Bunge LTD
Form 10-K/A
December 22, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K/A

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

For the fiscal year ended December 31, 2010

or

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

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

BUNGE LIMITED

(Exact name of registrant as specified in its charter)

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

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

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

Title of each class	Name of each exchange on which registered
Common Shares, par value $.01 per share	New York Stock Exchange

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

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act: Large Accelerated filer ý Accelerated filer o Non-accelerated filer (do not check if a smaller reporting company) o Smaller reporting company o

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

The aggregate market value of registrant's common shares held by non-affiliates, based upon the closing price of our common shares on the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2010, as reported by the New York Stock Exchange, was approximately $7,048 million. Common shares held by executive officers and directors and persons who own 10% or more of the issued and outstanding common shares have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not a determination for any other purpose.

As of February 18, 2011, 146,843,806 Common Shares, par value $.01 per share were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2011 Annual General Meeting of Shareholders to be held on May 27, 2011 are incorporated by reference into Part III.

EXPLANATORY NOTE

Bunge Limited (the "Company") is filing this Amendment No. 1 (the "Amendment No. 1") to its Annual Report on Form 10-K for the year ended December 31, 2010 (the "Form 10-K") to correct the inadvertent omission of the conformed signatures of Deloitte & Touche LLP, the Company's Independent Registered Public Accounting Firm ("Deloitte & Touche"), from the Reports of Independent Registered Public Accounting Firm (the "Reports") originally included in the Form 10-K. This Amendment No. 1 includes the conformed signed copies of the Reports, together with the audited financial statements and financial statement schedules as originally filed with the Form 10-K. Additionally, as required under the Securities Exchange Act of 1934, as amended, new certifications of the Company's principal executive officer and principal financial officer and a new consent of Deloitte & Touche are filed as exhibits hereto.

No revisions are being made to the Company's financial statements and except as described above, this Amendment No. 1 does not amend any other information in the Form 10-K, does not reflect any events that may have occurred subsequent to the filing of the original Form 10-K and does not modify or update in any way any disclosures made in the Form 10-K.

PART II

Item 8. *Financial Statements and Supplementary Data*

Our financial statements and related schedule required by this item are contained on pages F-1 through F-85 and on page E-1 of this Annual Report on Form 10-K/A. See Item 15(a) for a listing of financial statements provided.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

a. (1)-(2) Financial Statements and Financial Statement Schedules

See "Index to Consolidated Financial Statements" on page F-1 and Financial Statement Schedule II Valuation and Qualifying Accounts on page E-1 of this Annual Report on Amendment No. 1 to the Form 10-K.

a. (3) Exhibits

The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Amendment No. 1 or the Form 10-K.

Certain of the agreements filed as exhibits to this Amendment No. 1 or the Form 10-K contain representations and warranties by the parties to the agreements that have been made solely for the benefit of the parties to the agreement, which may have been included in the agreement for the purpose of allocating risk between the parties rather than establishing matters as facts and may have been qualified by disclosures that were made to the parties in connection with the negotiation of these agreements and not necessarily reflected in the agreements. Accordingly, the representations and warranties contained in these agreements may not describe the actual state of affairs of Bunge Limited or its subsidiaries as of the date that these representations and warranties were made or at any other time. Investors should not rely on these representations and warranties as statements of fact. Additional information about Bunge Limited and its subsidiaries may be found elsewhere in the Annual Report on this Amendment No. 1, the Form 10-K and Bunge Limited's other public filings, which are available without charge through the SEC's website at www.sec.gov.

See "Index to Exhibits" set forth below.

Exhibit Number	Description
2.1	Share Purchase and Sale Agreement and Other Covenants, dated January 26, 2010, among Bunge Limited, Bunge Brasil Holdings B.V., Bunge Fertilizantes S.A., Vale S.A. and Mineração Naque S.A. (English Translation) (incorporated by reference from the Registrant's Form 10-K filed March 1, 2010)
2.2	First Amendment to the Share Purchase and Sale Agreement and Other Covenants among Bunge Limited, Bunge Brasil Holdings B.V., Bunge Fertilizantes S.A., Vale S.A. and Mineração Naque S.A. dated May 21, 2010 (incorporated by reference from the Registrant's Form 10-Q filed August 9, 2010)
3.1	Memorandum of Association (incorporated by reference from the Registrant's Form F-1 (No. 333-65026) filed July 13, 2001)
3.2	Bye-laws, as amended May 23, 2008 (incorporated by reference from the Registrant's Form 10-Q filed August 11, 2008)
4.1	Form of Common Share Certificate (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008)
4.2	Certificate of Designation for Cumulative Convertible Perpetual Preference Shares (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006)
4.3	Form of Cumulative Convertible Perpetual Preference Share Certificate (incorporated by reference from the Registrant's Form 8-K filed November 20, 2006)
4.4	The instruments defining the rights of holders of the long-term debt securities of Bunge and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. Bunge hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request
4.5	Certificate of Deposit of Memorandum of Increase of Share Capital (incorporated by reference from the Registrant's Form 10-Q filed August 11, 2008)
10.1	Pooling Agreement, dated as of August 25, 2000, between Bunge Funding Inc., Bunge Management Services Inc., as Servicer, and The Chase Manhattan Bank, as Trustee (incorporated by reference from the Registrant's Form F-1 (No. 333-65026) filed July 13, 2001)
10.2	Second Amended and Restated Series 2000-1 Supplement, dated as of February 26, 2002, between Bunge Funding Inc., Bunge Management Services, Inc., as Servicer, Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International," New York Branch, as Letter of Credit Agent, JPMorgan Chase Bank, as Administrative Agent, The Bank of New York, as Collateral Agent and Trustee, and Bunge Asset Funding Corp., as Series 2000-1 Purchaser, amending and restating the First Amended and Restated Series 2000-1 Supplement, dated July 12, 2001 (incorporated by reference from the Registrant's Form F-1 (No. 333-81322) filed March 8, 2002)
10.3	Sixth Amended and Restated Liquidity Agreement, dated as of June 28, 2004, among Bunge Asset Funding Corp., the financial institutions party thereto, Citibank N.A., as Syndication Agent, BNP Paribas, as Documentation Agent, Credit Suisse First Boston, as Documentation Agent, Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International," New York Branch, as Documentation Agent, and JPMorgan Chase Bank, as Administrative Agent (incorporated by reference from the Registrant's Form 10-Q filed August 9, 2004)

Exhibit Number	Description
10.4	Eighth Amended and Restated Liquidity Agreement, dated as of October 5, 2007, among Bunge Asset Funding Corp., the financial institutions party thereto, Citibank N.A., as Syndication Agent, BNP Paribas, as Documentation Agent, Credit Suisse, acting through its Cayman Islands branch, as Documentation Agent, Cooperative Centrale Raiffeisen- Boerenleenbank B.A., "Rabobank International," New York Branch, as Documentation Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008)
10.5	Sixth Amended and Restated Guaranty, dated as of June 11, 2007, between Bunge Limited, as Guarantor, and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International," New York Branch, in its capacity as the letter of credit agent under the Letter of Credit Reimbursement Agreement for the benefit of the Letter of Credit Banks, JPMorgan Chase Bank, N.A., in its capacity as the administrative agent under the Liquidity Agreement, for the benefit of the Liquidity Banks and The Bank of New York, in its capacity as collateral agent under the Security Agreement and as trustee under the Pooling Agreement (incorporated by reference from the Registrant's Form 8-K filed on June 14, 2007)
10.6	Facility Agreement, dated as of March 28, 2008, among Bunge Finance Europe B.V., as Borrower, BNP Paribas, Calyon, Fortis Bank (Netherland) N.V. and the Royal Bank of Scotland plc, as Mandated Lead Arrangers, the financial institutions from time to time party thereto, and Fortis Bank (Nederland) N.V., as Agent (incorporated by reference from the Registrant's Form 8-K filed on March 31, 2008)
10.7	Guaranty, dated as of March 28, 2008, between Bunge Limited, as Guarantor, and Fortis Bank (Netherland) N.V., as Agent (incorporated by reference from the Registrant's Form 8-K filed on March 31, 2008)
10.8	Three-Year Revolving Credit Agreement, dated June 3, 2009, among Bunge Limited Finance Corp., as borrower, Citibank, N.A., as syndication agent, BNP Paribas, Calyon New York Branch and CoBank, ACB, as documentation agents, JPMorgan Chase Bank, N.A. as administrative agent, and certain lenders party thereto (incorporated by reference from the Registrant's Form 8-K filed on June 3, 2009)
10.9	Guaranty, dated as of June 3, 2009, between Bunge Limited and JPMorgan Chase Bank, N.A., as administrative agent under the 3-Year Revolving Credit Agreement (incorporated by reference from the Registrant's Form 8-K filed on June 3, 2009)
10.10	Facility Agreement, dated November 24, 2009, among Bunge Finance Europe B.V., as Borrower, the several banks and other financial institutions or entities from time to time parties thereto, as Lenders, Fortis Bank (Nederland) N.V., as facility agent (incorporated by reference from the Registrant's Form 8-K filed on November 30, 2009)
10.11	Guaranty, dated as of November 24, 2009, between Bunge Limited, as Guarantor, and Fortis Bank (Nederland) N.V., as facility agent (incorporated by reference from the Registrant's Form 8-K filed on November 30, 2009)
10.12	Employment Agreement (Amended and Restated as of December 31, 2008) between Bunge Limited and Alberto Weisser (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.13	Offer Letter, dated as of February 1, 2008, for Vicente Teixeira (incorporated by reference from the Registrant's Form 10-Q filed May 12, 2008)
10.14	Bunge Limited Equity Incentive Plan (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)

Exhibit Number	Description
10.15	Form of Nonqualified Stock Option Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006)
10.16	Form of Restricted Stock Unit Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 8-K filed July 8, 2005)
10.17	Form of Performance-Based Restricted Stock Unit-Target EPS Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006)
10.18	Form of Performance-Based Restricted Stock Unit-Target Operating Profit Award Agreement (effective as of 2005) under the Bunge Limited Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006)
10.19	Bunge Limited 2009 Equity Incentive Plan (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 3, 2009)
10.20**	Form of Nonqualified Stock Option Award Agreement under the 2009 Bunge Limited Equity Incentive Plan
10.21**	Form of Restricted Stock Unit Award Agreement under the 2009 Bunge Limited Equity Incentive Plan
10.22**	Form of Performance-Based Restricted Stock Unit-Target EPS Award Agreement under the 2009 Bunge Limited Equity Incentive Plan
10.23	Bunge Limited Non-Employee Directors' Equity Incentive Plan (Amended and Restated as of February 25, 2005) (incorporated by reference from the Registrant's Form 10-K filed March 16, 2005)
10.24	Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.25	Form of Deferred Restricted Stock Unit Award Agreement (effective as of 2007) under the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 3, 2008)
10.26	Form of Restricted Stock Unit Award Agreement under the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 1, 2010)
10.27	Form of Nonqualified Stock Option Award Agreement (effective as of 2005) under the Bunge Limited Non-Employee Directors' Equity Incentive Plan (incorporated by reference from the Registrant's Form 10-K filed March 15, 2006)
10.28	Bunge Limited Deferred Compensation Plan for Non-Employee Directors (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.29	Bunge Excess Benefit Plan (Amended and Restated as of January 1, 2009) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.30	Bunge Excess Contribution Plan (Amended and Restated as of January 1, 2009) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.31**	Bunge U.S. SERP (Amended and Restated as of January 1, 2011)

Exhibit Number	Description
10.32	Bunge Limited Employee Deferred Compensation Plan (effective January 1, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.33	Bunge Limited Annual Incentive Plan (Amended and Restated as of December 31, 2008) (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.34	Bunge Limited Annual Incentive Plan (effective January 1, 2011) (incorporated by reference from the Registrant's Definitive Proxy Statement filed April 16, 2010)
10.35	Offer Letter, dated as of June 21, 2007 for Jacqualyn A. Fouse (incorporated by reference from the Registrant's Form 10-Q filed on August 9, 2007)
10.36	Offer Letter, amended and restated as of December 31, 2008, for Archibald Gwathmey (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.37	Offer Letter, amended and restated as of December 31, 2008, for Andrew J. Burke (incorporated by reference from the Registrant's Form 10-K filed March 2, 2009)
10.38**	Description of Non-Employee Directors' Compensation as of January 1, 2011
10.39	Offer Letter, amended and restated as of February 1, 2009, for D. Benedict Pearcy (incorporated by reference from the Registrant's Form 10-Q filed May 10, 2010)
10.40	Separation Agreement and Release of Claims by and between Bunge Limited and Archibald Gwathmey, effective as of December 31, 2010 (incorporated by reference from the Registrant's Form 8-K/A filed December 21, 2010)
12.1**	Computation of Ratio of Earnings to Fixed Charges
21.1**	Subsidiaries of the Registrant
23.1**	Consent of Deloitte & Touche LLP
23.2*	Consent of Deloitte & Touche LLP
31.1**	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act
31.2**	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act
31.3*	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act
31.4*	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act
32.1**	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act
32.2**	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act
32.3*	Certification of Bunge Limited's Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act
32.4*	Certification of Bunge Limited's Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act

Exhibit Number	Description
101*+	The following financial information from Bunge Limited's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Notes to the Consolidated Financial Statements and (vi) Schedule II Valuation and Qualifying Accounts.

* Filed with this Amendment No. 1 to the Form 10-K.

** Previously filed with the Form 10-K.

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

BUNGE LIMITED
Schedule II Valuation and Qualifying Accounts
(US$ In Millions)

Description	Balance at beginning of period	Additions: Charged to costs and expenses	Additions: Charged to other accounts(b)	Deductions from reserves	Balance at end of period
FOR THE YEAR ENDED DECEMBER 31, 2008					
Allowances for doubtful accounts (a)	$ 285	95	(46)	(43) (c)	$ 291
Allowance for secured advances to suppliers	$ 52	33	(14)	(34) (c)	$ 37
Allowances for recoverable taxes	$ 135	20	(37)	(14)	$ 104
Income tax valuation allowance	$ 33	47	14 (d)		$ 94
FOR THE YEAR ENDED DECEMBER 31, 2009					
Allowances for doubtful accounts (a)	$ 291	75	84	(100) (c)	$ 350
Allowance for secured advances to suppliers	$ 37	21	17		$ 75
Allowances for recoverable taxes	$ 104	34	31	(5)	$ 164
Income tax valuation allowance	$ 94	50	5	(33)	$ 116
FOR THE YEAR ENDED DECEMBER 31, 2010					
Allowances for doubtful accounts (a)	$ 350	58	3	(111) (c)	$ 300
Allowance for secured advances to suppliers	$ 75	17	3	(8)	$ 87
Allowances for recoverable taxes	$ 164	20	(20)	(46) (e)	$ 118
Income tax valuation allowance	$ 116	128	1		$ 245

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

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

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

(d) This includes a reclassification from uncertain tax liabilities and a deferred tax asset adjustment.

