

# First Quarter 2014 Earnings Conference Call

MAY 1, 2014



# Forward-Looking Statements

- Today's presentation includes forward-looking statements that reflect Bunge's current views with respect to future events, financial performance and industry conditions.
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- These forward-looking statements are subject to various risks and uncertainties. Bunge has provided additional information in its reports on file with the SEC concerning factors that could cause actual results to differ materially from those contained in this presentation and encourages you to review these factors.

# Bunge Limited Earnings Highlights

\$ in millions, except EPS data	Quarter Ended Mar 31	
	2014	2013
Total segment EBIT <sup>(1)</sup>	\$75	\$323
Certain gains & charges <sup>(2)</sup>	-	\$63
Total segment EBIT, adjusted <sup>(1)</sup>	\$75	\$260
<i>Agribusiness</i>	\$79	\$175
<i>Sugar &amp; Bioenergy</i>	(\$64)	\$23
<i>Food &amp; Ingredients</i> <sup>(3)</sup>	\$54	\$59
<i>Fertilizer</i>	\$6	\$3
Net income (loss) per common share from continuing operations - diluted <sup>(1)</sup>	(\$0.15)	\$1.21
Net income (loss) per common share from continuing operations – diluted, adjusted <sup>(1)</sup>	(\$0.12)	\$1.15

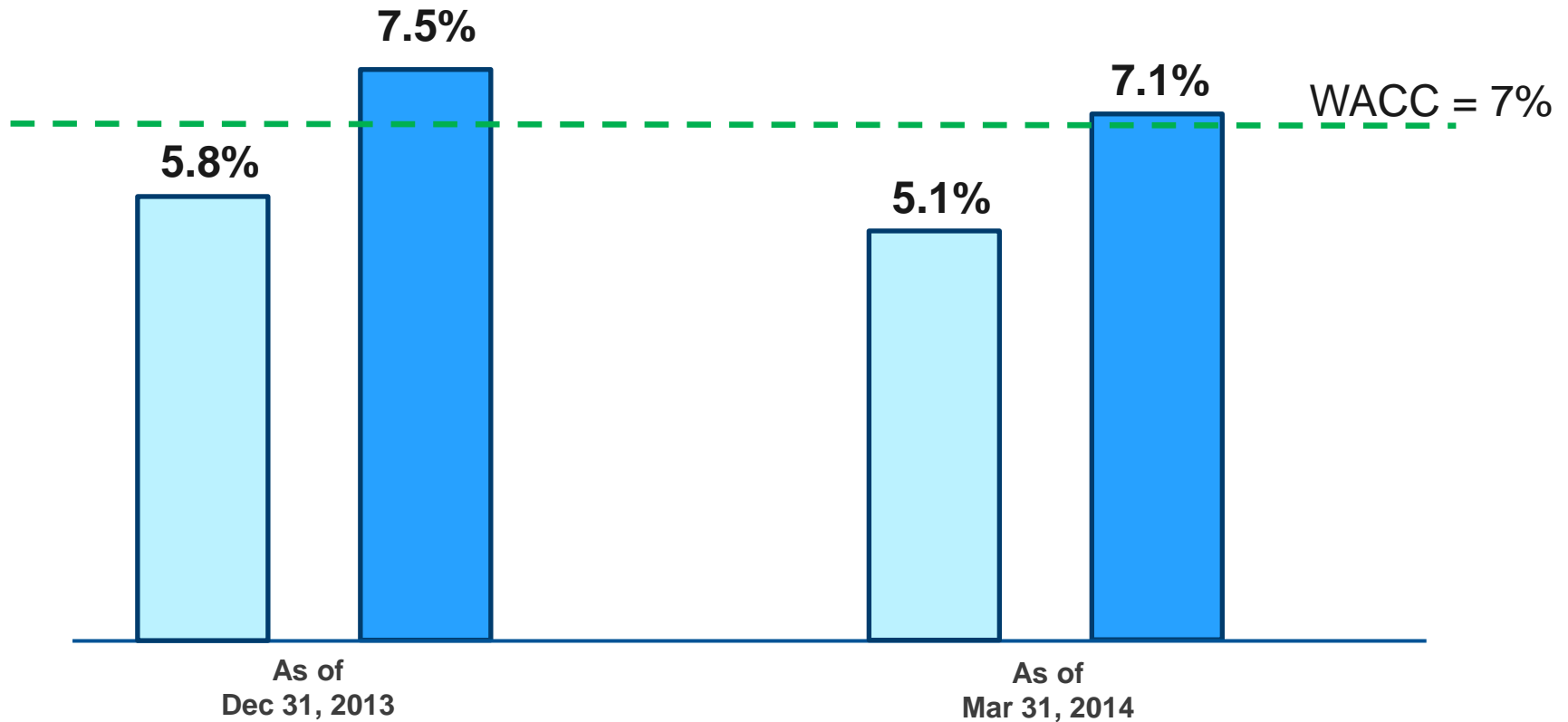
1. Total segment EBIT, total segment EBIT, adjusted (excl. certain gains and charges and discontinued operations), net income (loss) per common share from continuing operations-diluted and net income (loss) per common share from continuing operations – diluted, adjusted (excl. certain gains and charges and discontinued operations ) are non-GAAP financial measures. A reconciliation to the most directly comparable U.S. GAAP measure is included elsewhere in this presentation.

