating activities in the condensed consolidated statements of cash flows.

5. INVENTORIES

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

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(US\$ in millions)	September 30, 2015	December 31, 2014
Agribusiness (1)	\$ 4,041	\$ 4,273
Edible Oil Products (2)	330	411
Milling Products	151	198
Sugar and Bioenergy (3)	385	602
Fertilizer	106	70
Total	\$ 5,013	\$ 5,554

- (1) Includes RMI of \$3,914 million and \$4,125 million at September 30, 2015 and December 31, 2014, respectively. Of these amounts \$2,989 million and \$2,937 million can be attributable to merchandising activities at September 30, 2015 and December 31, 2014, respectively.
- (2) Includes RMI of bulk soybean and canola oil in the aggregate amount of \$96 million and \$127 million at September 30, 2015 and December 31, 2014, respectively.
- (3) Includes sugar RMI, which can be attributable to Bunge's trading and merchandising business of \$128 million and \$157 million at September 30, 2015 and December 31, 2014, respectively.

6. OTHER CURRENT ASSETS

Other current assets consist of the following:

(US\$ in millions)	September 30, 2015	December 31, 2014
Prepaid commodity purchase contracts (1)	\$ 355	\$ 153
Secured advances to suppliers, net (2)	441	520
Unrealized gains on derivative contracts, at fair value	1,676	1,569
Recoverable taxes, net	236	349
Margin deposits	352	323
Marketable securities, at fair value	132	108
Deferred purchase price receivable, at fair value (3)	84	78
Prepaid expenses	173	183
Other	417	522
Total	\$ 3,866	\$ 3,805

- (1) Prepaid commodity purchase contracts represent advance payments against fixed price contracts for future delivery of specified quantities of agricultural commodities.
- (2) Bunge provides cash advances to suppliers, primarily Brazilian farmers of soybeans and sugarcane, to finance a portion of the suppliers production costs. Bunge does not bear any of the costs or risks associated with the related growing crops. The advances are largely collateralized by future crops and physical assets of the suppliers, carry a local market interest rate and settle when the farmer's crop is harvested and sold. The secured advances to farmers are reported net of allowances of \$1 million and \$2 million at September 30, 2015 and December 31, 2014, respectively.

Interest earned on secured advances to suppliers of \$7 million and \$8 million for the three months ended September 30, 2015 and 2014, respectively, and \$27 million and \$27 million for the nine months ended September 30, 2015 and 2014, respectively, is included in net sales in the condensed 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 12).

Table of Contents**7. OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

(US\$ in millions)	September 30, 2015	December 31, 2014
Recoverable taxes, net (1)	\$ 261	\$ 337
Judicial deposits (1)	121	159
Other long-term receivables	23	40
Income taxes receivable (1)	180	188
Long-term investments	125	263
Affiliate loans receivable, net	12	18
Long-term receivables from farmers in Brazil, net (1)	90	102
Other	116	154
Total	\$ 928	\$ 1,261

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

Recoverable taxes, net-Recoverable taxes are reported net of valuation allowances of \$22 million and \$31 million at September 30, 2015 and December 31, 2014, respectively.

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

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

Long-term investments-Long-term investments represent primarily investments held by certain managed investment funds, which are included in Bunge's consolidated financial statements. The consolidated funds are, for U.S. GAAP purposes, investment companies and therefore are not required to consolidate their majority owned and controlled investments. Bunge reflects these investments at fair value. The fair value of these investments (a Level 3 measurement) is \$76 million and \$208 million at September 30, 2015 and December 31, 2014, respectively. The decline of these investments is a result of the discontinuance of Bunge's asset management activities.

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

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

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

(US\$ in millions)	September 30, 2015	December 31, 2014
Legal collection process (1)	\$ 115	\$ 179
Renegotiated amounts (2)	71	76
Total	\$ 186	\$ 255

(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 nine months ended September 30, 2015 and the year ended December 31, 2014 was \$217 million and \$289 million, respectively. The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts.

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(US\$ in millions)	September 30, 2015		December 31, 2014	
	Recorded Investment	Allowance	Recorded Investment	Allowance
For which an allowance has been provided:				
Legal collection process	\$ 104	\$ 66	\$ 164	\$ 103
Renegotiated amounts	40	30	65	50
For which no allowance has been provided:				
Legal collection process	11		15	
Renegotiated amounts	31		11	
Total	\$ 186	\$ 96	\$ 255	\$ 153

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

(US\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Beginning balance	\$ 127	\$ 176	\$ 153	\$ 196
Bad debt provisions	1	3	6	5
Recoveries	(4)	(6)	(18)	(21)
Write-offs	(1)		(1)	(21)
Transfers (1)			5	4
Foreign exchange translation	(27)	(17)	(49)	(7)
Ending balance	\$ 96	\$ 156	\$ 96	\$ 156

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

8. INCOME TAXES

Income tax expense is provided on an interim basis based on management's estimate of the annual effective income tax rate and includes the tax effects of certain discrete items, such as changes in tax laws or tax rates or other unusual or nonrecurring tax adjustments in the interim period in which they occur. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no tax benefit can be recognized are excluded from the estimated annual effective tax rate. The effective tax rate is highly dependent on the geographic distribution of Bunge's worldwide earnings or losses and tax regulations in each jurisdiction. Management regularly monitors the assumptions used in estimating its annual effective tax rate and adjusts estimates accordingly. If actual results differ from management's estimates, reported income tax expense in future periods could be materially affected.