(e) This includes $39M related to the sale of nutrients assets.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Bunge Limited and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Bunge Limited and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2011 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

February 28, 2011
New York, New York

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Bunge Limited and subsidiaries (the "Company") as of December 31, 2010, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in *Management's Report on Internal Control Over Financial Reporting*, management excluded from its assessment the internal control over financial reporting at the five entitites that were formerly part of the Moema Group (collectively, "Moema"), which were acquired in February 2010 and whose combined financial statements constitute 7% of total assets at December 31, 2010 and 1% of net sales for the year ended December 31, 2010. Accordingly, our audit did not include the internal control over financial reporting at Moema. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2010 of the Company and our report dated February 28, 2011 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP

February 28, 2011
New York, New York

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

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

	Year Ended December 31,		
	2010	**2009**	**2008**
Net sales	**$ 45,707**	$ 41,926	$ 52,574
Cost of goods sold	**(43,196)**	(40,722)	(48,538)
Gross profit	**2,511**	1,204	4,036
Selling, general and administrative expenses	**(1,558)**	(1,342)	(1,613)
Gain on sale of fertilizer nutrients assets (Note 3)	**2,440**		
Interest income	**69**	122	214
Interest expense	**(298)**	(283)	(361)
Loss on extinguishment of debt (Note 17)	**(90)**		
Foreign exchange gain (loss)	**2**	469	(749)
Other income (expenses) net	**(26)**	(25)	10
Income from operations before income tax	**3,050**	145	1,537
Income tax (expense) benefit	**(689)**	110	(245)
Equity in earnings of affiliates	**27**	80	34
Net income	**2,388**	335	1,326
Net (income) loss attributable to noncontrolling interest	**(34)**	26	(262)
Net income attributable to Bunge	**2,354**	361	1,064
Convertible preference share dividends	**(67)**	(78)	(78)
Net income available to Bunge common shareholders	**$ 2,287**	$ 283	$ 986
Earnings per common share basic (Note 24)			
Earnings to Bunge common shareholders	**$ 16.20**	$ 2.24	$ 8.11
Earnings per common share diluted (Note 24)			
Earnings to Bunge common shareholders	**$ 15.06**	$ 2.22	$ 7.73

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

	December 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 578**	$ 553
Trade accounts receivable (less allowance of $177 and $192) (Note 18)	**2,901**	2,363
Inventories (Note 4)	**6,635**	4,862
Deferred income taxes (Note 14)	**233**	506
Other current assets (Note 5)	**5,468**	3,499
Total current assets	**15,815**	11,783
Property, plant and equipment, net (Note 6)	**5,312**	5,347
Goodwill (Note 7)	**934**	427
Other intangible assets, net (Note 8)	**186**	170
Investments in affiliates (Note 10)	**609**	622
Deferred income taxes (Note 14)	**1,200**	979
Other non-current assets (Note 11)	**1,945**	1,958
Total assets	**$ 26,001**	$ 21,286
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt (Note 16)	**$ 1,718**	$ 166
Current portion of long-term debt (Note 17)	**612**	31
Trade accounts payable	**3,637**	3,275
Deferred income taxes (Note 14)	**262**	100
Other current liabilities (Note 12)	**3,775**	2,635
Total current liabilities	**10,004**	6,207
Long-term debt (Note 17)	**2,551**	3,618
Deferred income taxes (Note 14)	**84**	183
Other non-current liabilities	**808**	913
Commitments and contingencies (Note 22)		
Shareholders' equity (Note 23):		
Mandatory convertible preference shares, par value $.01; authorized 862,500; issued and outstanding: 2010 zero, 2009 862,455 shares (liquidation preference $1,000 per share)		863
Convertible perpetual preference shares, par value $.01; authorized issued and outstanding: 2010 and 2009 6,900,000 shares (liquidation preference $100 per share)	**690**	690
Common shares, par value $.01; authorized 400,000,000 shares; issued: 2010 146,635,083 shares, 2009 134,096,906 shares	**1**	1
Additional paid-in capital	**4,793**	3,625
Retained earnings	**6,153**	3,996
Accumulated other comprehensive income	**583**	319
Total Bunge shareholders' equity	**12,220**	9,494
Noncontrolling interest	**334**	871
Total equity	**12,554**	10,365
Total liabilities and shareholders' equity	**$ 26,001**	$ 21,286

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in millions)

	Year Ended December 31,		
	2010	**2009**	**2008**
OPERATING ACTIVITIES			
Net income	**$ 2,388**	$ 335	$ 1,326
Adjustments to reconcile net income to cash (used for) provided by operating activities:			
Foreign exchange loss (gain) on debt	**75**	(606)	472
Gain on sale of fertilizer nutrients assets	**(2,440)**		
Impairment of assets	**77**	31	18
Bad debt expense	**48**	55	69
Depreciation, depletion and amortization	**443**	443	439
Stock-based compensation expense	**60**	17	66
Recoverable taxes provision	**3**	61	(9)
Gain on sale of property, plant and equipment	**(7)**	(4)	(14)
Deferred income taxes	**160**	(204)	(251)
Equity in earnings of affiliates	**(27)**	(80)	(34)
Changes in operating assets and liabilities, excluding the effects of acquisitions:			
Trade accounts receivable	**(1,560)**	242	(338)
Inventories	**(1,894)**	1,636	(905)
Prepaid commodity purchase contracts	**(65)**	86	300
Secured advances to suppliers	**35**	221	(143)
Trade accounts payable	**1,305**	(1,427)	1,161
Advances on sales	**70**	(8)	(106)
Unrealized net gain/loss on derivative contracts	**(588)**	(175)	184
Margin deposits	**(382)**	(229)	8
Recoverable taxes	**(122)**	(471)	(428)
Accrued liabilities	**15**	(56)	207
Other net	**(29)**	(235)	521
Cash (used for) provided by operating activities	**(2,435)**	(368)	2,543
INVESTING ACTIVITIES			
Payments made for capital expenditures	**(1,072)**	(918)	(896)
Acquisitions of businesses (net of cash acquired) and intangible assets	**(252)**	(136)	(131)
Proceeds from sales of fertilizer nutrients assets	**3,914**		
Cash disposed of in sale of fertilizer nutrients assets	**(106)**		
Related party (loans) repayments	**(39)**	(22)	47
Proceeds from (payments for) investments	**50**	96	(94)
Proceeds from disposal of property, plant and equipment	**16**	36	39
Investments in affiliates	**(2)**	(8)	(71)
Cash provided by (used for) investing activities	**2,509**	(952)	(1,106)
FINANCING ACTIVITIES			
Net change in short-term debt with maturities of 90 days or less	**573**	(342)	(687)
Proceeds from short-term debt with maturities greater than 90 days	**1,669**	1,140	1,887
Repayments of short-term debt with maturities greater than 90 days	**(1,070)**	(1,164)	(1,206)
Proceeds from long-term debt	**2,535**	2,774	1,967
Repayment of long-term debt	**(3,227)**	(2,242)	(2,819)
Proceeds from sale of common shares	**6**	763	7
Repurchase of common shares	**(354)**		
Dividends paid to preference shareholders	**(78)**	(78)	(81)
Dividends paid to common shareholders	**(124)**	(103)	(87)
Dividends paid to noncontrolling interest	**(9)**	(17)	(154)
Capital contributions from noncontrolling interest in less than wholly-owned subsidiaries	**60**	87	27
Return of capital to noncontrolling interest	**(11)**	(44)	

Cash (used for) provided by financing activities		**(30)**		774		(1,146)
Effect of exchange rate changes on cash and cash equivalents		**(19)**		95		(268)
Net increase (decrease) in cash and cash equivalents		**25**		(451)		23
Cash and cash equivalents, beginning of period		**553**		1,004		981
Cash and cash equivalents, end of period	**$**	**578**	$	553	$	1,004

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

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

	Convertible Preference Shares		Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss) (Note 23)	Treasury Shares	Noncontrolling Interest	Total Shareholders' Equity	Comprehensive Income (Loss)
	Shares	**Amount**	**Shares**	**Amount**							
Balance, January 1, 2008	7,762,500	$ 1,553	121,225,963	$ 1	$ 2,760	$ 2,962	$ 669	$	$ 752	$ 8,697	
Comprehensive income 2008:											
Net income						1,064			262	1,326	$ 1,326
Other comprehensive income (loss):											
Foreign exchange translation adjustment, net of tax expense of $0							(1,346)		(181)	(1,527)	(1,527)
Unrealized losses on commodity futures and foreign exchange contracts, net of tax benefit of $31							(68)			(68)	(68)
Unrealized investment losses, net of tax benefit of $4							(8)			(8)	(8)
Reclassification of realized net gains to net income, net of tax expense of $15							(22)			(22)	(22)
Pension liability adjustment, net of tax of $21 and $(11)							(36)		21	(15)	(15)
Total comprehensive income (loss)											$ (314)
Pension measurement date adjustment, net of tax benefit of $2						(4)				(4)	
Dividends on common shares						(87)				(87)	
Dividends on preference shares						(91)				(91)	
Dividends to noncontrolling interest on subsidiary common stock									(154)	(154)	
Capital contribution from noncontrolling interest									26	26	
Capital contribution related to exchange of subsidiaries stock in connection with merger of subsidiaries					13				(34)	(21)	
Gain on sale of interest in subsidiary					13					13	
Stock-based compensation expense					66					66	
Reversal of tax benefits related to stock options and award plans					(5)					(5)	
Issuance of common shares:											
conversion of mandatory preference shares	(45)		369								
stock options and award plans, net of shares withheld for taxes			406,124		2					2	
Balance, December 31, 2008	7,762,455	$ 1,553	121,632,456	$ 1	$ 2,849	$ 3,844	$ (811)	$	$ 692	$ 8,128	
Comprehensive income 2009:											
Net income (loss)						361			(26)	335	$ 335
Other comprehensive income (loss):											
Foreign exchange translation adjustment, net of tax expense of $0							1,062		190	1,252	1,252
Unrealized gains on commodity futures and foreign exchange contracts, net of tax expense of $10							25			25	25
Unrealized investment gains, net of tax expense of $1							2			2	2
							52			52	52

Reclassification of realized net losses to net income, net of tax benefit of $30					
Pension liability adjustment, net of tax benefit of $6 and $5		(11)	(16)	(27)	(27)
Total comprehensive income					$ 1,639
Dividends on common shares	(131)			(131)	
Dividends on preference shares	(78)			(78)	
Dividends to noncontrolling interest on subsidiary common stock			(17)	(17)	
Return of capital to noncontrolling interest			(44)	(44)	
Capital contribution from noncontrolling interest			87	87	
Consolidation of subsidiary			5	5	

BUNGE LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

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

	Convertible Preference Shares		Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss) (Note 23)	Treasury Shares	Noncontrolling Interest	Total Shareholders' Equity	Comprehensive Income (Loss)
	Shares	Amount	Shares	Amount							
Purchase of additional shares in subsidiary from noncontrolling interest					(4)					(4)	
Stock-based compensation expense					17					17	
Tax benefits related to stock options and award plans					6					6	
Issuance of common shares:											
public equity offering			12,000,000		761					761	
stock options and award plans, net of shares withheld for taxes			464,450		(4)					(4)	
Balance, December 31, 2009	7,762,455	$ 1,553	134,096,906	$ 1	$ 3,625	$ 3,996	$ 319	$	$ 871	$ 10,365	
Comprehensive income 2010:											
Net income						2,354			34	2,388	$ 2,388
Other comprehensive income (loss):											
Foreign exchange translation adjustment, net of tax expense of $0							247		(24)	223	223
Unrealized gains on commodity futures and foreign exchange contracts, net of tax expense of $11							21			21	21
Reclassification of realized net gains to net income, net of tax expense of $11							(11)			(11)	(11)
Pension liability adjustment, net of tax expense of $5							5			5	5
Other posretirement healthcare subsidy tax deduction adjustment							2			2	2
Total comprehensive income											$ 2,628
Dividends on common shares						(130)				(130)	
Dividends on preference shares						(67)				(67)	
Dividends to noncontrolling interest on subsidiary common stock									(12)	(12)	
Return of capital to noncontrolling interest									(11)	(11)	
Capital contribution from noncontrolling interest									61	61	
Consolidation of subsidiary									3	3	
Sale of non-wholly owned subsidiary (Note 3)									(588)	(588)	
Stock-based compensation expense					60					60	
Repurchase of common shares			(6,714,573)					(354)		(354)	
Issuance of common shares:											
business acquisition (Note 2)			10,315,400		600					600	
conversion of mandatory convertible preference shares (Note 23)	(862,455)	(863)	8,417,215		509			354			
stock options and award plans, net of shares withheld for taxes			520,135		(1)					(1)	
Balance, December 31, 2010	**6,900,000**	**$ 690**	**146,635,083**	**$ 1**	**$ 4,793**	**$ 6,153**	**$ 583**	**$**	**$ 334**	**$ 12,554**	

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Significant Accounting Policies

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

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

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

Sugar and Bioenergy In the first quarter of 2010, Bunge began reporting the results of its sugar and bioenergy businesses as a reportable segment, which includes the results of its sugar production, merchandising and distribution businesses and its ethanol production investments and activities. Prior to the first quarter of 2010, sugar and bioenergy results and assets were included in the agribusiness segment. Accordingly, amounts for prior periods presented have been reclassified to conform to the current period segment presentation. This reportable segment became significant to Bunge in February 2010 with the acquisition of five sugar mills in Brazil. See Note 2 of the notes to the consolidated financial statements.

Bunge's sugar and bioenergy segment is an integrated business involved in the procurement and growing of sugarcane for its mills, production of sugar and sugarcane-based ethanol, merchandising and distribution of sugar within Brazil and on a global basis through Bunge's merchandising and distribution office in London. In addition, the segment includes Bunge's minority investments in the U.S. corn-based ethanol industry.

Edible oil products Bunge's edible oil products segment consists of producing and selling edible oil products, such as packaged and bulk oils, shortenings, margarine, mayonnaise and other products derived from the vegetable oil refining process. Bunge's edible oil products operations are located in North America, Europe, Brazil, China and India.