2. Includes certain gains and charges included in segment EBIT for the quarter ended March 31, 2013 of \$16 million for agribusiness, \$15 million for food & ingredients and \$32 million for fertilizer.

3. Includes edible oil products and milling products segments.

# Return on Invested Capital (ROIC)

Trailing 4Q Average



- Adjusted for certain gains & charges
- Adjusted for certain gains & charges and excludes sugar & bioenergy segment

# Bunge Limited Cash Flow Highlights

\$ in millions	Quarter Ended Mar 31	
	2014	2013
Funds from Operations <sup>(1)</sup>	\$151	\$296
Changes in Operating Assets & Liabilities	<u>\$(1,208)</u>	<u>\$(193)</u>
Cash Provided by (Used for) Operating Activities	\$(1,057)	\$103
Capital Expenditures	\$(165)	\$(224)

- **Bunge has committed credit facilities of ~\$4.8 billion, of which ~\$3.6 billion were unused and available at March 31, 2014**
- **Repurchased \$92 million common shares during Q1; expect to repurchase \$108 million in Q2 to complete current authorization**

1. Represents net income plus adjustments to reconcile net income to cash provided by (used for) operating activities and excludes changes in operating assets and liabilities.

# Outlook

## Targeting combined Agribusiness-Foods ROIC at WACC + 1.5 points

### Agribusiness

- Demand expected to remain strong
  - Livestock economics strong in most regions
  - More inclusion of corn in feed formulations supportive of meal demand
  - Protein meal inventory pipelines still relatively lean
  - Large crops in Northern Hemisphere later in the year should further moderate prices
- South America primary origin for soy exports through September
  - Strong soybean origination and crush margins, supported by good export demand and recent pick-up in farmer selling
  - Managing Brazil market risks and logistics flows well
- Northern Hemisphere in seasonally slow period until September
  - Entering slow season; however, forward crush margins for soy and softseeds look good
  - China crush margins to remain challenging until 2H of year when supply and demand should return to balance

# Outlook

## Sugar & Bioenergy

- Expect full-year EBIT to be break-even and heavily weighted to Q3/Q4
  - Managing the segment to be free cash flow neutral
  - Continue to improve cost and productivity in milling operations
  - Expect to have sufficient cane to crush at capacity
- 

## Food & Ingredients

- Expect results to progressively improve throughout the year
  - Seasonally stronger periods of the year
  - Continued emphasis on productivity, cost control and working capital management
  - Extract more value from Mexico milling operations