For the nine months ended September 30, 2015 and 2014, income tax expense related to continuing operations was \$270 million and \$150 million, respectively. The related effective tax rates were 33% and 22%. The higher effective tax rate for the nine months ended September 30, 2015, resulted mainly from geographical earnings mix that included profits in higher tax jurisdictions and the establishment of valuation allowances. Income tax expense in 2014 included \$53 million of discrete tax benefits, primarily resulting from a deferred tax asset recorded for operating losses of a subsidiary effectively taxable in Brazil.

As a global enterprise, Bunge files income tax returns that are subject to periodic examination and challenge by federal, state and foreign tax authorities. In many jurisdictions, income tax examinations, including settlement negotiations or litigation, may take several years to finalize. While it is difficult to predict the final outcome or timing of resolution of any particular matter, management believes that the consolidated financial statements reflect the largest amount of tax benefit that is more likely than not to be realized.

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Bunge had received from the Brazilian tax authorities proposed adjustments (reduced by existing net operating loss carryforwards) totaling an aggregate amount of 1,177 million and 1,135 million Brazilian *reais* (\$296 million and \$427 million) as of September 30, 2015 and December 31, 2014, respectively, plus applicable interest and penalties, related to multiple examinations of income tax returns for certain subsidiaries for years up to 2010. Management, in consultation with external legal advisors, has reviewed and responded to the proposed adjustments and believes that it is more likely than not that Bunge will prevail on the majority of the proposed adjustments. As of September 30, 2015 and December 31, 2014, Bunge had recognized uncertain tax positions related to these tax assessments of 59 million and 38 million Brazilian *reais* (\$15 million and \$14 million, respectively). In 2014, the Brazilian tax authorities commenced an audit of Bunge's largest Brazilian subsidiary for the tax years 2010, 2011 and 2012.

In addition, as of September 30, 2015 and December 31, 2014, Bunge's Argentine subsidiary had received income tax assessments relating to fiscal years 2006 and 2007 with a claim of approximately 436 million Argentine *pesos* (approximately \$46 million and \$51 million, respectively), plus applicable interest on the outstanding amount due of approximately 1,024 million and 907 million Argentine *pesos* as of September 30, 2015 and December 31, 2014, (approximately \$109 million and \$106 million, respectively). Management, in consultation with external legal advisors, has received and responded to the proposed adjustments and believes that it is more likely than not that Bunge will prevail on the proposed adjustments. Fiscal years 2008 and 2009 are currently being audited by the tax authorities (see also Note 14).

9. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(US\$ in millions)	September 30, 2015	December 31, 2014
Accrued liabilities	\$ 700	\$ 769
Unrealized losses on derivative contracts at fair value	1,705	1,629
Advances on sales	257	392
Other	342	279
Total	\$ 3,004	\$ 3,069

10. 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 12 for deferred purchase price (DPP) receivable related to sales of trade receivables. See Note 7 for long-term receivables from farmers in Brazil, net and other long-term investments and Note 11 for long-term debt. Bunge's financial instruments also include derivative instruments and marketable securities, which are stated at fair value.

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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.

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(US\$ in millions)	Fair Value Measurements at Reporting Date							
	September 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Readily marketable inventories (Note 5)	\$	\$ 3,527	\$ 611	\$ 4,138	\$	\$ 4,154	\$ 255	\$ 4,409
Trade accounts receivable(1)		1		1		23		23
Unrealized gain on designated derivative contracts(2):								
Foreign exchange		132		132		10		10
Unrealized gain on undesignated derivative contracts (2):								
Foreign exchange		274		274	5	361		366
Commodities	328	516	365	1,209	486	538	68	1,092
Freight	54		1	55	62	2		64
Energy	5		1	6	35		2	37
Deferred purchase price receivable (Note 12)		84		84		78		78
Other (3)	97	55		152	55	218		273
Total assets	\$ 484	\$ 4,589	\$ 978	\$ 6,051	\$ 643	\$ 5,384	\$ 325	\$ 6,352
Liabilities:								
Trade accounts payable(1)	\$	\$ 410	\$ 166	\$ 576	\$	\$ 359	\$ 33	\$ 392
Unrealized loss on designated derivative contracts (4):								
Foreign exchange		43		43		17		17
Unrealized loss on undesignated derivative contracts (4):								
Foreign exchange		892		892	12	525		537
Commodities	274	384	46	704	426	432	59	917
Freight	48		1	49	64		3	67
Energy	14		3	17	80	1	10	91
Total liabilities	\$ 336	\$ 1,729	\$ 216	\$ 2,281	\$ 582	\$ 1,334	\$ 105	\$ 2,021

(1) Trade accounts receivable and payable are generally accounted for at carrying cost, with the exception of \$1 million and \$576 million, at September 30, 2015 and \$23 million and \$392 million at December 31, 2014, respectively, related to certain delivered inventory for which the receivable and payable, respectively, fluctuate based on changes in commodity prices. These receivables and payables are hybrid financial instruments for which Bunge has elected the fair value option.