Milling products Bunge's milling products segment include its wheat, corn and rice milling businesses. The wheat milling business consists of producing and selling wheat flours and bakery mixes. Bunge's wheat milling activities are located in Brazil. The corn milling business consists of producing and selling products derived from corn. Bunge's corn milling activities are located in the United States. In 2010, Bunge acquired a U.S. rice mill. See Note 2 of the notes to the consolidated financial statements.

Fertilizer Bunge's fertilizer segment has historically been involved in every stage of the fertilizer business, from mining of phosphate-based raw materials to the sale of blended fertilizer products. In May 2010, Bunge sold its fertilizer nutrients assets in Brazil, including its phosphate mining assets and its investment in Fosfertil S.A., a phosphate and nitrogen producer in Brazil. In addition, Bunge acquired the Argentine fertilizer business of Petrobras Energia S.A., which produces liquid and solid

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

nitrogen fertilizers. Bunge also has a joint venture with Office Chérifien des Phosphates, or OCP, to produce fertilizer products in Morocco. See Notes 2, 3 and 10 of the notes to the consolidated financial statements.

Basis of Presentation and Principles of Consolidation The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the assets, liabilities, revenues and expenses of all entities over which Bunge exercises control.

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

Bunge evaluates its equity investments for consolidation in accordance with a standard issued by the FASB that provides guidance on entities subject to consolidation as well as how to consolidate. The standard focuses on controlling financial interests that may be achieved through arrangements that do not involve voting interests. A variable interest entity (VIE) is a legal structure that does not have equity investors with voting rights or has equity investors that do not provide sufficient financial resources for the entity to support its activities. The standard requires that a VIE be consolidated by a company if that company is the primary beneficiary of the VIE. The primary beneficiary of a VIE is an entity that is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the VIE's residual returns or both. As of December 31, 2010 and 2009, Bunge had no investments in affiliates that have not been consolidated that would be considered VIEs where Bunge is determined to be the primary beneficiary.

Investments in businesses in which Bunge does not have control but has the ability to exercise significant influence are accounted for by the equity method of accounting whereby the investment is carried at acquisition cost plus Bunge's equity in undistributed earnings or losses since acquisition. Investments in which Bunge does not have the ability to exercise significant influence are accounted for by the cost method. Equity and cost method investments are included in investments in affiliates in the consolidated balance sheets.

Use of Estimates and Certain Concentrations of Risk The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and require management to make certain estimates and assumptions. These may affect the reported amounts of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses during the reporting period. Amounts affected include, but are not limited to, allowances for doubtful accounts, valuation allowances for recoverable taxes and deferred tax assets, impairment of long-lived assets, restructuring charges, useful lives of property, plant and equipment and intangible assets, contingent liabilities, liabilities for unrecognized tax benefits and pension plan obligations. In addition, significant management estimates and assumptions are required in determination of fair values of Level 3 assets and liabilities. See Note 15 of the notes to the consolidated financial statements. Actual amounts may vary from these estimates.

The availability and price of agricultural commodities used in Bunge's operations are subject to wide fluctuations due to unpredictable factors such as weather, plantings, government (domestic and foreign) programs and policies, and changes in global demand and production of similar and

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

competitive crops. The markets for Bunge's products are highly price competitive and are sensitive to product substitution. Bunge competes against large multinational, regional and national suppliers, processors and distributors and farm cooperatives. Competition is based on price, product and service offerings and geographic location. In addition, Bunge has significant commercial activities related to logistics as it moves commodities around the world and also related to energy as agricultural commodities and commodity products have become key components of ethanol and other biofuels. Bunge also enters into over-the-counter derivative instruments with financial counterparties, primarily related to management of interest rate and foreign currency risk. As a result of these activities, Bunge also has concentrations of risk with counterparties in the agribusiness, shipping, energy and finance industries.

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

Foreign Currency Transactions Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into their respective functional currencies at exchange rates in effect at the balance sheet date. The resulting exchange gain or loss is included in Bunge's consolidated statements of income as foreign exchange gain (loss).

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

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

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

Bunge adopted the accounting guidance on disclosure about the credit quality of financing receivables and the allowance for credit losses as of December 31, 2010. This guidance requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes. Based upon its analysis of credit losses and risk factors to be considered in determining the allowance for credit losses, Bunge has determined that the long-term receivables from farmers in Brazil is a single portfolio segment.

Bunge evaluates this single portfolio segment by class of receivables, which is defined as a level of information (below a portfolio segment) in which the receivables have the same initial measurement

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

attribute and a similar method for assessing and monitoring risk. Bunge has identified accounts in legal collection processes and renegotiated amounts as classes of long-term receivables from farmers. Valuation allowances for accounts in legal collection processes are determined by Bunge on individual accounts based on the fair value of the collateral provided as security for the secured advance or credit sale. The fair value is determined using a combination of internal and external resources, including published information concerning Brazilian land values by region. For determination of the valuation allowances for renegotiated amounts, Bunge considers historical experience with the individual farmers, current weather and crop conditions, as well as the fair value of non-crop collateral.

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

Inventories Readily marketable inventories are agricultural commodity inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms. The majority of Bunge's readily marketable inventories are valued at fair value. These agricultural commodity inventories have quoted market prices in active markets, may be sold without significant further processing and have predictable and insignificant disposal costs. Changes in the fair values of merchandisable agricultural commodities inventories are recognized in earnings as a component of cost of goods sold. Also included in readily marketable inventories is sugar produced by our sugar mills in Brazil. These inventories are stated at the lower of average cost or market. They are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

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

Derivative Instruments and Hedging Activities Bunge enters into derivative instruments that are related to its business and financial exposures as a multinational agricultural commodities and food company. Bunge uses derivative instruments to manage its exposure to movements associated with agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs. Bunge's use of these instruments is generally intended to mitigate the exposure to market variables. See Note 15 of the notes to the consolidated financial statements.

Bunge enters into interest rate swap agreements for the purpose of managing certain of its interest rate exposures. The interest rate swaps used by Bunge as hedging instruments have been recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain swap agreements are designated as fair value hedges. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these adjustments do not offset. In addition, Bunge has entered into certain interest rate basis swap agreements that do not qualify for hedge accounting, and therefore such agreements have not been designated by Bunge as hedge instruments for accounting purposes.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Bunge uses a combination of foreign exchange forward and option contracts in certain of its operations to mitigate the risk from exchange rate fluctuations in connection with anticipated sales denominated in foreign currencies. These derivative instruments are designated as cash flow hedges. The changes in the fair values on the contracts designated as cash flow hedges are recorded in accumulated other comprehensive income (loss), net of applicable taxes, and are reclassified into earnings when the anticipated sales occur. The ineffective portion of these hedges is recorded as foreign exchange gain or loss in the consolidated statements of income. Bunge also may use net investment hedges to partially offset the translation adjustments arising from the remeasurement of its investment in its Brazilian subsidiaries. Bunge records the effective portion of the gain or loss on the derivative instruments designated and qualifying as net investment hedges in accumulated other comprehensive income (loss), net of applicable taxes, as an offset to the foreign currency translation adjustment.

Bunge generally uses exchange traded futures and options contracts to minimize the effects of changes in agricultural commodity prices on its agricultural commodity inventories, including produced sugar, future sugar production and forward purchase and sale contracts, but may also from time to time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Changes in fair values of exchange traded futures contracts representing the unrealized gains and/or losses on these instruments are settled daily generally through Bunge's wholly-owned futures clearing subsidiary. 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. Changes in fair values of these contracts and related readily marketable agricultural commodity inventories are included in cost of goods sold in the consolidated statements of income. The forward contracts require performance of both 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.

In addition, Bunge uses exchange traded futures and options as economic hedges of portions of its forecasted oilseed processing production requirements, including forecasted purchases of soybeans and sales of soy commodity products. For hedges of U.S. production requirements, the changes in the market values of such futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged items and, therefore, these derivatives are designated as cash flow hedges. For economic hedges of production requirements outside the U.S., location differences between processing facilities and commodity exchanges generally cause these futures and options contracts to not meet the highly effective criterion for hedge accounting. Therefore, these instruments are not designated as hedges for accounting purposes.

Bunge is exposed to loss in the event of the non-performance by counterparties to over-the-counter derivative instruments and forward purchase and sale contracts. Adjustments are made to fair values of derivative instruments on occasions when non-performance risk is determined to represent a significant input in fair value determination. These adjustments are based on Bunge's estimate of the potential loss in the event of counterparty non-performance.

Bunge enters into time charter agreements for utilization of ocean freight vessels for the purpose of transporting agricultural commodities based on forecasted requirements. In addition, Bunge sells

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

through "relet agreements" the right to use these ocean freight vessels when excess freight capacity is available. The market price for ocean freight varies depending on the supply and demand for ocean freight vessels and global economic and trade conditions. Bunge's time charter agreements, which represent unrecognized firm commitments for utilization of ocean freight vessels, have terms ranging from two months to five years. Bunge uses derivative instruments to hedge both time charter agreements and other portions of its anticipated ocean freight costs. A portion of the ocean freight derivatives may be designated as fair value hedges of Bunge's time charter agreements.

Bunge uses derivative instruments to manage its exposure to volatility in energy costs. Bunge's operations use substantial amounts of energy, including natural gas, coal, steam and fuel oil, including bunker fuel.

Generally, derivative instruments are recorded at fair value in other current assets or other current liabilities in Bunge's consolidated balance sheets. Bunge assesses, both at the inception of a hedge and on an ongoing basis, whether the derivatives that are designated as hedges are highly effective in offsetting changes in the hedged items. The effective and ineffective portions of changes in fair values of derivative instruments designated as fair value hedges, along with the gains or losses on the related hedged items are recorded in earnings in the consolidated statements of income in the same caption as the hedged items. The effective portion of changes in fair values of derivative instruments that are designated as cash flow hedges are recorded in accumulated other comprehensive income (loss) and are reclassified or amortized to earnings when the hedged cash flows are realized or when the hedge is no longer considered to be effective. In addition, Bunge may designate certain derivative instruments as net investment hedges to hedge the exposure associated with its equity investments in foreign operations. The effective portions of changes in the fair values of net investment hedges, which are evaluated based on spot rates, are recorded in the foreign exchange translation adjustment component of accumulated other comprehensive income (loss) in the consolidated balance sheets and the ineffective portions of such derivative instruments are recorded in foreign exchange gains or losses in the consolidated statements of income.

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

Property, Plant and Equipment, Net Property, plant and equipment, net is stated at cost less accumulated depreciation and depletion. Major improvements that extend the life, capacity or efficiency and improve the safety of the asset are capitalized, while minor maintenance and repairs are expensed as incurred. Costs related to legal obligations associated with the future retirement of assets are capitalized and depreciated over the lives of the underlying assets. Depreciation is computed based on

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

the straight line method over the estimated useful lives of the assets. Useful lives for property, plant and equipment are as follows:

	Years
Buildings	10-50
Machinery and equipment	7-20
Furniture, fixtures and other	3-20

Included in property, plant and equipment for 2010 and 2009 are biological assets, primarily sugarcane, that are stated at cost less accumulated depletion. The remaining useful lives of Bunge's biological assets range from 1 to 6 years. Depletion is calculated using the estimated units of production based on the remaining useful life of the growing sugarcane.

Included in property, plant and equipment for 2009 are mining properties that are stated at cost less accumulated depletion. In May 2010, Bunge sold its fertilizer nutrients assets in Brazil, including its phosphate mining assets and its investment in Fosfertil S.A., a phosphate and nitrogen producer in Brazil (see Note 3 of the notes to the consolidated financial statements). The remaining useful lives of Bunge's mines operated in its fertilizer operations estimated through the date of Bunge's sale of its fertilizer nutrients assets ranged from 15 to 52 years. Bunge determined the estimated useful lives of its mines based on reserve estimates and forecasts of annual production. Depletion was calculated using the unit of production method based on proven and probable reserves.

Bunge capitalizes interest on borrowings during the construction period of major capital projects. The capitalized interest is recorded as part of the asset to which it relates and is depreciated over the asset's estimated useful life.

Goodwill and Other Intangible Assets Goodwill represents the excess of the purchase price over the fair value of tangible and identifiable intangible net assets acquired in a business acquisition. Goodwill is not amortized, but is tested annually for impairment in the fourth quarter of Bunge's fiscal year or whenever there are indicators that the carrying value of the assets may not be fully recoverable. Bunge uses a two step process to test goodwill at the reporting unit level. The first step involves a comparison of the estimated fair value of each reporting unit with its carrying value. Fair value is estimated using discounted cash flows of the reporting unit based on planned growth rates and estimates of discount rates. If the carrying value exceeds the fair value, the second step of the process is necessary. The second step measures the difference between the carrying value and the implied fair value of goodwill. If the estimates or related projections of the fair value of reporting units change in the future, we may be required to record impairment charges.

Bunge's reporting segments in which it has recorded goodwill are agribusiness, sugar and bioenergy, edible oil products, milling products and fertilizer (see Note 7 of the notes to the consolidated financial statements). Impairment losses are generally included in cost of goods sold in the consolidated statements of income, unless the goodwill is associated with acquired marketing or brand assets, in which case impairment losses are included in selling, general and administrative expenses in the consolidated statements of income.

Other intangible assets that have finite useful lives include brands, trademarks and other assets which are recorded at fair value at the date of acquisition. Other intangible assets with indefinite lives are not amortized but are tested annually for impairment in the fourth quarter of Bunge's fiscal year or whenever there are indicators that the carrying values of the assets may not be fully recoverable. To

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

test indefinite-lived intangible assets for impairment, Bunge compares the fair values of indefinite-lived intangible assets with their carrying values. The fair values of indefinite-lived intangible assets are determined using discounted cash flows based on planned growth rates and estimates of discount rates. If its carrying value exceeds fair value, an indefinite-lived intangible asset is considered impaired and is reduced to fair value. If the estimates or related projections of the fair values of indefinite-lived intangible assets change in the future, we may be required to record impairment charges. Definite-lived intangible assets are amortized on a straight line basis over their estimated useful lives, ranging from 2 to 50 years. See Note 8 of the notes to the consolidated financial statements.