**Thank you**





# Capital Allocation Framework



# Bunge's Capital Allocation Priorities

## Balance Sheet Strength

*(Target BBB credit rating)*

- Investment grade critical
- Commodity companies require capital buffer

## Reinvest in the Business (Capex)

- Maintenance
- Productivity
- Growth

## M&A

- Filling gaps in agribusiness
- Expanding food & ingredients

## Return Capital to Shareholders

- Dividends
- Share repurchases



**Use of capital focused on maximizing returns**

# Reinvest in the Business

## Capex Priorities

### Priority

~\$900M

1

#### Maintenance & Compliance

- Safety
- Environmental
- Quality
- IT
- Sugarcane replanting

~40%

2

#### Productivity, Profit Enhancing

Low risk, short payback periods

~20%

3

#### Growth

Investment considerations

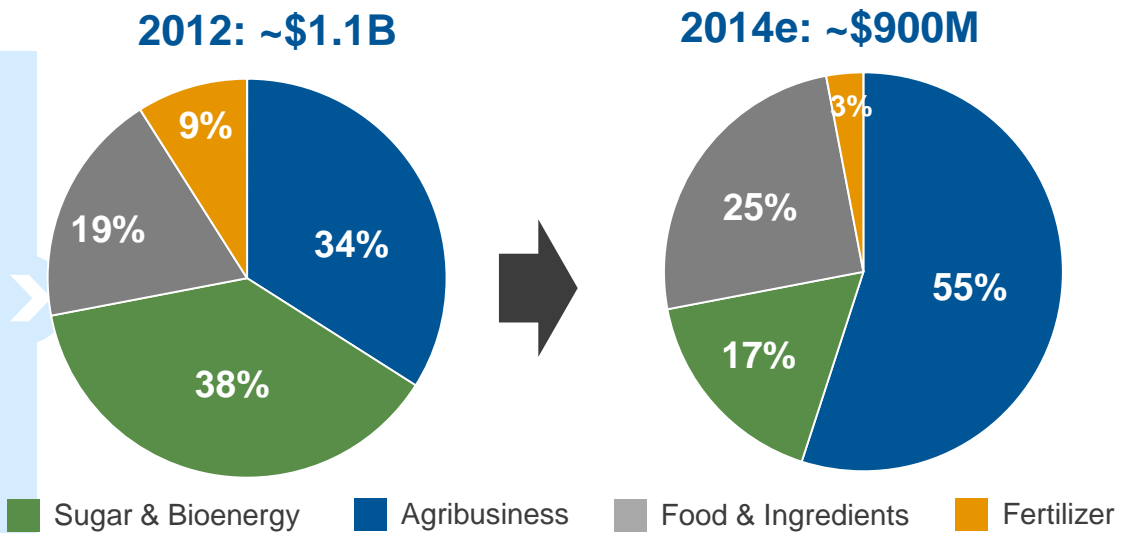
- Strategic rationale
- Return
- Risk profile
- Payback period
- Business unit track record

~40%

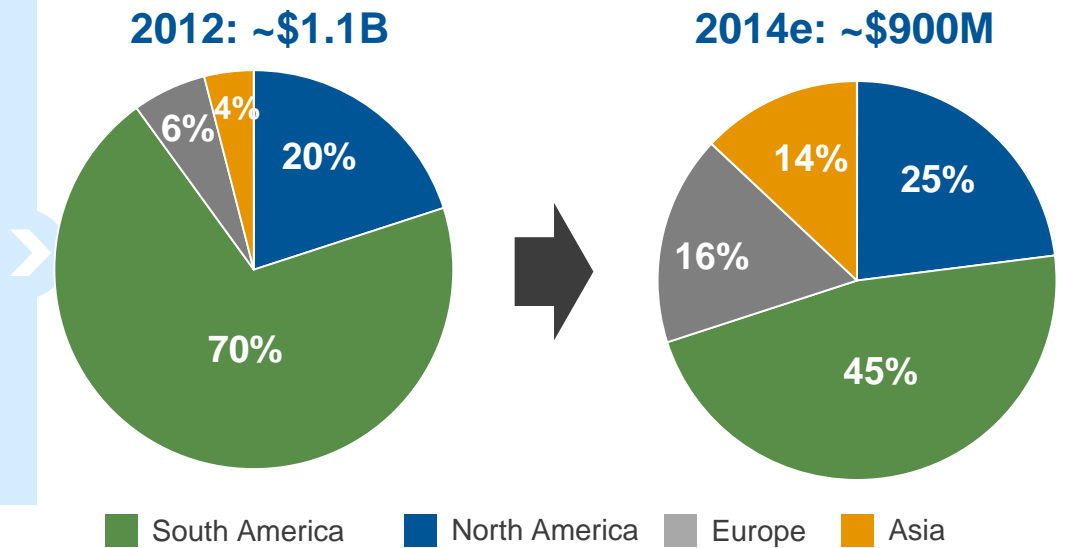
- 2014e capex of ~\$900 million is down ~\$100m vs. 2013
- Total spend starts with maintenance – what is needed to keep operations safely and efficiently running
- Productivity and profit enhancing projects with short paybacks and good returns are prioritized
- Hurdle rates (and WACC) unique for each business
- Growth Capex
  - Annual spend can vary depending on projects, market environment and alternatives