(2) Unrealized gains on designated and undesignated derivative contracts are generally included in other current assets. There are no such amounts included in other non-current assets at September 30, 2015 and December 31, 2014, 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 are no such amounts included in other non-current liabilities at September 30, 2015 and December 31, 2014, respectively.

Derivatives Exchange traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified within Level 1. Bunge's forward commodity purchase and sale contracts are classified as derivatives along with other over-the-counter (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.

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

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

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

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

Level 3 Measurements Transfers in and/or out of Level 3 represent existing assets or liabilities that were either previously categorized as a higher level for which the inputs to the model became unobservable or assets and liabilities that were previously classified as Level 3 for which the lowest 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 September 30, 2015 and December 31, 2014.

Level 3 RMI 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.

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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 three and nine months ended September 30, 2015 and 2014. These instruments were valued using pricing models that management believes reflect the assumptions that would be used by a marketplace participant.

(US\$ in millions)	Level 3 Instruments Fair Value Measurements Three Months Ended September 30, 2015			Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable/ Payable, Net(2)	
Balance, July 1, 2015	\$ 192	\$ 910	\$ (357)	\$ 745
Total gains and (losses), realized/unrealized included in cost of goods sold	217	109	(18)	308
Purchases		170	(5)	165
Sales		(647)		(647)
Issuances				
Settlements	(91)		261	170
Transfers into Level 3	(1)	167		166
Transfers out of Level 3		(98)	(47)	(145)
Balance, September 30, 2015	\$ 317	\$ 611	\$ (166)	\$ 762

(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 Three Months Ended September 30, 2014			Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable/ Payable, Net (2)	
Balance, July 1, 2014	\$ (13)	\$ 873	\$ (120)	\$ 740
Total gains and (losses), realized/unrealized included in cost of goods sold	(12)	(39)	1	(50)
Purchases	(8)	254	(4)	242
Sales	4	(943)		(939)
Issuances	20		(7)	13
Settlements	(47)		84	37
Transfers into Level 3	27	171	(3)	195
Transfers out of Level 3	5	(6)	(11)	(12)
Balance, September 30, 2014	\$ (24)	\$ 310	\$ (60)	\$ 226

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

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

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(US\$ in millions)	Level 3 Instruments Fair Value Measurements Nine Months Ended September 30, 2015				Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable/ Payable, Net(2)		
Balance, January 1, 2015	\$ (2)	\$ 255	\$ (33)	\$ 220	
Total gains and (losses) realized/unrealized included in cost of goods sold	460	167	(17)	610	
Purchases	1	1,197	(5)	1,193	
Sales		(1,442)		(1,442)	
Issuances			(328)	(328)	
Settlements	(139)		466	327	
Transfers into Level 3		683	(203)	480	
Transfers out of Level 3	(3)	(249)	(46)	(298)	
Balance, September 30, 2015	\$ 317	\$ 611	\$ (166)	\$ 762	

(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 Nine Months Ended September 30, 2014				Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable/ Payable, Net (2)		
Balance, January 1, 2014	\$ 20	\$ 298	\$ (75)	\$ 243	
Total gains and (losses) realized/unrealized included in cost of goods sold	65	8	2	75	
Purchases	5	1,804	(5)	1,804	
Sales		(2,176)	8	(2,168)	
Issuances	19		(400)	(381)	
Settlements	(189)		492	303	
Transfers into Level 3	21	534	(11)	544	
Transfers out of Level 3	35	(158)	(71)	(194)	
Balance, September 30, 2014	\$ (24)	\$ 310	\$ (60)	\$ 226	

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

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

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The tables below summarize changes in unrealized gains or (losses) recorded in earnings during the three and nine months ended September 30, 2015 and 2014 for Level 3 assets and liabilities that were held at September 30, 2015 and 2014:

(US\$ in millions)	Level 3 Instruments Fair Value Measurements Three Months Ended				Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable and Payable, Net(2)		
Changes in unrealized gains and (losses) relating to assets and liabilities held at September 30, 2015					
Cost of goods sold	\$ (35)	\$ 24	\$ (20)	\$	(31)
Changes in unrealized gains and (losses) relating to assets and liabilities held at September 30, 2014					
Cost of goods sold	\$ (7)	\$ (19)	\$ 1	\$	(25)

(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 Nine Months Ended				Total
	Derivatives, Net (1)	Readily Marketable Inventories	Trade Accounts Receivable and Payable, Net(2)		
Changes in unrealized gains and (losses) relating to assets and liabilities held at September 30, 2015					
Cost of goods sold	\$ 18	\$ 15	\$ (2)	\$	31
Changes in unrealized gains and (losses) relating to assets and liabilities held at September 30, 2014					
Cost of goods sold	\$ 48	\$ (43)	\$ 4	\$	9

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

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

Derivative Instruments

Interest rate derivatives - Bunge from time-to-time uses interest rate derivatives, including interest rate swaps, interest rate basis swaps, interest rate options or interest rate futures. Interest rate derivatives used by Bunge as hedging instruments are recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these interest rate derivative agreements may be designated as fair value hedges. The carrying amount of the associated hedged debt is also adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. Bunge may enter into interest rate derivatives agreements for the purpose of managing certain of its interest rate exposures. Bunge may also enter into interest rate derivatives agreements that do not qualify as hedges for accounting purposes. Changes in fair value of such interest rate basis derivatives agreements are recorded in earnings.