Impairment of Property, Plant and Equipment and Other Finite-Lived Intangible Assets Bunge reviews its property, plant and equipment and other finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts of an asset may not be recoverable. In performing the review for recoverability, Bunge bases its evaluation on such indicators as the nature, future economic benefits and geographic locations of the assets, historical or future profitability measures and other external market conditions. If these indicators result in the expected non-recoverability of the carrying amount of an asset or asset group, Bunge determines whether impairment has occurred by analyzing estimates of undiscounted future cash flows. If the estimates of undiscounted future cash flows during the expected useful life of the asset are less than the carrying value of the asset, a loss is recognized for the difference between the carrying value of the asset and its estimated fair value, measured by the present value of the estimated future cash flows or by third-party appraisal. Bunge records impairments related to property, plant and equipment and other finite-lived intangible assets used in the processing of its products in cost of goods sold in its consolidated statements of income. The impairment of marketing or brand assets is recognized in selling, general and administrative expenses in the consolidated statements of income. See Note 9 of the notes to the consolidated financial statements.

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

Impairment of Investments in Affiliates Bunge continually reviews its investments in affiliates to determine whether a decline in fair value is other than temporary. Bunge considers various factors in determining whether to recognize an impairment charge, including the length of time that the fair value of the investment is expected to be below its carrying value, the financial condition, operating performance and near-term prospects of the affiliate, which include general market conditions specific to the affiliate or the industry in which it operates, and Bunge's intent and ability to hold the investment for a period of time sufficient to allow for the recovery in fair value. Impairment charges for investments in affiliates are included as a reduction in share of the equity in earnings of affiliates in the consolidated statements of income.

Stock-Based Compensation Bunge maintains equity incentive plans for its employees and non-employee directors, which are described in Note 25 of the notes to the consolidated financial statements. Bunge accounts for stock-based compensation using the modified prospective transition method. Under the modified prospective transition method, compensation cost recognized for the years ended December 31, 2010, 2009 and 2008 includes (1) compensation cost for all share-based awards granted prior to, but not yet vested as of, January 1, 2006, based on the grant date fair value in accordance with a FASB issued standard that provides guidance for recognizing transactions under share-based payment arrangements with employees, and (2) compensation cost for all share-based

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

awards granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of the FASB standard.

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

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

Revenue Recognition Sales of agricultural commodities, fertilizers and other products are recognized when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, title to the product and risk of loss transfer to the customer, which is dependent on the agreed upon sales terms with the customer, and when collection of the sale price is reasonably assured. Sales terms provide for passage of title either at the time and point of shipment or at the time and point of delivery of the product being sold. Net sales consist of gross sales less discounts related to promotional programs and sales taxes. Interest income on secured advances to suppliers is included in net sales due to its operational nature (see Note 5 of the notes to the consolidated financial statements). Sales of a primarily financial nature, such as trade structured financing activities, are recorded net, and margins earned on such transactions are included in net sales. Shipping and handling charges billed to customers are included in net sales and related costs are included in cost of goods sold.

Research and Development Research and development costs are expensed as incurred. Research and development expenses were $24 million, $26 million and $35 million in 2010, 2009 and 2008, respectively.

Adoption of New Accounting Pronouncements *Amendment to Consolidation* In June 2009, the FASB issued a standard that requires an enterprise to (1) determine whether an entity is a variable interest entity (VIE), (2) determine whether the enterprise has a controlling financial interest indicating it is a primary beneficiary of a VIE, which would result in the enterprise being required to consolidate the VIE in its financial statements, and (3) provide enhanced disclosures about the enterprise's involvement in VIEs. As a result of the adoption of this standard on January 1, 2010, Bunge consolidated an agribusiness joint venture (see Note 23 of the notes to the consolidated financial statements).

Accounting for Transfers of Financial Assets In June 2009, the FASB issued a standard that amended a previously issued standard to improve the information reported in financial statements related to the transfer of financial assets and the effects of the transfers of such assets on the financial

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

position, results from operations and cash flows of the transferor and a transferor's continuing involvement, if any, with transferred financial assets. In addition, the amendment limits the circumstances in which a financial asset or a portion of a financial asset should be derecognized in the financial statements of the transferor when the transferor has not transferred the entire original financial asset. Upon adoption of this standard on January 1, 2010, all trade accounts receivables sold after that date under Bunge's accounts receivable securitization programs (the "securitization programs") are included in trade accounts receivable and the amounts outstanding under the securitization programs are accounted for as secured borrowings and are reflected as short-term debt on Bunge's consolidated balance sheet. As a result of this adoption, Bunge has reduced its utilization of these programs and either terminated or allowed certain of these programs to expire. The adoption of this standard did not have a material impact on Bunge's financial position, results from operations or cash flows. See Note 18 of the notes to the consolidated financial statements.

Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses In July 2010, the FASB issued a standard that amended a previously issued standard requiring an entity to include additional disaggregated disclosures in their financial statements about their financing receivables, including credit risk disclosures and the allowance for credit losses. Entities with financing receivables are required to disclose a rollforward of the allowance for credit losses, certain credit quality information, impaired loan information, modification information, and past due information. Trade receivables with maturities of less than one year are excluded from the scope of the new disclosures. The adoption of this standard did not have a material impact on Bunge's financial position, results from operations or cash flows, but resulted in expanded disclosures (see Notes 5 and 11 of the notes to the consolidated financial statements).

2. Business Acquisitions

Moema Acquisition In the first quarter of 2010, Bunge acquired a 100% interest in five Brazilian sugarcane mills in São Paulo and Minas Gerais states through the acquisition of Usina Moema Particpacãoes S.A. (Moema Par) and remaining interests in four mills that were not wholly-owned by Moema Par. Bunge collectively refers to the acquired entities as Moema. The purchase consideration for the Moema acquisition was as follows:

(US$ in millions)		
Fair value of 10,315,400 Bunge Limited common shares issued	$	600
Cash paid		52
Total purchase price	**$**	**652**

Bunge issued 9,718,632 of its common shares with a fair value of $570 million and paid 97 million Brazilian *reais* in cash, which equated to approximately $51 million, at the closing of the transaction. The final purchase price was subject to a post-closing adjustment based on working capital and net debt of the acquired companies at closing under Brazilian generally accepted accounting principles. During the second and third quarters of 2010, Bunge issued 596,768 of its common shares, with a fair value of $30 million and paid 1 million Brazilian *reais* in cash, which equated to approximately $1 million, in connection with the finalization of all post-closing adjustments. Acquisition related expenses of $11 million associated with the Moema acquisition were included in selling, general and administrative expenses in the consolidated statement of income for the year ended December 31, 2010.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Business Acquisitions (Continued)

The table below summarizes Bunge's assessment of the fair values of assets and liabilities acquired and resulting determination of goodwill:

(US$ in millions)	December 31, 2010
Assets acquired:	
Cash	$ 3
Inventories	187
Other current assets	69
Property, plant and equipment	657
Other intangible assets	44
Other non-current assets	127
Total assets	**1,087**
Liabilities acquired:	
Short-term debt	(378)
Other current liabilities	(286)
Long-term debt	(177)
Other non-current liabilities	(34)
Total liabilities	**(875)**
Goodwill	**440**
Total purchase price	**$ 652**

Intangible assets consist of the following:

(US$ in millions)		Useful Life
Land lease agreements	$ 43	7 years
Other	1	2-20 years
Total	**$ 44**	

The fair value assigned to intangible assets associated with land lease agreements for the production of sugarcane was determined using the income approach. The fair value of the other intangibles was primarily determined using the market approach. The intangible assets have no expected residual value at the end of their useful lives and are subject to amortization on a straight-line basis. The fair values of tangible assets were derived using a combination of the income approach, the market approach and the cost approach as considered appropriate for the specific assets being valued. None of the acquired assets or liabilities will be measured at fair value on a recurring basis in periods subsequent to the initial recognition.

Moema is a party to a number of claims and lawsuits, primarily civil, labor and environmental claims arising out of the normal course of business. Included in other non-current liabilities is $14 million related to Moema's probable contingencies.

Moema is included in the sugar and bioenergy segment and the goodwill from this acquisition has been assigned to that segment. The acquisition is expected to complement Bunge's existing sugarcane

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Business Acquisitions (Continued)

milling and trading and merchandising activities. The acquisition increases Bunge's presence in the sugar and sugarcane-based ethanol industry in Brazil, substantially increasing Bunge's annual sugarcane crushing capacity. The acquired mills form a cluster within a highly productive region for sugarcane in Brazil. The Moema management team's experience in sugarcane agricultural and industrial processes is expected to complement Bunge's expertise in trade and financial risk management. Bunge also expects synergies with its fertilizer business and logistics efficiencies from the acquisition. Goodwill of $489 million is deductible for tax purposes. In addition, the tax deductible goodwill exceeds the recorded goodwill by approximately $95 million resulting in total tax deductible goodwill of approximately $584 million. As a result, a long-term deferred tax asset of $49 million relating to the excess tax deductible goodwill and a corresponding reduction in goodwill have been recorded in the purchase price allocation.

Supplemental pro forma financial information is not presented for the year ended December 31, 2009, because it is not practical to provide this information as Moema historically did not report results under U.S. GAAP.

Included in the consolidated statement of income for the year ended December 31, 2010 are Moema's net sales and losses from operations before income taxes of $496 million and $22 million, respectively.

Argentina Fertilizer Acquisition In the first quarter of 2010, Bunge acquired the Argentine fertilizer business of Petrobras Energía S.A., a subsidiary of Petroleo Brasileiro S.A. (Petrobras), for approximately $80 million. The acquired business is included in Bunge's fertilizer segment. This acquisition expands Bunge's presence in the Argentine retail fertilizer market, allowing it to further develop synergies with its grain origination operations through the sale of products to farmers from whom it may purchase commodities. Based on the fair values of assets and liabilities acquired, $66 million of the purchase price has been allocated to property, plant and equipment, $6 million to other current assets, $7 million to other intangible assets, primarily a non-compete agreement, and $1 million to goodwill.

Other In the third quarter of 2010, Bunge completed the acquisitions of two oilseed processing facilities in Turkey in separate transactions for a total purchase price of approximately $24 million, consisting of $5 million in cash and $19 million of other prepayments related to existing contractual arrangements. The preliminary purchase price allocations for the combined transactions included $20 million allocated to property, plant and equipment and $4 million to goodwill.

In the fourth quarter of 2010, Bunge acquired the North American rice milling business of Pacific International Rice Mills, LLC (PIRM) in its milling products segment for $43 million in cash. PIRM produces bulk and packaged milled rice for domestic and export customers. The acquisition supports Bunge's strategy of expanding into adjacent value chains within the milling products segment. With the preliminary determination of the fair values of acquired assets and liabilities, $17 million of the purchase price has been allocated to property, plant and equipment, $33 million to current assets and $7 million to current liabilities.

In the fourth quarter of 2010, Bunge acquired the Hungarian margarine businesses of Royal Brinkers in its edible oil products segment for 5 million Euros in cash which equated to approximately $7 million. With the preliminary determination of the fair values of assets and liabilities acquired,

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Business Acquisitions (Continued)

$2 million of the purchase price has been allocated to property, plant and equipment, $1 million to other intangible assets and $4 million to goodwill.

Also in the fourth quarter of 2010, Bunge completed the acquisition of several grain elevators in the U.S. in its agribusiness segment in two separate transactions for a total purchase price of $64 million in cash. The preliminary purchase price allocations of the combined transactions included $30 million allocated to property, plant and equipment, $54 million to current assets, $25 million to current liabilities and $5 million to goodwill.

In 2009, Bunge acquired the European margarine businesses of Raisio plc in its edible oil products segment for a purchase price of 81 million Euros in cash which equated to approximately $115 million, net of $5 million of cash received. Upon completion in 2010 of the determination of the fair values of assets and liabilities acquired, $38 million was recorded as property, plant and equipment, $26 million as other intangible assets, $46 million as goodwill, $9 million as net working capital and $(4) million as deferred tax liabilities. In addition, in 2009 Bunge's edible oil products segment acquired the assets of a U.S. vegetable shortening business for $11 million in cash. Upon completion of the determination of the fair values of assets and liabilities acquired, $8 million was recorded as property, plant and equipment, $1 million as intangible assets and $2 million as current assets.

In 2009, Bunge finalized purchase price allocations related to the 2008 acquisitions of a sugarcane mill and a wheat milling business in Brazil. The purchase price for the sugarcane mill acquisition was $54 million, consisting of $28 million in cash, an $8 million short-term note payable and $18 million of assumed long-term debt. Bunge had preliminarily recognized $28 million of goodwill in its agribusiness segment as a result of this transaction. Upon the completion of the purchase price allocation, goodwill was reduced by $12 million with $12 million reallocated to property, plant and equipment, $6 million to intangible assets and $(6) million to deferred tax liabilities. The purchase price for the wheat milling business was $17 million in cash. Bunge had preliminarily recognized $14 million of goodwill in its milling products segment as a result of this transaction. Upon the 2009 completion of the purchase price allocation, this $14 million of goodwill was reallocated with $2 million allocated to property, plant and equipment, $19 million to other intangible assets and $7 million to deferred tax liabilities.

Bunge also completed purchase price allocations during 2009 for the 2008 acquisition of a 50% interest in the owner/operator of a port facility in Vietnam through acquisition of 100% of the company which owns the 50% interest. Bunge determined that its total variable interests in the owner/operator of the port facility, including its ownership share, port management responsibilities and an operational throughput agreement, require consolidation of the owner/operator in its consolidated financial statements under the provisions of a FASB issued standard that provides guidance on entities subject to consolidation. The purchase price was $14 million. Based on the 2008 preliminary purchase price allocation, Bunge recorded $6 million of other intangible assets in its agribusiness segment. Upon the finalization of the purchase price allocation in 2009, $7 million was allocated to other intangible assets and $1 million to deferred tax liabilities.

Pro forma financial information is not presented as these acquisitions individually and in the aggregate are not material.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Business Divestitures

In January 2010, Bunge and two of its wholly-owned subsidiaries entered into a definitive agreement (as amended, the Agreement) with Vale S.A., a Brazil-based global mining company (Vale), and an affiliate of Vale, pursuant to which Vale acquired Bunge's fertilizer nutrients assets in Brazil, including its interest in Fertilizantes Fosfatados S.A. (Fosfertil) when the transaction closed on May 27, 2010. Final settlement of the post-closing adjustment as contemplated in the Agreement occurred on August 13, 2010. Bunge received total cash proceeds of $3,914 million and recognized a gain of $2,440 million ($1,901 million net of tax) in its fertilizer segment related to this transaction. Included in the calculation of the gain was $152 million of transaction costs incurred in connection with the divestiture. Total income tax expense associated with the transaction was $539 million, of which approximately $280 million was paid during the year ended December 31, 2010 and approximately $259 million was offset by deferred tax assets and other tax credits and, therefore, did not result in cash tax payments.