# Capex by Segment and Geography

Total investment by segment



Total investment by geography



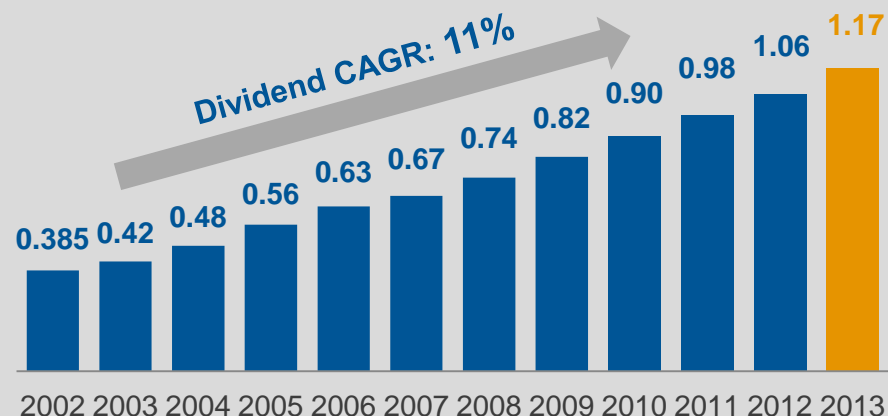
# Representation of Major Investments

	Type
<b>Projects starting up in 2014</b>	
Oilseed processing/refining facilities – Altona, Canada	Growth/ Productivity
Port terminal – Terfron, Brazil	Growth
Port infrastructure – Paranagua, Brazil	Productivity
Port grain facility – Bunbury, Australia	Growth
<b>Under construction in 2014</b>	
Port terminal expansion – Nikolayev, Ukraine	Growth
Oilseed processing plant – Nikolayev, Ukraine	Growth
Oilseed processing plant - China	Growth
Port upgrade – Destrehan, LA	Maintenance/ Productivity
Wheat mill replacement – Rio de Janeiro, Brazil	Growth/Productivity



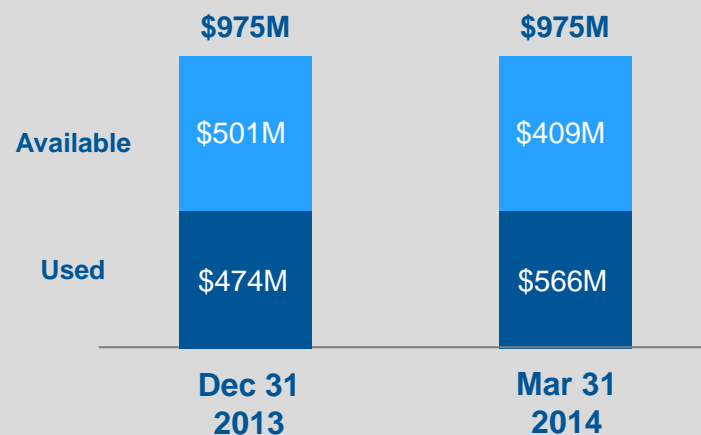
# Returning Capital to Shareholders

## US\$ per share of common stock



- Dividends have increased every year since 2001 IPO, averaging 11% growth
- Maintain increases in line with historical average