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

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

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

(US\$ in millions)	September 30, 2015			Unit of Measure
	Exchange Traded Net (Short) & Long (1)	Non-exchange Traded (Short) (2)	Long (2)	
Foreign Exchange				
Options	\$	\$ (210)	\$ 238	Delta
Forwards		(17,003)	11,661	Notional
Futures	4			Notional
Swaps		(462)	52	Notional

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

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

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

	September 30, 2015			Unit of Measure
	Exchange Traded Net (Short) & Long (1)	Non-exchange Traded (Short) (2)	Long (2)	
Agricultural Commodities				
Futures	(6,944,106)			Metric Tons
Options	20,795			Metric Tons
Forwards		(33,887,711)	31,573,017	Metric Tons
Swaps		(1,180,877)	2,249,354	Metric Tons

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- (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 September 30, 2015 and December 31, 2014, respectively.

The table below summarizes the open ocean freight positions.

	Exchange Cleared Net (Short) & Long (1)	September 30, 2015		Unit of Measure
		Non-exchange Cleared (Short) (2)	Long (2)	
Ocean Freight				
FFA	(45)			Hire Days
FFA Options	(76)			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.

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Energy derivatives Bunge uses energy derivative instruments for various purposes including to manage its exposure to volatility in energy costs. Bunge's operations use substantial amounts of energy, including natural gas, coal, and fuel oil, including bunker fuel. Bunge has entered into Emissions Reduction Purchase Agreement (ERPA) contracts which are commitments to purchase Carbon Emissions Reduction Credits (CERs) when these credits are delivered at future dates.

The table below summarizes the open energy positions.

	September 30, 2015		Unit of Measure (3)
	Exchange Traded Net (Short) & Long (1)	Non-exchange Cleared (Short) (2) Long (2)	
Natural Gas (3)			
Futures	6,560,000		MMBtus
Swaps		796,209	MMBtus
Options			MMBtus
Energy Other			
Futures	(1,624,372)		Metric Tons
Forwards		7,108,552	Metric Tons
Swaps	154,300		Metric Tons
Options			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) is the standard unit of measurement used to denote an amount of natural gas.

The Effect of Derivative Instruments on the Condensed 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 condensed consolidated statements of income for the nine months ended September 30, 2015 and 2014.

Gain or (Loss) Recognized in

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(US\$ in millions)	Location	Income on Derivative Instruments	
		Nine Months Ended September 30, 2015	2014
Undesignated Derivative Contracts:			
Interest Rate	Other income (expense) - net	\$ (1)	\$
Foreign Exchange	Foreign exchange gains (losses)	(356)	28
Foreign Exchange	Cost of goods sold	(814)	113
Commodities	Cost of goods sold	1,086	383
Freight	Cost of goods sold	10	(1)
Energy	Cost of goods sold	(9)	(15)
Total		\$ (84)	\$ 508

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The table below summarizes the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges on the condensed consolidated statement of income for the nine months ended September 30, 2015.

(US\$ in millions)	Notional Amount	Gain or (Loss) Recognized in Accumulated OCI (1)	Nine Months Ended September 30, 2015		Gain or (Loss) Recognized in Income on Derivatives	
			Location	Gain or (Loss) Reclassified from Accumulated OCI into Income (1) Amount	Location	Amount (2)
Cash Flow Hedge:						
Foreign Exchange (3)	\$ 290	\$ (89)	Foreign exchange gains (losses)	\$ (51)	Foreign exchange gains (losses)	\$
Total	\$ 290	\$ (89)		\$ (51)		\$
Net Investment Hedge:						
Foreign Exchange (3)	\$ 1,685	\$ 235	Foreign exchange gains (losses)	\$	Foreign exchange gains (losses)	\$
Total	\$ 1,685	\$ 235		\$		\$

(1) The gain (loss) recognized relates to the effective portion of the hedging relationship. At September 30, 2015, Bunge expects to reclassify into income in the next 12 months approximately (\$41) million of after-tax gain (loss) related to its foreign exchange cash flow hedges.

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

(3) The foreign exchange contracts mature at various dates in 2015 through 2020.

The table below summarizes the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges on the condensed consolidated statement of income for the nine months ended September 30, 2014.

(US\$ in millions)	Notional Amount	Gain or (Loss) Recognized in Accumulated OCI (1)	Nine Months Ended September 30, 2014		Gain or (Loss) Recognized in Income on Derivatives	
			Location	Gain or (Loss) Reclassified from Accumulated OCI into Income (1) Amount	Location	Amount (2)
Cash Flow Hedge:						

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Foreign Exchange (3)	\$	148	\$	19	Foreign exchange gains (losses)	\$	11	Foreign exchange gains (losses)	\$
Total	\$	148	\$	19		\$	11		\$

Net Investment Hedge:

Foreign Exchange (3)	\$	557	\$	(7)	Foreign exchange gains (losses)	\$		Foreign exchange gains (losses)	\$
Total	\$	557	\$	(7)		\$			\$

(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At September 30, 2014, Bunge expected to reclassify into income in the next 12 months approximately \$19 million of after-tax gains (losses) related to its foreign exchange cash flow hedges.