Approximately $144 million of transaction costs and $280 million of withholding taxes are included as a component of cash used for operating activities in Bunge's consolidated statements of cash flows for the year ended December 31, 2010. Gross proceeds of $3,914 million and cash disposed of $106 million related to this transaction are included as a component of cash provided by investing activities in Bunge's consolidated statement of cash flows for the year ended December 31, 2010.

Assets and liabilities disposed of as part of this transaction included approximately $1,516 million of property, plant and equipment, net, related to fertilizer mining properties and other plants and equipment of the fertilizer nutrients activities.

4. Inventories

Inventories consist of the following:

	December 31,	
(US$ in millions)	**2010**	**2009**
Agribusiness (1)	**$ 5,137**	$ 3,535
Sugar and Bioenergy (2)	**359**	89
Edible oils (3)	**460**	371
Milling (3)	**163**	118
Fertilizer (4)	**516**	749
Total	**$ 6,635**	$ 4,862

(1) Includes readily marketable agricultural commodity inventories fair value of $4,540 million and $3,197 million at December 31, 2010 and 2009, respectively. All other agribusiness segment inventories are carried at lower of cost or market.

(2) Includes readily marketable sugar inventories of $86 million and $21 million at December 31, 2010 and 2009, respectively. Of these sugar inventories, $66 million and $21 million are carried at fair value at December 31, 2010 and 2009, respectively, in Bunge's trading and merchandising business. Sugar and ethanol inventories in Bunge's industrial production business are carried at lower of cost or market.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Inventories (Continued)

(3) Edible oil products and milling products inventories are generally carried at lower of cost or market, with the exception of readily marketable inventories of bulk soybean oil and corn, which are carried at fair value in the aggregate amount of $225 million and $162 million at December 31, 2010 and 2009, respectively.

(4) Fertilizer inventories are carried at lower of cost or market.

5. Other Current Assets

Other current assets consist of the following:

	December 31,	
(US$ in millions)	**2010**	**2009**
Prepaid commodity purchase contracts (1)	**$ 267**	$ 110
Secured advances to suppliers (2)	**245**	275
Unrealized gains on derivative contracts	**2,619**	1,202
Recoverable taxes current	**500**	680
Margin deposits (3)	**926**	530
Marketable securities	**39**	15
Other	**872**	687
Total	**$ 5,468**	$ 3,499

(1) Prepaid commodity purchase contracts represent advance payments against fixed priced contracts for future delivery of specified quantities of agricultural commodities. These contracts are recorded at fair value based on prices of the underlying agricultural commodities.

(2) Bunge provides cash advances to suppliers, primarily Brazilian farmers of soybeans and other agricultural commodities, to finance a portion of the suppliers' production costs. These advances are strictly financial in nature. Bunge does not bear any of the costs or risks associated with the related growing crops. The advances are largely collateralized by the farmer's crop, land and physical assets, 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 $3 million at December 31, 2010 and 2009. Changes in the allowance for 2010 included an increase of $1 million for additional bad debt provisions and a reduction in the allowance for recoveries of $1 million. Changes in the allowance for 2009 included an increase of $1 million for additional bad debt provisions and a reduction as the result of foreign exchange adjustments of $1 million.

Interest earned on secured advances to suppliers of $25 million, $41 million and $48 million for 2010, 2009, and 2008, respectively, is included in net sales in the consolidated statements of income.

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Property, Plant and Equipment

Property, plant and equipment consist of the following:

(US$ in millions)	December 31, 2010	December 31, 2009
Land	**$ 483**	$ 347
Mining properties		301
Biological assets	**313**	103
Buildings	**1,743**	2,068
Machinery and equipment	**4,270**	4,681
Furniture, fixtures and other	**488**	468
	7,297	7,968
Less: accumulated depreciation and depletion	**(2,983)**	(3,632)
Plus: construction in progress	**998**	1,011
Total	**$ 5,312**	$ 5,347

Bunge capitalized expenditures of $1,117 million, $1,001 million and $1,003 million in 2010, 2009 and 2008, respectively. In addition, included in these capitalized expenditures was capitalized interest on construction in progress of $21 million, $26 million and $18 million in 2010, 2009 and 2008, respectively and non-cash asset acquisitions of $11 million in 2010. Depreciation and depletion expense was $420 million, $427 million and $428 million in 2010, 2009 and 2008, respectively. Certain property, plant and equipment amounts were significantly impacted by acquisition and divestiture activity during 2010 (see Notes 2 and 3 of the notes to the consolidated financial statements).

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Goodwill

Bunge performed its annual impairment test in the fourth quarters of 2010, 2009 and 2008. For the year ended December 31, 2010 there was an impairment of $3 million in the milling products segment (see Note 9 of the notes to the consolidated financial statements). There were no impairments of goodwill for the years ended December 31, 2009 and 2008.

The changes in the carrying amount of goodwill by segment at December 31, 2010 and 2009 are as follows:

(US$ in millions)	Agribusiness	Sugar and Bioenergy (1)	Edible Oil Products	Milling Products	Fertilizer	Total
Balance, January 1, 2009	$ 164	$ 105	$ 37	$ 19	$	$ 325
Goodwill acquired (2)			50			50
Reallocation of acquired goodwill (2) (3)		(12)	(7)	(14)		(33)
Tax benefit on goodwill amortization (4)	(6)					(6)
Foreign exchange translation	46	37	3	5		91
Balance, December 31, 2009	204	130	83	10		427
Goodwill acquired (2)	9	440	4		1	454
Reallocation of acquired goodwill (2)			(4)			(4)
Impairment				(3)		(3)
Tax benefit on goodwill amortization (4)	(6)		(1)			(7)
Foreign exchange translation	8	61	(2)			67
Balance, December 31, 2010	**$ 215**	**$ 631**	**$ 80**	**$ 7**	**$ 1**	**$ 934**

(1) See Note 1 and 2 of the notes to the consolidated financial statements.

(2) See Note 2 of the notes to the consolidated financial statements.

(3) In 2009, Bunge was released from an obligation of approximately $7 million recorded as part of the purchase accounting for edible oil products assets acquired in 2008. The release from this obligation was recorded in 2009 as a reduction of goodwill in the edible oil products segment.

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Other Intangible Assets

Intangible assets consist of the following:

(US$ in millions)	December 31, 2010	December 31, 2009
Trademarks/brands, finite-lived	**$ 127**	$ 130
Licenses	**11**	12
Other	**115**	72
	253	214
Less accumulated amortization:		
Trademarks/brands (1)	**(54)**	(47)
Licenses	**(3)**	(2)
Other	**(39)**	(23)
	(96)	(72)
Trademarks/brands, indefinite-lived	**29**	28
Intangible assets, net of accumulated amortization	**$ 186**	$ 170

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

In 2010, Bunge assigned values totaling $52 million to other intangible assets acquired in business acquisitions. These assets primarily relate to land lease agreements acquired as part of the Moema acquisition (see Note 2 of the notes to the consolidated financial statements). These amounts were allocated $44 million, $7 million and $1 million to the sugar and bioenergy, fertilizer and edible oil products segments, respectively. Finite lives of these assets range from 2 to 20 years. In addition, $9 million of other intangible assets, net have been disposed of as part of the sale of the Brazilian fertilizer nutrients assets (see Note 3 of the notes to the consolidated financial statements) and $9 million of other intangible assets have been impaired (see Note 9 of the notes to the consolidated financial statements).

Bunge performed its annual impairment test in the fourth quarters of 2010, 2009 and 2008. There were no impairment of indefinite-lived intangible assets for the years ended December 31, 2010, 2009 and 2008.

The aggregate amortization expense was $23 million, $16 million and $11 million for the years ended December 31, 2010, 2009 and 2008, respectively. The annual estimated aggregate amortization expense for 2011 is approximately $23 million with approximately $22 million estimated per year for 2012 through 2015.

In 2009, Bunge acquired assets including $25 million of trademarks and brands, $1 million in licenses and $5 million of other intangible assets in its edible oils products segment and assigned lives to these assets ranging from 3 to 20 years. In addition, $5 million of licenses acquired in 2009 in its agribusiness segment were assigned a 50-year life. Also, as discussed in Note 2 of the notes to the consolidated financial statements, Bunge completed purchase price allocations in 2009 related to certain

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Other Intangible Assets (Continued)

2008 acquisitions, which resulted in the recording of $3 million and $4 million to licenses and other intangible assets, respectively, in the agribusiness segment and $19 million to other intangible assets in the milling products segment with lives ranging from 5 to 40 years.

9. Impairment and Restructuring Charges

Impairment In 2010, Bunge recorded pretax non-cash impairment charges of $77 million in cost of goods sold, which consisted of $42 million related to the write-down of a European oilseed processing and refining facility that commenced operations in 2008 but has not reached its expected capacity or profitability, $12 million related to the closure of an older, less efficient oilseed processing facility in the United States and a co-located corn oil extraction line, $9 million related to the closure of processing and refining facilities in Europe with restructuring of Bunge's European footprint, $9 million related to a long-term supply contract acquired in connection with a wheat mill acquisition in Brazil, $3 million related to the write-down of an older and less efficient Brazilian distribution center and $2 million related to the write-down of an administrative office in Brazil. These pretax impairment charges were allocated $35 million to the agribusiness segment, $28 million to the edible oil products segment and $14 million to the milling products segment. The fair values of the processing facilities and distribution center were determined utilizing projected discounted cash flows for these facilities. The fair values of the office facility and the long term supply contract were determined using third-party valuations.

In 2009, Bunge recorded pretax non-cash impairment charges of $5 million in cost of goods sold in its agribusiness segment, relating to the permanent closure of a smaller, older and less efficient oilseed processing and refining facility in Brazil. In addition, Bunge recorded $26 million of pretax non-cash impairment charges in selling, general and administrative expenses in its agribusiness segment, relating to the write-down of certain real estate assets in South America and an equity investment in a U.S. biodiesel production and marketing company. The fair values of the real estate assets were determined by using third-party valuations. The fair value of the U.S. biodiesel investment was determined utilizing projected cash flows of the biodiesel production and marketing company.

In 2008, Bunge recorded pretax non-cash impairment charges of $16 million and $2 million in cost of goods sold in its agribusiness and edible oil products segments, respectively, relating to the permanent closures of a smaller, older and less efficient oilseed processing and refining facility in Europe and a smaller, older and less efficient oilseed processing plant in the United States. The fair values of land and equipment at these facilities were determined by using third-party valuations.

Restructuring In 2010, Bunge recorded pretax restructuring charges of $19 million in cost of goods sold, which related primarily to the oilseed processing facility closure in the United States, the consolidation of administrative functions in Brazil and restructuring of certain European operations. These restructuring charges were allocated $10 million to the agribusiness segment, $1 million to the sugar and bioenergy segment, $4 million to the edible oil products segment and $4 million to the fertilizer segment. In addition, restructuring charges consisting primarily of termination benefits related to the consolidation of Bunge's Brazilian operations and the closure of certain European oilseed processing and refining facilities were recorded as selling, general and administrative expenses with $3 million, $3 million, $3 million and $1 million allocated to the agribusiness, sugar and bioenergy, edible oil products, and milling products segments, respectively.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Impairment and Restructuring Charges (Continued)

Termination benefit costs in the agribusiness segment for the year ended December 31, 2010 related to benefit obligations associated with approximately 90 employees related to the closure of the U.S. oilseed processing facility and the consolidation of our operations in Brazil. This consolidation of Brazilian operations also impacted the sugar and bioenergy, fertilizer, edible oil products and milling products segments. Termination benefit costs in our edible oil products segment related to 411 employees in connection with the reorganization of certain of our operations in Europe. Bunge has accrued $11 million in its consolidated balance sheets related to the Brazilian restructuring as of December 31, 2010. Substantially all of these costs will be paid in 2011 under severance plans that were defined and communicated in 2010. Funding for the payments will be provided by cash flows from operations.

In 2009, Bunge recorded pretax restructuring charges of $16 million in cost of goods sold related to its European and Brazilian businesses. These charges consisted of termination benefit costs of $10 million, $3 million and $3 million in the agribusiness, edible oil products and fertilizer segments, respectively. In the agribusiness segment, termination costs related to benefit obligations associated with approximately 48 plant employees related to the closure of a European oilseed processing facility and approximately 47 employees related to the consolidation of our administrative activities in Brazil. In the edible oil products segment, such charges related to benefits due to approximately 405 employees as a result of the reorganization of certain of our operations in Europe and approximately 24 employees as a result of the consolidation of our administrative activities in Brazil. In the fertilizer segment, such charges relate to benefits due to approximately 96 employees related to the consolidation of our administrative activities in Brazil. Approximately $11 million of these costs were paid in 2010 under severance plans that were defined and communicated in 2009. Funding for the payments was provided by cash flows from operations.

In 2008, Bunge recorded pretax restructuring charges of $8 million in cost of goods sold, related to its European agribusiness and edible oil products segments. These charges consisted of termination benefit costs of $4 million and $1 million in the agribusiness and edible oil products segments, respectively, and other facility closure costs of $3 million in the agribusiness segment. In the agribusiness segment, termination costs related to benefit obligations associated with approximately 21 plant employees and other facility closure expenses. The majority of these costs were paid in 2009 based on decisions that were made and severance plans that were defined and communicated in 2008. Funding for the payments was provided by cash flows from operations.

The following table summarizes assets measured at fair value (all of which utilized Level 3 inputs) on a nonrecurring basis subsequent to initial recognition. For additional information on Level 1, 2 and 3 inputs see Note 15 of the notes to the condensed consolidated financial statements.

		Fair Value Measurements Using			Impairment Losses
(US$ in millions)	**Year Ended December 31, 2010**	**Level 1**	**Level 2**	**Level 3**	**Year Ended December 31, 2010**
Property, plant and equipment	$ 96	$	$	$ 96	$ (65)
Other Intangible Assets	$ 3	$	$	$ 3	$ (9)
Goodwill	$	$	$	$	$ (3)

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Investments in Affiliates

Bunge participates in several unconsolidated joint ventures and other investments accounted for on the equity method. The most significant of these at December 31, 2010 are described below. Bunge allocates equity in earnings of affiliates to its reporting segments.

Agribusiness

Terminal 6 S.A. and Terminal 6 Industrial S.A. Bunge has a joint venture in Argentina with Aceitera General Deheza S.A. (AGD), for the operation of the Terminal 6 port facility located in the Santa Fe province of Argentina. Bunge is also a party to a second joint venture with AGD that operates a crushing facility located adjacent to the Terminal 6 port facility. Bunge owns 40% and 50%, respectively, of these joint ventures. In 2010, Ecofuel S.A., of which Bunge is a 50% owner of this company along with AGD in Argentina, merged with Terminal 6 Industrial S.A. Ecofuel manufactured biodiesel products in the Santa Fe province of Argentina.