## Share Repurchase History



- Share repurchase program = \$975 million
- \$409 million currently available
  - Will be a component to increase TSR in ongoing capital allocation framework vs. growth and M&A investments
- Repurchased \$92 million during Q1 2014
- Expect to repurchase \$108 million in Q2

# Summary

- Maintaining a strong balance sheet is top priority
- Dividends and share repurchases will be a component of overall value creation framework to maximize total shareholder returns
- M&A will continue to be a part of our growth strategy – agribusiness and foods are priorities
- Level of Capex starts with maintenance; shorter payback, profit enhancing projects are prioritized
- Growth Capex can vary from year-to-year depending on projects, market environment and alternatives
- Sugar & Bioenergy Capex set at maintenance level, not to exceed depreciation/depletion

# Sugar & Bioenergy Highlights

	Quarter Ended Mar 31	
	2014	2013
Merchandising/Trading Volume (000 mt)	1,408	1,897
Milling Volume (mmt of cane)	0.5	0.2
Industrial Product Sales Volumes		
<i>Sugar (000 mt)</i>	<i>122</i>	<i>115</i>
<i>Ethanol (000 mt) <sup>(1)</sup></i>	<i>410</i>	<i>292</i>
Cogeneration Sales (K MWh)	26	5
ATR (kg/mt of cane)	109	106

1. Reflects ethanol as sugar equivalents.

# Backup: Non-GAAP Reconciliation Notes

## *Total segment earnings before interest and tax (EBIT)*

- Total segment EBIT is consolidated net income attributable to Bunge excluding interest income and expense and income tax attributable to each segment.
- Total segment EBIT is a non-GAAP financial measure and is not intended to replace net income attributable to Bunge, the most directly comparable GAAP financial measure. Total segment earnings before interest and tax (EBIT) is an operating performance measure used by Bunge's management to evaluate its segments' operating activities. Bunge's management believes total segment EBIT is a useful measure of its segments' operating profitability, since the measure allows for an evaluation of segment performance 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 or any other measure of consolidated operating results under U.S. GAAP.

# Backup: Non-GAAP Reconciliation

*Below is a reconciliation of total segment EBIT to net income (loss) attributable to Bunge:*

(\$ in millions)	Quarter Ended Mar 31	
	2014	2013
Total segment EBIT	\$75	\$323
Interest income	\$19	\$9
Interest expense	\$(79)	\$(76)
Income tax expense	\$(30)	\$(73)
Income (loss) from discontinued operations, net of tax	\$(5)	\$(9)
Noncontrolling interest share of interest and tax	\$7	\$6
Net income (loss) attributable to Bunge	\$(13)	\$180



# Backup: Non-GAAP Reconciliation

Below is a reconciliation of earnings per common share-diluted (excl. certain gains & charges and discontinued operations) to earnings per common share-diluted:

	Quarter Ended March 31,	
	2014	2013
<b>Continuing operations:</b>		
Net income (loss) per common share from continuing operations-diluted (excluding certain gains & charges and discontinued operations)	\$ (0.12)	\$ 1.15
Certain gains & charges (see Additional Financial Information section)	(0.03)	0.06
Net income (loss) per common share from continuing operations-diluted	(0.15)	1.21
<b>Discontinued operations:</b>		
Net income (loss) per common share from discontinued operations- diluted (excluding certain gains & charges)	(0.03)	0.05
Certain gains & charges (see Additional Financial Information section)	-	(0.11)
Net income (loss) per common share - discontinued operations	(0.03)	(0.06)
<b>Net income (loss) per common share-diluted</b>	<b>\$ (0.18)</b>	<b>\$ 1.15</b>

1. See the Additional Financial Information section included in the tables attached to the earnings press release for more information.