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

(3) The foreign exchange contracts matured at various dates in 2014 and 2015.

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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. The cost of borrowing under the Liquidity Facility would typically be higher than the cost of issuing under Bunge's commercial paper program. At September 30, 2015, there was \$130 million outstanding under the commercial paper program and no borrowings were outstanding under the Liquidity Facility.

On August 10, 2015, Bunge entered into an amendment agreement to its unsecured \$1,750 million syndicated revolving credit facility, dated March 17, 2014 (the Facility). The amendment agreement extends the maturity date of the Facility to August 10, 2018. Bunge has the option to request an extension of the maturity date of the Facility for two additional one-year periods. Each lender in its sole discretion may agree to any such request. The amendment agreement also lowers the range of margin applicable to Bunge's borrowings under the Facility. Borrowings under the Facility will bear interest at LIBOR plus a margin, which will vary from 0.35% to 1.35% per annum, based on the credit ratings of Bunge's senior long-term unsecured debt. Bunge will also pay a fee that varies from 0.10% to 0.40% per annum, based on the utilization of the Facility. Amounts under the Facility that remain undrawn are subject to a commitment fee payable quarterly in arrears at a rate of 35% of the margin specified above, which will vary based on the rating level at each quarterly payment date. Bunge may, from time-to-time, with the consent of the facility agent, request one or more of the existing lenders or new lenders to increase the total commitments under the Facility by up to \$250 million pursuant to an accordion provision. At September 30, 2015, Bunge had \$300 million of borrowings outstanding under the Facility.

At September 30, 2015, Bunge had \$4,336 million of unused and available borrowing capacity under its committed credit facilities with a number of lending institutions.

The fair value of Bunge's long-term debt is based on interest rates currently available on comparable maturities to companies with credit standing similar to that of Bunge. The carrying amounts and fair value of long-term debt are as follows:

(US\$ in millions)	Carrying Value	September 30, 2015		Carrying Value	December 31, 2014	
		Fair Value (Level 2)	Fair Value (Level 3)		Fair Value (Level 2)	Fair Value (Level 3)
Long-term debt, including current portion	\$ 3,102	\$ 3,181	\$ 54	\$ 3,263	\$ 3,273	\$ 195

12. TRADE RECEIVABLES SECURITIZATION PROGRAM

Bunge and certain of its subsidiaries participate in a trade receivables securitization program (the Program) with a financial institution, as administrative agent, and certain commercial paper conduit purchasers and committed purchasers (collectively, the Purchasers) that provides for funding up to \$700 million against receivables sold into the Program.

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As of September 30, 2015 and December 31, 2014, \$560 million and \$599 million, respectively, of receivables sold under the Program were derecognized from Bunge's condensed consolidated balance sheets. Proceeds received in cash related to transfers of receivables under the Program totaled \$7,431 million and \$8,837 million for the nine months ended September 30, 2015 and 2014, respectively. In addition, cash collections from customers on receivables previously sold were \$7,540 million and \$9,038 million, respectively. As this is a revolving facility, cash collections from customers are reinvested to fund the sale of new receivables. Gross receivables sold under the Program for the nine months ended September 30, 2015 and 2014 were \$7,609 million and \$8,966 million, respectively. These sales resulted in discounts of \$2 million for each of the three months ended September 30, 2015 and 2014, and of \$4 million and \$6 million for the nine months ended September 30, 2015 and 2014, respectively, which were included in SG&A in the condensed consolidated statements of income. Servicing fees under the Program were not significant in any period.

Bunge's risk of loss following the sale of the trade receivables is limited to the deferred purchase price (DPP), which at September 30, 2015 and December 31, 2014 had a fair value of \$84 million and \$78 million, respectively, and is included in other current assets in the condensed consolidated balance sheets (see Note 6). The DPP will be repaid in cash as receivables are collected, generally within 30 days. Delinquencies and credit losses on trade receivables sold under the Program during the three and nine months ended September 30, 2015 and 2014 were insignificant. Bunge has reflected all cash flows under the Program as operating cash flows in the condensed consolidated statements of cash flows.

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On April 15, 2015, Bunge and Saudi Agricultural and Livestock Investment Company (SALIC), formed a Canadian entity, G3. Bunge has 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.

On July 30, 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 \$286 million, as of July 30, 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 \$90 million, which includes Bunge's export facility and grain elevators in Quebec for \$54 million plus certain working capital of \$36 million. The condensed consolidated statements of income for the three and nine months ended September 30, 2015 includes a pre-tax gain of \$47 million on the sale of the grain assets in Canada.

Bunge purchased soybeans, other commodity products and received port services from certain of its unconsolidated investees, totaling \$121 million and \$127 million for the three months ended September 30, 2015 and 2014, respectively, and \$502 million and \$523 million for the nine months ended September 30, 2015 and 2014, respectively. Bunge also sold soybeans, other commodity products and provided port services to certain of its unconsolidated investees, totaling \$84 million and \$66 million for the three months ended September 30, 2015 and 2014, respectively, and \$270 million and \$255 million for the nine months ended September 30, 2015 and 2014, respectively.