The Solae Company. Solae is a joint venture with E.I. du Pont de Nemours and Company. Solae is engaged in the global production and distribution of soy-based ingredients, including soy proteins and lecithins. Bunge has a 28.06% interest in Solae.

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

Sugar and Bioenergy

Bunge-Ergon Vicksburg, LLC (BEV). Bunge is a 50% owner of BEV along with Ergon Ethanol, Inc. BEV operates an ethanol plant at the Port of Vicksburg, Mississippi, where Bunge operates grain elevator facilities.

Southwest Iowa Renewable Energy, LLC (SIRE). Bunge is a 26% owner of SIRE. The other owners are primarily agricultural producers located in Southwest Iowa. SIRE operates an ethanol plant near Bunge's oilseed processing facility in Council Bluffs, Iowa.

Food Products

Harinera La Espiga, S.A. de C.V. Bunge is a party to this joint venture in Mexico with Grupo Neva, S.A. de C.V. and Cerrollera, S.A. de C.V. The joint venture has wheat milling and bakery dry mix operations in Mexico. Bunge has a 31.5% interest in the joint venture.

Fertilizers

Bunge Maroc Phosphore S.A. Bunge has a 50% interest in this joint venture, to produce fertilizers in Morocco with Office Cherifien Des Phosphates (OCP). The joint venture was formed to produce fertilizer products in Morocco for shipment to Brazil, Argentina and certain other markets in Latin America. In 2008, Bunge contributed $61 million to this joint venture.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Investments in Affiliates (Continued)

Summarized combined financial information reported for all equity method affiliates and a summary of the amounts recorded in Bunge's consolidated financial statements as of December 31, 2010 and 2009 and for the years ended December 31, 2010, 2009 and 2008 follows:

(US$ in millions)	December 31, 2010	December 31, 2009
Combined financial position (unaudited):		
Current assets	**$ 1,269**	$ 1,268
Non-current assets	**2,004**	2,238
Total assets	**$ 3,273**	$ 3,506
Current liabilities	**778**	933
Non-current liabilities	**600**	640
Stockholders' equity	**1,895**	1,933
Total liabilities and stockholders' equity	**$ 3,273**	$ 3,506
Amounts recorded by Bunge:		
Investments (1)	**$ 609**	$ 622

(US$ in millions)	2010	2009	2008
Combined results of operations (unaudited):			
Revenues	**$ 2,902**	$ 5,407	$ 6,063
Income before income tax and noncontrolling interest	**82**	94	92
Net income	**66**	82	85
Amounts recorded by Bunge:			
Equity in earnings of affiliates (2)	**27**	80	34

(1) Approximately $5 million and $9 million of this amount at December 31, 2010 and 2009, respectively, related to Bunge's investment in Bunge-Ergon Vicksburg, LLC. At December 31, 2010 and 2009, Bunge's investment exceeded its underlying equity in the net assets of BEV. Straight line amortization of this excess against equity in earnings of affiliates was $1 million and $4 million, respectively. Amortization of the excess has been attributed to fixed assets of Bunge-Ergon Vicksburg, LLC, which were being amortized over 15 years. At December 31, 2010 and 2009, Bunge's investment of $367 million and $360 million, respectively, equaled its underlying equity in the net assets of Solae.

(2) In 2009, equity in earnings of affiliates includes a $66 million, (net of tax of $3 million), gain on the sale of Saipol. In 2008, Bunge's equity in earnings of Solae included impairment and restructuring charges of $5 million, net of a tax benefit of $2 million.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Other Non-Current Assets:

Other non-current assets consist of the following:

(US$ in millions)	December 31, 2010	2009
Recoverable taxes	**$ 964**	$ 769
Long-term receivables from farmers, net	**377**	393
Judicial deposits	**172**	198
Other long-term receivables	**129**	186
Pension plan assets in excess of benefit obligations	**12**	70
Other	**291**	342
Total	**$ 1,945**	$ 1,958

Recoverable taxes Recoverable taxes included in other non-current assets are reported net of allowances of $38 million and $71 million at December 31, 2010 and 2009, respectively.

Long-term receivables from farmers in Brazil 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. These are both commercial transactions that are intended to be short-term in nature with amounts expected to be repaid either in cash or through delivery to Bunge of agricultural commodities when the related crops are harvested. These arrangements are typically secured by the farmer's expected current year crop and liens on land, buildings and equipment to ensure recoverability in the event of crop failure. The terms of fertilizer credit sales do not include interest. The secured advances against commitments to deliver soybeans provide for interest between the advance date and the scheduled soybean delivery date. The credit factors considered by Bunge in evaluating farmers before initial advance or extension of credit include, among other things, the credit history of the farmer, financial strength, available agricultural land, and available collateral in addition to the expected crop.

From time to time, weather conditions in certain regions of Brazil and farming economics in general, are adversely affected by factors including volatility in soybean prices, movements in the Brazilian *real* relative to the U.S. dollar and crop quality and yield issues. In the event of a farmer default resulting from these or other factors, Bunge considers these secured advance and credit sale amounts as past due immediately when the expected soybeans are not delivered as scheduled against advances or when the credit sale amounts are not paid when they come due at the end of the harvest. A large portion of these defaulted accounts resulted from poor crops in certain regions of Brazil in 2005 and 2006. While Brazilian farm economics have improved from those consecutive crop failures, some farmers have continued to face economic challenges due to high debt levels and a strong Brazilian *real*.

Upon farmer default, Bunge generally initiates legal proceedings to recover the defaulted amounts. However, the legal recovery process through the judicial system is a long-term process, generally spanning a number of years. As a result, once accounts have been submitted to the judicial process for recovery, Bunge may also seek to renegotiate certain terms with the defaulting farmer in order to accelerate recovery of amounts owed.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Other Non-Current Assets: (Continued)

Credit quality and allowance for uncollectible accounts Bunge adopted the accounting guidance on disclosure about the credit quality of financing receivables and the allowance for credit losses as of December 31, 2010. This guidance requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes. Based upon its analysis of credit losses and risk factors to be considered in determining the allowance for credit losses, Bunge has determined that the long-term receivables from farmers in Brazil is a single portfolio segment.

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

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

The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil as of December 31, 2010 for renegotiated amounts and amounts in the legal collection process.

(US$ in millions)	**December 31, 2010**
Legal collection process (1)	**$ 441**
Renegotiated amounts:	
Current	**137**
Total	**$ 578**

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Other Non-Current Assets: (Continued)

The table below summarizes Bunge's recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts as of December 31, 2010.

(US$ in millions)	December 31, 2010 Recorded Investment	December 31, 2010 Allowance
For which an allowance has been provided:		
Renegotiated amounts	**$ 66**	$ 39
Legal collection process	**180**	162
For which no allowance has been provided:		
Renegotiated amounts	**71**	
Legal collection process	**261**	
Total	**$ 578**	$ 201

The table below summarizes the activity in the allowance for doubtful accounts related to long-term receivables from farmers in Brazil for the year ended December 31, 2010.

(US$ in millions)	December 31, 2010
Beginning Balance	**$ 232**
Bad debt provision	**31**
Recoveries	**(15)**
Write-offs	**(57)**
Transfers (1)	**4**
Foreign exchange translation	**6**
Ending balance	**$ 201**

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

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

Other long-term receivables Other long-term receivables include primarily installment payments to be received from Bunge's sale of its 33.34% interest in Saipol S.A.S. in December 2009 for 145 million Euros, or its equivalent at that date of approximately $209 million. The sale agreement provided for payment in four equal annual installments, the first of which was received in January, 2010. The reported long-term balance related to Saipol represents installments expected after 2011. The January 2011 installment is included in other current assets (see Note 5 of the notes to the consolidated financial statements).

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Other Current Liabilities

Other current liabilities consist of the following:

(US$ in millions)	December 31, 2010	2009
Accrued liabilities	**$ 1,268**	$ 1,046
Unrealized loss on derivative contracts	**2,105**	1,250
Advances on sales	**323**	253
Other	**79**	86
Total	**$ 3,775**	$ 2,635

13. Asset Retirement Obligations

Bunge has asset retirement obligations with carrying amounts totaling $43 million and $71 million at December 31, 2010 and 2009, respectively. Asset retirement obligations are primarily in the agribusiness segment, related to the restoration of leased land to its original state and removal of the plants upon termination of the leases, and in its edible oil products segment, related to the removal of certain storage tanks associated with edible oil refining facilities.

The change in carrying value of asset retirement obligations in 2010 consisted of additions of $6 million in the sugar and bioenergy segment related to the acquisition of Moema, a $3 million increase of the initial obligation, which resulted from a decrease in the discount rate used to calculate the present value ($2 million in the fertilizer segment and $1 million in the agribusiness segment), an increase of $3 million for accretion expense, an increase of $2 million related to currency translation and a decrease of $42 million in the fertilizer segment due to the sale of the nutrients assets (see Note 3 of the notes to the consolidated financial statements). The change in carrying value of asset retirement obligations in 2009 consisted of a $13 million increase of the initial obligation, which resulted from a decrease in the discount rate used to calculate the present value ($8 million in the fertilizer segment, $4 million in the agribusiness segment and $1 million in the edible oil products segment), an increase of $9 million for accretion expense and an increase of $13 million related to currency translation.

14. Income Taxes

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

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Income Taxes (Continued)

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

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

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
United States	**$ 42**	$ 184	$ 126
Non-United States	**3,008**	(39)	1,411
Total	**$ 3,050**	$ 145	$ 1,537

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

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Current:			
United States	**$ (33)**	$ (58)	$ (12)
Non-United States	**(499)**	(39)	(511)
	(532)	(97)	(523)
Deferred:			
United States	**(12)**	(13)	(22)
Non-United States	**(148)**	217	273
	(160)	204	251
Uncertain:			
United States	**(1)**	(2)	(1)
Non-United States	**4**	5	28
	3	3	27
Total	**$ (689)**	$ 110	$ (245)

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Income Taxes (Continued)

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

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Income from operations before income tax	**$ 3,050**	$ 145	$ 1,537
Income tax rate	**35%**	35%	35%
Income tax expense at the U.S. Federal tax rate	**(1,068)**	(51)	(538)
Adjustments to derive effective tax rate:			
Foreign earnings taxed at different statutory rates	**515**	163	166
Changes in valuation allowances	**(129)**	(17)	(47)
Goodwill amortization	**44**	31	23
Benefit from interest on capital dividends paid by Brazilian companies	**2**	1	14
Investment tax credits	**27**	22	45
Foreign exchange on monetary items	**(9)**	(11)	69
Non-deductible expenses	**(68)**	(35)	(35)
Uncertain tax positions	**3**	3	27
Other	**(6)**	4	31
Income tax (expense) benefit	**$ (689)**	$ 110	$ (245)

Bunge's subsidiaries had undistributed earnings amounting to $6,808 million at December 31, 2010. These amounts are considered to be permanently reinvested and, accordingly, no provision for income taxes has been made. If these earnings were distributed in the form of dividends or otherwise, Bunge would be subject to income taxes on some of these distributions in various jurisdictions and also to foreign withholding taxes; however, it is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Income Taxes (Continued)

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

	December 31,	
(US$ in millions)	**2010**	**2009**
Deferred income tax assets:		
Net operating loss carryforwards	**$ 1,098**	$ 1,072
Excess of tax basis over financial statement basis of property, plant and equipment	**34**	17
Accrued retirement costs (pension and postretirement healthcare cost) and other accrued employee compensation	**115**	136
Tax credit carryforwards	**12**	21
Inventories		3
Other accruals and reserves not currently deductible for tax purposes	**625**	499
Total deferred tax assets	**1,884**	1,748
Less valuation allowances	**(245)**	(116)
Deferred tax assets, net of valuation allowance	**1,639**	1,632
Deferred tax liabilities:		
Excess of financial statement basis over tax basis of long-lived assets	**179**	255
Undistributed earnings of affiliates not considered permanently reinvested	**30**	31
Inventories	**11**	20
Other temporary differences	**332**	124
Total deferred tax liabilities	**552**	430
Net deferred tax assets	**$ 1,087**	$ 1,202

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

At December 31, 2010, Bunge's pretax loss carryforwards totaled $3,485 million, of which $2,694 million have no expiration, including loss carryforwards of $2,361 million in Brazil. While loss carryforwards in Brazil can be carried forward indefinitely, annual utilization is limited to 30% of taxable income. The remaining tax loss carryforwards expire at various periods beginning in 2011 through the year 2027.

Income Tax Valuation Allowances Bunge continually assesses the adequacy of its valuation allowances and recognizes tax benefits only when it is more likely than not that the benefits will be realized. The utilization of deferred tax assets depends on the generation of future income during the period in which the related temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in this assessment.

In 2010, income tax expense increased $128 million for net valuation allowances. There is an increase in the valuation allowance for tax carryforwards in Russia and Italy due to an uncertain economic environment in those countries combined with 10 and 5 year carryforward limitations,

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Income Taxes (Continued)

respectively. In addition, the valuation allowance increased in Brazil as a result of losses in companies with no source of income and the decision to liquidate one of Bunge's Brazilian finance subsidiaires.

Uncertain Tax Liabilities FASB issued a standard on income taxes that requires applying a "more likely than not" threshold to the recognition and de-recognition of tax benefits. At December 31, 2010 and 2009, respectively, Bunge had recorded tax liabilities of $98 million and $104 million in other non-current liabilities and $4 million and $7 million in current liabilities in its consolidated balance sheets, of which $42 million and $40 million relates to accrued penalties and interest. During 2010, 2009 and 2008, respectively, Bunge recognized $(2) million, $8 million and $13 million in interest and penalties in income tax (expense) benefit in the consolidated statements of income. A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

(US$ in millions)	**2010**	**2009**	**2008**
Balance at January 1	**$ 111**	$ 138	$ 197
Additions based on tax positions related to the current year	**1**	1	3
Additions based on tax positions related to prior years	**7**	42	11
Reductions for tax positions of prior years			(40)
Settlement or clarification from tax authorities	**(2)**	(81)	(2)
Expiration of statute of limitations	**(7)**	(3)	(1)
Sale of Brazilian fertilizer nutrients assets	**(6)**		
Foreign currency translation	**(2)**	14	(30)
Balance at December 31	**$ 102**	$ 111	$ 138

Substantially all of the unrecognized tax benefits balance, if recognized, would affect Bunge's effective income tax rate. There are no positions at December 31, 2010 with respect to which the unrecognized tax benefit is expected to increase or decrease significantly within the next 12 months.