# Backup: Non-GAAP Reconciliation Notes

*Return on Invested Capital: Bunge Limited continuing operations excl. notables*

(US\$ in millions)	Trailing 4 Quarter Average			
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014
Operating income before income tax	\$ 94	\$ 1,341	\$ 269	\$ 1,166
Effective tax rate	23%	30%	30%	29%
<b>Operating income after income tax</b>	<b>\$ 72</b>	<b>\$ 939</b>	<b>\$ 188</b>	<b>\$ 823</b>
<b>Trailing 4 Quarter average</b>				
Average total capital	\$ 16,013	\$ 16,146	\$ 17,204	\$ 16,013
<b>ROIC</b>	<b>0.5%</b>	<b>5.8%</b>	<b>1.1%</b>	<b>5.1%</b>

Bunge calculates Return on Invested Capital (ROIC) by dividing Operating income after tax by the Average total capital for the trailing four quarters preceding the reporting date. Operating income after tax is calculated as net income from continuing operations before tax for each of the trailing four quarters plus the related interest expense and noncontrolling interest share of interest and tax, times the effective tax rates for those periods. Average total capital is calculated by averaging the totals of the ending balances of shareholders equity, noncontrolling interest and total debt for each quarterly period. Bunge believes that ROIC provides investors with a measure of the return the company generates on the capital invested in its business. ROIC is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as an alternative to net income as an indicator of company performance or as an alternative to cash flows from operating activities as a measure of liquidity.

Note:: Refer to Non-GAAP Reconciliation on slide 22 for a reconciliation of Operating income (loss) from continuing operations before income tax to Operating income before income tax.

# Backup: Non-GAAP Reconciliation Notes

*Return on Invested Capital: Bunge Limited continuing operations excl. notables and Sugar and Bioenergy segment EBIT*

(US\$ in millions)	March 31,		Trailing 4	
	2014	December 31, 2013	March 31, 2013	Quarter Average March 31, 2014
Operating income before income tax	\$ 94	\$ 1,341	\$ 269	\$ 1,166
Sugar and Bioenergy segment EBIT	(64)	(60)	23	(147)
Operating income before income tax - adjusted	158	1,401	246	1,313
Effective tax rate	23%	30%	30%	29%
<b>Operating income after income tax</b>	<b>\$ 122</b>	<b>\$ 981</b>	<b>\$ 172</b>	<b>\$ 930</b>

## Trailing 4 quarter average

Average total capital excl. Sugar and Bioenergy	\$ 13,105	\$ 13,111	\$ 14,364	\$ 13,105
<b>ROIC</b>	<b>0.9%</b>	<b>7.5%</b>	<b>1.2%</b>	<b>7.1%</b>

Bunge calculates Return on Invested Capital (ROIC) by dividing Operating income after tax by the Average total capital for the trailing four quarters preceding the reporting date. Operating income after tax is calculated as net income from continuing operations before tax for each of the trailing four quarters plus the related interest expense and noncontrolling interest share of interest and tax, times the effective tax rates for those periods. Average total capital is calculated by averaging the totals of the ending balances of shareholders equity, noncontrolling interest and total debt for each quarterly period. Bunge believes that ROIC provides investors with a measure of the return the company generates on the capital invested in its business. ROIC is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as an alternative to net income as an indicator of company performance or as an alternative to cash flows from operating activities as a measure of liquidity.

Note: Refer to Non-GAAP Reconciliation on slide 22 for a reconciliation of Operating income (loss) from continuing operations before income tax to Operating income before income tax.

# Backup: Non-GAAP Reconciliation

## *Operating income before income tax*

Below is a reconciliation of Income (loss) from continuing operations before income tax to Operating income before income tax:

(US\$ in millions)	March 31, 2014	December 31, 2013	March 31, 2013
Income (loss) from continuing operations before income tax	\$ 16	\$ 1,014	\$ 230
Interest expense	79	363	76
Noncontrolling interest share of interest and tax	(1)	28	26
Certain gains & charges	-	(64)	(63)
<b>Operating income before income tax</b>	<b>\$ 94</b>	<b>\$ 1,341</b>	<b>\$ 269</b>