14. COMMITMENTS AND CONTINGENCIES

Bunge is party to a large number of claims and lawsuits, primarily tax and labor claims in Brazil and tax claims in Argentina, arising in the normal course of business. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. Bunge records liabilities related to its general claims and lawsuits when the exposure item becomes probable and can be reasonably estimated. Bunge management does not expect these matters to have a material adverse effect on Bunge's financial condition, results of operations or liquidity. However, these matters are subject to inherent uncertainties and there exists the remote possibility of an adverse impact on Bunge's position in the period the uncertainties are resolved whereby the settlement of the identified contingencies could exceed the amount of provisions included in the condensed consolidated balance sheets. Included in other non-current liabilities at September 30, 2015 and December 31, 2014 are the following amounts related to these matters:

(US\$ in millions)	September 30, 2015	December 31, 2014
Tax claims	\$ 159	\$ 225
Labor claims	69	86
Civil and other claims	92	107
Total	\$ 320	\$ 418

Tax claims - These tax claims relate principally to claims against Bunge's Brazilian subsidiaries, primarily value added tax claims (ICMS, IPI, PIS and COFINS). The determination of the manner in which various Brazilian federal, state

and municipal taxes apply to the operations of Bunge is subject to varying interpretations arising from the complex nature of Brazilian tax law. In addition to the matter discussed below, Bunge monitors other potential claims in Brazil regarding these value-added taxes. In particular, Bunge monitors the Brazilian federal and state governments responses to recent Brazilian Supreme Court decisions invalidating on constitutional grounds certain ICMS incentives and benefits granted by various states. While Bunge was not a recipient of any of the incentives and benefits that were the subject of these Supreme Court decisions, it has received other similar tax incentives and benefits. Bunge has not received any tax assessment from the states that granted these incentives or benefits related to their validity and, based on the Company's evaluation of this matter as required by U.S. GAAP, no liability has been recorded in the consolidated financial statements.

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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 \$118 million and \$177 million as of September 30, 2015 and December 31, 2014, respectively), plus applicable interest. Management intends to continue to vigorously defend against its pending state cases.

In December 2012, July 2013 and November 2014, the Brazilian tax authorities concluded examinations of the PIS COFINS tax returns of one of Bunge's Brazilian subsidiaries for the years 2004-2009, and proposed adjustments totaling approximately 430 million Brazilian *reais* (approximately \$108 million and \$162 million as of September 30, 2015 and December 31, 2014, respectively), plus applicable interest and penalties. Management, in consultation with external legal advisors, has established appropriate reserves for potential exposures.

The Argentine tax authorities have been conducting a review of income and other taxes paid by exporters and processors of cereals and other agricultural commodities in the country. In that regard, in October 2010, the Argentine tax authorities carried out inspections at several of Bunge's locations in Argentina relating to allegations of income tax evasion covering the periods from 2007 to 2009. In December 2012, Bunge's Argentine subsidiary received an income tax assessment relating to fiscal years 2006 and 2007 with a claim of approximately 436 million Argentine *pesos* (approximately \$46 million as of September 30, 2015), plus previously accrued interest on the outstanding amount due of approximately 1,024 million Argentine *pesos* (approximately \$109 million as of September 30, 2015). Bunge's Argentine subsidiary has appealed this assessment before the National Tax Court. Fiscal years 2008 and 2009 are currently being audited by the tax authorities. In April 2012, the Argentine government suspended Bunge's Argentine subsidiary from a registry of grain traders and, in October 2012, the government excluded Bunge's subsidiary from this registry in connection with the income tax allegations discussed above. While the suspension and exclusion have not had a material adverse effect on Bunge's business in Argentina, these actions have resulted in additional administrative requirements and increased logistical costs on grain shipments within Argentina. Additionally, in April 2011, the Argentine tax authorities conducted inspections of Bunge's locations and those of several other grain exporters with respect to allegations of evasion of liability for value-added taxes and an inquest proceeding was initiated in the first quarter of 2012 to determine whether there is any potential criminal culpability relating to these matters. Also during 2011, Bunge paid \$112 million of accrued export tax obligations in Argentina under protest while reserving all of its rights in respect of such payment. In the first quarter of 2012, the Argentine tax authorities assessed interest on these paid export taxes, which as of September 30, 2015, totaled approximately \$198 million. Bunge previously recorded an accrual of \$30 million for a portion of the assessed interest. Based on a July, 2015 determination by the Argentine Supreme Court and the opinions of external legal advisors, management has concluded that the risk of payment of such interest is remote and reversed the accrual. Bunge is challenging these actions in the Argentine courts and management believes that these tax-related allegations and claims are without merit and intends to vigorously defend against them. However, management is, at this time, unable to predict their outcome.

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

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

Guarantees - Bunge has issued or was a party to the following guarantees at September 30, 2015:

(US\$ in millions)	Maximum Potential Future Payments
Unconsolidated affiliates financing (1)	\$ 70
Residual value guarantee (2)	149
Total	\$ 219

(1) Bunge issued guarantees to certain financial institutions related to debt of certain of its unconsolidated joint ventures. The terms of the guarantees are equal to the terms of the related financings which have maturity dates in 2015 through 2018. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At September 30, 2015, Bunge had no outstanding recorded obligation related to these guarantees.