The net reduction of $27 million in 2009 included settlements of $39 million under a Brazilian tax amnesty program, a reversal of $7 million due to a favorable ruling from applicable tax authorities, $14 million of currency translation adjustments and various smaller items totaling $4 million.

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

	Open Tax Years
North America	1998-2010
South America	2004-2010
Europe	2004-2010
Asia	2003-2010

During 2010, the Brazilian IRS commenced an examination of the income tax returns of one of Bunge's Brazilian subsidiaries for the years 2005 to 2007. As of December 31, 2010, the Brazilian IRS has proposed certain significant adjustments to the subsidiary filed tax returns. Management, in consultation with external legal advisors, has reviewed and responded to the proposed adjustments and

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Income Taxes (Continued)

believes that it is more likely than not that it will prevail and therefore, has not recorded an uncertain tax liability.

Bunge paid income taxes, net of refunds received, of $398 million, $205 million and $394 million during the years ended December 31, 2010, 2009 and 2008, respectively. These net payments include payments of interim estimated income and withholding taxes in accordance with applicable tax laws, primarily in Brazil. For 2009 and 2008, estimated tax payments exceeded the annual amounts ultimately determined to be owed by $168 million and $42 million, respectively. In accordance with applicable tax laws, these overpayments may be recoverable from future income taxes or certain non-income taxes payable. For 2010, income tax payments in Europe included the use of $13 million of recoverable value-added taxes in accordance with applicable regulations. Bunge had $27 million, $38 million and $75 million withheld by third-parties and remitted to applicable governments on its behalf during the years ended December 31, 2010, 2009 and 2008, respectively.

Brazil Tax Law Changes Brazil enacted new "thin capitalization" tax legislation in June 2010. This legislation denies income tax deductions for interest payments with respect to certain debt to the extent a company's debt-to-equity ratio exceeds a certain threshold or the debt is with related parties located in a tax haven jurisdiction as defined under the law. The thin capitalization legislation provides for an effective date of January 1, 2010 with respect to both the income tax and social contribution tax on income (25% and 9%, respectively, which are reported together as income tax expense in Bunge's consolidated statements of income). However, based on external legal advice, Bunge has concluded that under Brazil's Constitution, the new law cannot apply to the income tax portion until January 1, 2011 and the social contribution portion can only apply from March 15, 2010. Because Bunge believes that it is more likely than not that this position will be sustained, it has not accrued any income tax with respect to this new legislation at December 31, 2010, but has accrued the social contribution portion only of $15 million from March 15, 2010.

15. Financial Instruments and Fair Value Measurements

Bunge's various financial instruments include certain components of working capital such as cash and cash equivalents, trade accounts receivable and accounts payable. Additionally, Bunge uses short- and long-term debt to fund operating requirements. Cash and cash equivalents, trade accounts receivable and accounts payable and short-term debt are stated at their carrying value, which is a reasonable estimate of fair value. For long-term debt, see Note 17 of the notes to the consolidated financial statements. Bunge's financial instruments also include derivative instruments and marketable securities, which are stated at fair value.

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

the asset or liability. The standard describes three levels within its hierarchy that may be used to measure fair value.

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

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

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, Bunge gives consideration to items that individually, or when aggregated with other inputs, generally represent more than 10% of the fair value of the assets or liabilities. For such identified inputs, judgments are required when evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification and disclosure. Level 3 assets and liabilities include assets and liabilities whose value is determined using proprietary pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The following table sets forth by level Bunge's assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2010 and 2009. 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. Bunge's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

	Fair Value Measurements at Reporting Date Using							
	December 31, 2010				December 31, 2009			
(US$ in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:								
Readily marketable inventories (Note 4)	$	$ 4,567	$ 264	$ 4,831	$	$ 3,271	$ 109	$ 3,380
Unrealized gain on designated derivative contracts (1):								
Interest Rate						9		9
Foreign Exchange		22		22		11		11
Unrealized gain on undesignated derivative contracts (1):								
Interest Rate		4		4				
Foreign Exchange	2	209	1	212		41	3	44
Commodities	114	1,754	454	2,322	34	905	94	1,033
Freight	1	22	3	26		68	8	76
Energy	9	11	16	36	10	22	13	45
Other (2)	252	88		340	138	16		154
Total assets	$ 378	$ 6,677	$ 738	$ 7,793	$ 182	$ 4,343	$ 227	$ 4,752
Liabilities:								
Unrealized loss on designated derivative contracts (3):								
Interest Rate	$	$	$	$	$	$ 7	$	$ 7
Foreign Exchange		22		22		123		123
Unrealized loss on undesignated derivative contracts (3):								
Interest Rate		1		1		2		2
Foreign Exchange		69		69	7	15		22
Commodities	692	1,167	162	2,021	113	693	84	890
Freight					98	106		204
Energy	8	1	5	14	8	7	3	18
Total liabilities	$ 700	$ 1,260	$ 167	$ 2,127	$ 226	$ 953	$ 87	$ 1,266

(1) Unrealized gains on designated and undesignated derivative contracts are generally included in other current assets. At December 31, 2009, $8 million of unrealized gains on designated and undesignated derivative contracts are included in other non-current assets. There are no such amounts included in other non-current assets at December 31, 2010.

(2) Other assets include primarily the fair values of U.S. Treasury securities held as margin deposits.

(3) Unrealized losses on designated and undesignated derivative contracts are generally included in other current liabilities. At December 31, 2009, $8 million of unrealized losses on designated and undesignated derivative contracts are included in other non-current liabilities. There are no such amounts included in other non-current liabilities at December 31, 2010.

Derivatives Exchange traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified within Level 1. Bunge's forward commodity purchase and sale contracts are classified as derivatives along with other OTC derivative instruments relating

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

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. Changes in the fair values of these contracts are recognized in the consolidated financial statements as a component of cost of goods sold, foreign exchange gain or loss, other income (expense) or other comprehensive income (loss).

OTC derivative contracts include swaps, options and structured transactions that are valued at fair value generally are 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.

Bunge designates certain derivative instruments as fair value hedges or cash flow hedges and assesses, both at inception of the hedge and on an ongoing basis, whether derivatives that are designated as hedges are highly effective in offsetting changes in the hedged items or anticipated cash flows.

Readily marketable inventories The majority of Bunge's readily marketable commodity inventories are valued at fair value. These agricultural commodity inventories are readily marketable, have quoted market prices and may be sold without significant additional processing. Changes in the fair values of these inventories are recognized in the consolidated statements of income as a component of cost of goods sold.

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 Valuation Bunge's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

value hierarchy. In evaluating the significance of fair value inputs, Bunge gives consideration to items that individually, or when aggregated with other inputs, represent more than 10% of the fair value of the asset or liability. For such identified inputs, judgments are required when evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification and disclosure. Because of differences in the availability of market pricing data over their terms, inputs for some assets and liabilities may fall into any one of the three levels in the fair value hierarchy or some combination thereof. While FASB guidance requires Bunge to classify these assets and liabilities in the lowest level in the hierarchy for which inputs are significant to the fair value measurement, a portion of that measurement may be determined using inputs from a higher level in the hierarchy.

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.

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 factors, interest rates, volumes and locations. In addition, with the exception of the exchange cleared instruments where Bunge clears trades through an exchange, Bunge is exposed to loss in the event of the non-performance by counterparties on over-the-counter derivative instruments and forward purchase and sale contracts. Adjustments are made to fair values on occasions when non-performance risk is determined to represent a significant input in Bunge's fair value determination. These adjustments are based on Bunge's estimate of the potential loss in the event of counterparty non-performance. Bunge did not have significant allowances relating to non-performance by counterparties at December 31, 2010 and 2009.

Level 3 Readily marketable inventories Readily marketable inventories are considered Level 3 when at least one significant assumption or input is unobservable. These assumptions or unobservable inputs include certain management estimations regarding costs of transportation and other local market or location-related adjustments.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The tables below present reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2010 and 2009. Level 3 instruments presented in the tables include readily marketable inventories and derivatives. These instruments were valued using pricing models that, in management's judgment, reflect the assumptions that would be used by a marketplace participant to determine fair value.

	Level 3 Instruments: Fair Value Measurements		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, January 1, 2010	$ 31	$ 109	$ 140
Total gains and losses (realized/unrealized) included in cost of goods sold	385	408	793
Total gains and losses (realized/unrealized) included in foreign exchange gains (losses)	(1)		(1)
Purchases, issuances and settlements	(156)	(257)	(413)
Transfers into Level 3	59	6	65
Transfers out of Level 3	(11)	(2)	(13)
Balance, December 31, 2010	**$ 307**	**$ 264**	**$ 571**

	Level 3 Instruments: Fair Value Measurements		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, January 1, 2009	$ (101)	$ 183	$ 82
Total gains and losses (realized/unrealized) included in cost of goods sold	117	101	218
Total gains and losses (realized/unrealized) included in foreign exchange gains (losses)	3		3
Purchases, issuances and settlements	(68)	(185)	(253)
Transfers in (out) of Level 3	80	10	90
Balance, December 31, 2009	**$ 31**	**$ 109**	**$ 140**

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The table below summarizes changes in unrealized gains or losses recorded in earnings during the year ended December 31, 2010 and 2009 for Level 3 assets and liabilities that were held at December 31, 2010 and 2009:

	Level 3 Instruments: Fair Value Measurements		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2010:			
Cost of goods sold	$ 421	$ 239	$ 660
Foreign exchange gains (losses)	$ (1)	$	$ (1)
Changes in unrealized gains and (losses) relating to assets and liabilities held at December 31, 2009:			
Cost of goods sold	$ 59	$ 66	$ 125
Foreign exchange gains (losses)	$ 3	$	$ 3

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

Derivative Instruments

Interest Rate Derivatives Interest rate swaps used by Bunge as hedging instruments have been recorded at fair value in the consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these swap agreements have been 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 enters into interest rate swap agreements for the purpose of managing certain of its interest rate exposures. Bunge also enters into certain interest rate basis swap agreements that do not qualify as hedges for accounting purposes. As a result, changes in fair value of such interest rate basis swap agreements are recorded in earnings.

On July 7, 2010, Bunge discontinued the hedge relationship between the hedged $250 million term loan due 2011, which was repaid on the same day, and the interest rate swap agreement with a notional value of $250 million which had been hedging that exposure.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The following table summarizes Bunge's outstanding interest rate swap and interest rate basis swap agreements at December 31, 2010:

(US$ in millions, except percentages)	Notional Amount of Hedged Obligation	Notional Amount of Derivative (4)
Interest rate swap agreements	$ 475	$ 725
Weighted-average rate payable 1.56% (1)		
Weighted-average rate receivable 3.05% (2)		
Interest rate basis swap agreements	$ 375	$ 375
Weighted-average rate payable 0.61% (1)		
Weighted-average rate receivable 0.26% (3)		

(1) Interest is payable in arrears based on the average daily effective Federal Funds rate, three-month U.S. dollar LIBOR and six-month U.S. dollar LIBOR prevailing during the respective period plus a spread.

(2) Interest is receivable in arrears based on a fixed interest rate.

(3) Interest is receivable in arrears based on one-month U.S. dollar LIBOR.

(4) The interest rate swap agreements mature in 2011 and 2013.

Bunge recognized approximately $9 million, $8 million and $3 million as a reduction in interest expense in the consolidated statements of income in the years ended December 31, 2010, 2009 and 2008, respectively, relating to its outstanding interest rate swap agreements. In addition, in 2010, 2009 and 2008, Bunge recognized gains of approximately $11 million, $11 million and $12 million, respectively, as a reduction of interest expense in the consolidated statements of income, related to the amortization of deferred gains on termination of interest rate swap agreements.

Bunge reclassified a loss of approximately $6 million in 2010 and $2 million in each of the years 2009 and 2008 from accumulated other comprehensive income (loss) in its consolidated balance sheets to interest expense in its consolidated statements of income, which related to settlements of certain derivative contracts designated as cash flow hedges, in connection with forecasted issuances of debt financing (see Notes 17 of the notes to the consolidated financial statements).

Foreign exchange derivatives Bunge uses a combination of foreign exchange forward and option contracts in certain of its operations to mitigate the risk from exchange rate fluctuations in connection with anticipated sales denominated in foreign currencies. The foreign exchange forward and option contracts are designated as cash flow hedges. Bunge also uses net investment hedges to partially offset the translation adjustments arising from the remeasurement of its investment in its Brazilian 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.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The table below summarizes the notional amounts of open foreign exchange positions at December 31, 2010.

	December 31, 2010			
	Exchange Traded			
(US$ in millions)	Net (Short) & Long (1)	Non-exchange Traded (Short) (2)	Long (2)	Unit of Measure
Foreign Exchange:				
Options	$	$ (24)	$ 1	Delta
Forwards	(111)	(6,710)	4,528	Notional
Swaps		(176)	136	Notional

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

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

In addition, Bunge has cross-currency interest rate swap agreements with an aggregate notional principal amount of 10 billion Japanese Yen maturing in 2011 for the purpose of managing its currency exposure associated with its 10 billion Japanese Yen term loan due 2011. Bunge has accounted for these cross-currency interest rate swap agreements as fair value hedges.

The table below summarizes Bunge's outstanding cross-currency interest rate swap agreements at December 31, 2010.

(US$ in millions)	Notional Amount of Hedged Obligation	Notional Amount of Derivative (1)
U.S. dollar/Yen cross currency interest rate swaps	$ 123	$ 123

(1) Under the terms of the cross-currency interest rate swap agreements, interest is payable in arrears based on three-month U.S. dollar LIBOR and is receivable in arrears based on three-month Yen LIBOR.

Commodity derivatives Bunge uses derivative instruments to manage its exposure to movements associated with agricultural commodity prices. Bunge generally uses exchange traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on its agricultural commodity inventories and forward purchase and sale contracts, but may also from time to time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Changes in fair values of exchange traded futures contracts representing the unrealized gains and/or losses on these instruments are settled daily generally through Bunge's wholly-owned futures clearing subsidiary. 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. Changes in fair values of these contracts and related readily marketable agricultural commodity inventories are included in cost of goods sold in the consolidated statements of income. The forward contracts require performance of both Bunge and the contract counterparty in future periods. Contracts to purchase

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

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.

In addition, Bunge hedges portions of its forecasted oilseed processing production requirements, including forecasted purchases of soybeans and sales of soy commodity products. The instruments used are generally exchange traded futures contracts. Such contracts hedging U.S. oilseed processing activities qualify and are designated as cash flow hedges. Contracts that are used as economic hedges of other global oilseed processing activities generally do not qualify for hedge accounting as a result of location differences and are therefore not designated as cash flow hedges for accounting purposes.