(2) Bunge issued guarantees to certain financial institutions which are party to certain operating lease arrangements for railcars and barges. These guarantees provide for a minimum residual value to be received by the lessor at conclusion of the lease term. These leases expire at various dates from 2016 through 2019. At September 30, 2015, Bunge's recorded obligation related to these guarantees was \$5 million.

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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 September 30, 2015, Bunge's condensed consolidated balance sheet includes debt with a carrying amount of \$3,502 million related to these guarantees. This debt includes the senior notes issued by two of Bunge's 100% owned finance subsidiaries, Bunge Limited Finance Corp. and Bunge N.A. Finance L.P. There are no significant restrictions on the ability of Bunge Limited Finance Corp., Bunge N.A. Finance L.P. or any other Bunge subsidiary to transfer funds to Bunge Limited.

15. 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 time expiration associated with it. Bunge repurchased 1,411,210 common shares for \$100 million under this program during the third quarter ended September 30, 2015. 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.

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	Deferred Gains (Losses) on Hedging Activities	Pension and Other Postretirement Liability Adjustments	Unrealized Gains (Losses) On Investments	Accumulated Other Comprehensive Income (Loss)
Balance, July 1, 2015	\$ (5,008)	\$ (12)	\$ (150)	\$ 3	\$ (5,167)
Other comprehensive income (loss) before reclassifications	(1,245)	166	1		(1,078)
Amount reclassified from accumulated other comprehensive income		33			33
Balance, September 30, 2015	\$ (6,253)	\$ 187	\$ (149)	\$ 3	\$ (6,212)

(US\$ in millions)	Foreign Exchange Translation Adjustment	Deferred Gains (Losses) on Hedging Activities	Pension and Other Postretirement Liability Adjustments	Unrealized Gains (Losses) On Investments	Accumulated Other Comprehensive Income (Loss)
Balance, July 1, 2014	\$ (2,147)	\$ (42)	\$ (70)	\$ 5	\$ (2,254)
Other comprehensive income (loss) before reclassifications	(1,010)	29		(2)	(983)
Amount reclassified from accumulated other comprehensive income		(7)			(7)
Balance, September 30, 2014	\$ (3,157)	\$ (20)	\$ (70)	\$ 3	\$ (3,244)

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(US\$ in millions)	Foreign Exchange Translation Adjustment	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, 2015	\$ (3,897)	\$ (10)	\$ (154)	\$ 3	\$ (4,058)
Other comprehensive income (loss) before reclassifications	(2,356)	146	5		(2,205)
Amount reclassified from accumulated other comprehensive income		51			51
Balance, September 30, 2015	\$ (6,253)	\$ 187	\$ (149)	\$ 3	\$ (6,212)

(US\$ in millions)	Foreign Exchange Translation Adjustment	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	(671)	13	(1)	(2)	(661)
Amount reclassified from accumulated other comprehensive income		(11)			(11)
Balance, September 30, 2014	\$ (3,157)	\$ (20)	\$ (70)	\$ 3	\$ (3,244)

16. EARNINGS PER COMMON SHARE

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

(US\$ in millions, except for share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Income from continuing operations, net of tax	\$ 213	\$ 277	\$ 551	\$ 525
Net (income) loss attributable to noncontrolling interests	5	(10)	1	7
Income (loss) from continuing operations attributable to Bunge	218	267	552	532
Other redeemable obligations (1)	(2)	(2)	(13)	(15)
Convertible preference share dividends	(8)	(8)	(25)	(25)
Income (loss) from discontinued operations, net of tax	21	27	36	37
Net income (loss) available to Bunge common shareholders	\$ 229	\$ 284	\$ 550	\$ 529

**Weighted-average number of common shares
outstanding:**

Basic	143,361,057	145,528,313	144,077,505	146,493,870
Effect of dilutive shares:				
stock options and awards	638,412	981,122	822,124	958,505
convertible preference shares	7,794,930	7,680,390	7,794,930	7,680,390
Diluted (2)	151,794,399	154,189,825	152,694,559	155,132,765

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Basic earnings per common share:

Net income (loss) from continuing operations	\$	1.45	\$	1.77	\$	3.57	\$	3.36
Net income (loss) from discontinued operations		0.14		0.19		0.25		0.25
Net income (loss) to Bunge attributable to common shareholders basic	\$	1.59	\$	1.96	\$	3.82	\$	3.61

Diluted earnings per common share:

Net income (loss) from continuing operations	\$	1.42	\$	1.73	\$	3.53	\$	3.34
Net income (loss) from discontinued operations		0.14		0.17		0.24		0.24
Net income (loss) attributable to Bunge common shareholders diluted	\$	1.56	\$	1.90	\$	3.77	\$	3.58

(1) Accretion of redeemable noncontrolling interest of \$2 million and \$2 million for the three months ended September 30, 2015 and 2014, respectively, and \$13 million and \$15 million for the nine months ended September 30, 2015 and 2014, respectively, relates to a non-fair

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value variable put arrangement whereby the noncontrolling interest holder may require Bunge to purchase the remaining shares of an oilseed processing operation in Central and Eastern Europe. Accretion for the respective periods includes the effect of losses incurred by the operations for the three and nine months ended September 30, 2015, and 2014, respectively.

(2) Approximately 3 million and 2 million outstanding stock options and contingently issuable restricted stock units were not dilutive and not included in the weighted-average number of common shares outstanding for the three and nine months ended September 30, 2015.

Approximately 2 million and 3 million outstanding stock options and contingently issuable restricted stock units were not dilutive and not included in the weighted-average number of common shares outstanding for the three and nine months ended September 30, 2014.

17. SEGMENT INFORMATION

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

The Discontinued Operations & Unallocated column in the following table contains the reconciliation between the totals for reportable segments and Bunge consolidated totals, which consist primarily of amounts attributable to discontinued operations, corporate items not allocated to the operating segments and inter-segment eliminations. Transfers between the segments are generally valued at market. The revenues generated from these transfers are shown in the following table as Inter-segment revenues.

(US\$ in millions)

Three Months Ended September 30, 2015	Agribusiness	Edible Oil Products	Milling Products	Sugar and Bioenergy	Fertilizer	Discontinued Operations & Unallocated (1)	Total
Net sales to external customers	\$ 7,718	\$ 1,659	\$ 375	\$ 891	\$ 119	\$	\$ 10,762
Inter segment revenues	999	44		9		(1,052)	
Gross profit	527	98	66	53	1		745
Foreign exchange gains (losses)	5	(4)	(4)	(23)	2		(24)

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Noncontrolling interests									
(1)	5	(2)			(1)	3	5		
Other income (expense) net(2)	47	3	(1)	(1)	1		49		
Segment EBIT (3)	369	13	32	3	(3)		414		
Discontinued operations									
(5)						21	21		
Depreciation, depletion and amortization	(58)	(22)	(10)	(43)	(3)		(136)		
Total assets	\$ 12,669	\$ 1,975	\$ 1,037	\$ 2,219	\$ 358	\$ 181	\$ 18,439		

**Three Months Ended
September 30, 2014**

Net sales to external customers	\$ 9,835	\$ 2,016	\$ 516	\$ 1,154	\$ 155	\$	\$ 13,676		
Inter segment revenues	1,205	37	36		1	(1,279)			
Gross profit	423	135	78	64	19		719		
Foreign exchange gains (losses)	13	(3)	(2)	13	2		23		
Noncontrolling interests									
(1)	(14)	(3)		(2)	(2)	11	(10)		
Other income (expense) net	(5)	(1)		6	(2)		(2)		
Segment EBIT (3)	186	37	37	44	12		316		
Discontinued operations									
(5)						27	27		
Depreciation, depletion and amortization	(63)	(24)	(12)	(59)	(4)		(162)		
Total assets	\$ 16,487	\$ 2,317	\$ 1,258	\$ 3,424	\$ 385	\$ 274	\$ 24,145		

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Nine Months Ended September 30, 2015	Agribusiness	Edible Oil Products	Milling Products	Sugar and Bioenergy	Fertilizer	Discontinued Operations & Unallocated (1)	Total
Net sales to external customers	\$ 23,373	\$ 4,974	\$ 1,230	\$ 2,519	\$ 254	\$	\$ 32,350
Inter segment revenues	2,570	126	36	12		(2,744)	
Gross profit	1,393	297	193	99	8		1,990
Foreign exchange gains (losses)	29		(8)	(38)	2		(15)
Noncontrolling interests							
(1)	(6)	(5)			(1)	13	1
Other income (expense) net(2)	47	3	(3)	(7)	1		41
Segment EBIT (3)(4)	863	43	88	(32)	(8)		954
Discontinued operations							
(5)						36	36
Depreciation, depletion and amortization	(173)	(65)	(33)	(121)	(11)		(403)
Total assets	\$ 12,669	\$ 1,975	\$ 1,037	\$ 2,219	\$ 358	\$ 181	\$ 18,439
Nine Months Ended September 30, 2014							
Net sales to external customers	\$ 32,783	\$ 6,043	\$ 1,604	\$ 3,184	\$ 316	\$	\$ 43,930
Inter segment revenues	2,935	115	40		2	(3,092)	
Gross profit	1,198	399	235	54	40		1,926
Foreign exchange gains (losses)	32	(3)	(2)	31	1		59
Noncontrolling interests							
(1)	(11)	(5)			(4)	27	7
Other income (expense) net	(6)		(2)	14	(1)		5
Segment EBIT (3)	576	105	113	(14)	29		809
Discontinued operations							
(5)						37	37
Depreciation, depletion and amortization	(177)	(73)	(36)	(150)	(12)		(448)
Total assets	\$ 16,487	\$ 2,317	\$ 1,258	\$ 3,424	\$ 385	\$ 274	\$ 24,145

- (1) Includes noncontrolling interests share of interest and tax to reconcile to consolidated noncontrolling interest and discontinued operations of Brazilian fertilizer distribution business and certain asset management operations.
- (2) Includes a pre-tax gain of \$47 million on the sale from certain Agribusiness grain assets in Canada.
- (3) 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.
- (4) Includes a pre-tax, non-cash impairment charge of \$15 million in cost of goods sold recorded in the second quarter 2015, related to the announced closure of Bunge s oil packaging plant in the United States.
- (5) Represents net income (loss) from discontinued operations.

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

(US\$ in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2015	2014	2015	2014	2015	2014	2015	2014
Total segment EBIT from continuing operations	\$ 414	\$ 316	\$ 954	\$ 809				
Interest income	18							