The table below summarizes the volumes of open agricultural commodities derivative positions at December 31, 2010.

	December 31, 2010			
	Exchange Traded	Non-exchange Traded		
	Net (Short) & Long (1)	(Short) (2)	Long (2)	Unit of Measure
Agricultural Commodities				
Futures	(12,056,477)			Metric Tons
Options	(381,870)	(199,531)	214,313	Metric Tons
Forwards		(21,829,007)	31,258,483	Metric Tons
Swaps		(4,767,258)	408,233	Metric Tons

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

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

Ocean freight derivatives Bunge uses derivative instruments referred to as freight forward agreements, or FFAs and FFA options to hedge portions of its current and anticipated ocean freight costs. A portion of the ocean freight derivatives have been designated as fair value hedges of Bunge's firm commitments to purchase time on ocean freight vessels. Changes in the fair value of the ocean freight derivatives that are qualified, designated and highly effective as fair value hedges, along with the gain or loss on the hedged firm commitments to purchase time on ocean freight vessels that is attributable to the hedged risk, are recorded in earnings. Changes in the fair values of ocean freight derivatives that are not designated as hedges are also recorded in earnings.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The table below summarizes the open ocean freight positions at December 31, 2010.

	December 31, 2010			
	Exchange Cleared	Non-exchange Cleared		
	Net (Short) & Long (1)	(Short) (2)	Long (2)	Unit of Measure
Ocean Freight				
FFA	(3,874)	(365)		Hire Days
FFA Options	680			Hire Days

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

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

Energy derivatives Bunge uses derivative instruments to manage its exposure to volatility in energy costs. Bunge's operations use substantial amounts of energy, including natural gas, coal, steam and fuel oil, including bunker fuel.

The table below summarizes the open energy positions at December 31, 2010.

	December 31, 2010			
	Exchange Traded	Non-exchange Cleared		
	Net (Short) & Long (1)	(Short) (2)	Long (2)	Unit of Measure
Natural Gas (3)				
Futures	(1,402,500)	(2,729)		MMBtus
Swaps		(25,000)	1,084,777	MMBtus
Options	1,264,351	(102,319)		MMBtus
Energy Other				
Futures	128,680			Metric Tons
Forwards		(1,175,045)	6,657,552	Metric Tons
Swaps		(137,000)	354,000	Metric Tons
Options	40,815		119,046	Metric Tons

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

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

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The Effect of Derivative Instruments on the Consolidated Statements of Income

The table below summarizes the effect of derivative instruments that are designated as fair value hedges and also derivative instruments that are undesignated on the consolidated statements of income for the years ended December 31, 2010 and 2009.

		Gain or (Loss) Recognized in Income on Derivative	
		December 31,	
(US$ in millions)	**Location**	**2010**	**2009**
Designated Derivative Contracts:			
Interest Rate (1)	Interest income/Interest expense	$ 1	$
Foreign Exchange (2)	Foreign exchange gains (losses)		
Commodities (3)	Cost of goods sold		
Freight (3)	Cost of goods sold		(14)
Energy (3)	Cost of goods sold		
Total		**$ 1**	**$ (14)**
Undesignated Derivative Contracts:			
Interest Rate	Interest expense	$ (1)	$
Interest Rate	Other income (expenses) net	(40)	(3)
Foreign Exchange	Foreign exchange gains (losses)	95	(209)
Foreign Exchange	Cost of goods sold	36	29
Commodities	Cost of goods sold	(449)	(395)
Freight	Cost of goods sold	(4)	(24)
Energy	Cost of goods sold	2	(5)
Total		**$ (361)**	**$ (607)**

(1) The gains or (losses) on the hedged items are included in interest income and interest expense, respectively, as are the offsetting gains or (losses) on the related interest rate swaps.

(2) The gains or (losses) on the hedged items are included in foreign exchange gains (losses).

(3) The gains or (losses) on the hedged items are included in cost of goods sold.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The table below summarizes the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges on the consolidated statements of income for the year ended December 31, 2010.

(US$ in millions)	Notional Amount	Gain or (Loss) Recognized in Accumulated OCI (1)	Gain or (Loss) Reclassified from Accumulated OCI into Income (1) Location	Gain or (Loss) Reclassified from Accumulated OCI into Income (1) Amount	Gain or (Loss) Recognized in Income on Derivative (2) Location	Gain or (Loss) Recognized in Income on Derivative (2) Amount (3)
Cash Flow Hedge:						
Foreign Exchange (4)	$	$ 2	Foreign exchange gains (losses)	$ 3	Foreign exchange gains (losses)	$
Commodities (5)	45	19	Cost of goods sold	12	Cost of goods sold	(2)
Total	**$ 45**	**$ 21**		**$ 15**		**$ (2)**
Net Investment Hedge (6):						
Foreign Exchange	$	$ (17)	Foreign exchange gains (losses)	$	Foreign exchange gains (losses)	$
Total	**$**	**$ (17)**		**$**		**$**

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(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2010, Bunge expects to reclassify into income in the next 12 months approximately $5 million of after tax gains related to its agricultural commodities cash flow hedges. As of December 31, 2010, there are no foreign exchange cash flow hedges or net investment hedges outstanding.

(2) The gain or (loss) recognized relates to the ineffective portion of the hedging relationship and to the amount excluded from the assessment of hedging effectiveness.

(3) The amount of loss recognized in income is $2 million, which relates to the ineffective portion of the hedging relationships, and zero, which relates to the amount excluded from the assessment of hedge effectiveness.

(4) The foreign exchange forward contracts matured at various dates in 2010.

(5) The changes in the market value of these futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged items. The commodities futures contracts mature at various dates in 2011.

(6) Bunge paid Brazilian *reais* and receives U.S. dollars using fixed interest rates, offsetting the translation adjustment of its net investment in Brazilian *reais* assets. The swaps matured in 2010. In July 2010, Bunge de-designated the net investment hedge. Gains

or losses due to changes in exchange rates on the de-designated swaps were recorded in the income statement from the date of de-designation until maturity.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Financial Instruments and Fair Value Measurements (Continued)

The table below summarizes the effect of derivative instruments that are designated and qualify as cash flow and net investment hedges on the consolidated statements of income for the year ended December 31, 2009.

		Gain or (Loss) Recognized in Accumulated	Gain or (Loss) Reclassified from Accumulated OCI into Income (1)		Gain or (Loss) Recognized in Income on Derivative (2)	
(US$ in millions)	**Notional Amount**	**OCI (1)**	**Location**	**Amount**	**Location**	**Amount (3)**
Cash Flow Hedge:						
Foreign Exchange (4)	$ 859	$ 46	Foreign exchange gains (losses)	$ (36)	Foreign exchange gains (losses)	$ (9)
Commodities (5)	55	(21)	Cost of goods sold	(11)	Cost of goods sold	(1)
Total	**$ 914**	**$ 25**		**$ (47)**		**$ (10)**
Net Investment Hedge (6):						
Foreign Exchange	$ 419	$ 147	Foreign exchange gains (losses)	$	Foreign exchange gains (losses)	$
Total	**$ 419**	**$ 147**		**$**		**$**

(1) The gain or (loss) recognized relates to the effective portion of the hedging relationship. At December 31, 2009, Bunge expects to reclassify into income in the next 12 months approximately $1 million, $(2) million and zero of after tax gains related to its foreign exchange, agricultural commodities and net cash flow hedges, respectively.

(2) The gain or (loss) recognized relates to the ineffective portion of the hedging relationship and to the amount excluded from the assessment of hedging effectiveness.

(3) The amount of loss recognized in income is $1 million, which relates to the ineffective portion of the hedging relationships, and $9 million, which relates to the amount excluded from the assessment of hedge effectiveness.

(4) The foreign exchange forward contracts matured at various dates in 2010 and 2011.

(5) The changes in the market value of these futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged items. The commodities futures contracts matured at various dates in 2010.

(6) Bunge paid Brazilian *reais* and receives U.S. dollars using fixed interest rates, offsetting the translation adjustment of its net investment in Brazilian *reais* assets. The swaps matured at various dates in 2010.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Short-Term Debt and Credit Facilities

Bunge's short-term borrowings are typically sourced from various banking institutions and the U.S. commercial paper market. Bunge also borrows from time to time in local currencies in various foreign jurisdictions. Interest expense includes facility commitment fees, amortization of deferred financing costs and charges on certain lending transactions, including certain intercompany loans and foreign currency conversions in Brazil. The weighted-average interest rate on short-term borrowings as of December 31, 2010 and 2009 was 2.53% and 12.54%, respectively.

	December 31,	
(US$ in millions)	**2010**	**2009**
Lines of credit:		
Secured	**$ 15**	$
Unsecured, variable interest rates from 1.27% to 18.70%	**1,703**	166
Total short-term debt	**$ 1,718**	$ 166

At December 31, 2010, Bunge had no outstanding amounts under its $575 million commercial paper program. The commercial paper program is supported by committed back-up bank credit lines (the liquidity facility) equal to the amount of the commercial paper program provided by lending institutions that are rated at least A-1 by Standard & Poors and P-1 by Moody's Investors Services. The liquidity facility, which matures in June 2012, permits Bunge, at its option, to set up direct borrowings or issue commercial paper in an aggregate amount of up to $575 million. The cost of borrowing under the liquidity facility would typically be higher than the cost of borrowing under our commercial paper program. At December 31, 2010, no borrowings were outstanding under these committed back-up bank credit lines.

In addition to the committed facilities noted above, from time to time, Bunge enters into uncommitted short-term credit lines as necessary based on our liquidity requirements. At December 31, 2010, $1,075 million was outstanding under these uncommitted short-term credit lines. In addition, Bunge's operating companies had $643 million in short-term borrowings outstanding from local bank lines of credit at December 31, 2010 to support working capital requirements.

At December 31, 2010, Bunge had approximately $575 million of unused and available borrowing capacity under its commercial paper program and committed short-term credit facilities.

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17. Long-Term Debt

Long-term obligations are summarized below.

(US$ in millions)	December 31, 2010	2009
Term loans due 2011 LIBOR (1) plus 1.25% to 1.75%	**$ 475**	$ 475
Term loan due 2011 fixed interest rate of 4.33%		250
Term loan due 2013 fixed interest rate of 3.32%	**300**	
Japanese Yen term loan due 2011 Yen LIBOR (2) plus 1.40%	**123**	108
7.44% Senior Guaranteed Notes, Series C, due 2012		351
7.80% Senior Notes due 2012		200
5.875% Senior Notes due 2013	**300**	300
5.35% Senior Notes due 2014	**500**	500
5.10% Senior Notes due 2015	**382**	382
5.90% Senior Notes due 2017	**250**	250
8.50% Senior Notes due 2019	**600**	600
BNDES (3) loans, variable interest rate indexed to TJLP (4) plus 3.20% to 4.50% payable through 2016	**118**	106
Other	**115**	127
	3,163	3,649
Less: Current portion of long-term debt	**(612)**	(31)
Total long-term debt	**$ 2,551**	$ 3,618

(1) One-, three- and six-month LIBOR at December 31, 2010 were 0.26%, 0.30% and 0.46% per annum, respectively, and at December 31, 2009 were 0.23%, 0.25% and 0.43% per annum, respectively.

(2) Three-month Yen LIBOR at December 31, 2010 and 2009 was 0.19% and 0.28%, respectively.

(3) BNDES loans are Brazilian government industrial development loans.

(4) TJLP is a long-term interest rate published by the Brazilian government on a quarterly basis. The annualized rate for 2010 and 2009 was 6.00% and 6.13%, respectively.

The fair values of long-term debt, including current portion, at December 31, 2010 and 2009 were $3,407 million and $3,796 million, respectively, calculated based on interest rates currently available on comparable maturities to companies with credit standing similar to that of Bunge.

In December 2010, Bunge entered into a bilateral term loan agreement with a group of lending institutions for $300 million. The term loan is set to mature in 2013, is fully funded as of December 31, 2010 and carries interest of 3.32%.

Bunge may from time to time seek to retire or purchase outstanding debt in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, Bunge's liquidity requirements, contractual restrictions and other factors. The following table summarizes debt repayments made using certain of the proceeds from the sale of

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Long-Term Debt (Continued)

Bunge's Brazilian fertilizer nutrients assets (see Note 3 of the notes to the consolidated financial statements).

(US$ in millions)	Aggregate Principal Amount	Aggregate Repayment Amount
7.44% Senior Guaranteed Notes, Series C, due 2012 (1)	$ 351	$ 406
7.80% Senior Notes, due 2012 (2)	198	230
Term Loan, fixed interest rate of 4.33%, due 2011 (3)	250	260
Other (4)	28	35
Total	**$ 827**	**$ 931**

(1) The aggregate repayment amount includes a $48 million make-whole payment and $7 million of accrued and unpaid interest. Also, in connection with this debt redemption, Bunge recognized a loss of $4 million related to the non-cash write-off of unamortized losses on treasury rate lock contracts and unamortized debt issuance costs.

(2) The aggregate repayment amount includes a $28 million make-whole payment and $4 million of accrued and unpaid interest. Also in connection with this debt redemption, Bunge recognized a loss of $2 million related to the non-cash write-off of unamortized losses on treasury rate lock contracts, and unamortized original issue discount and issuance costs.

(3) The aggregate repayment amount paid to the participant banks of the syndicated term loan includes a $6 million make-whole payment and $4 million of accrued and unpaid interest.

(4) The aggregate repayment amount includes a $7 million make-whole payment.

In addition, in February 2010, Bunge repurchased and cancelled approximately $2 million of the then outstanding $200 million aggregate principal amount of the 7.80% senior notes due 2012.

At December 31, 2010, Bunge had approximately $2,232 million of unused and available borrowing capacity under its committed long-term credit facilities with a number of lending institutions.

Certain land, property, equipment and investments in consolidated subsidiaries having a net carrying value of approximately $80 million at December 31, 2010 have been mortgaged or otherwise collateralized against long-term debt of $122 million at December 31, 2010.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Long-Term Debt (Continued)

Principal Maturities. Principal maturities of long-term debt at December 31, 2010 are as follows:

(US$ in millions)	
2011	$ 612
2012	34
2013	638
2014	581
2015	408
Thereafter	890
Total	$ 3,163

Bunge's credit facilities and certain senior notes require it to comply with specified financial covenants related to minimum net worth, minimum current ratio, a maximum debt to capitalization ratio and indebtedness at the subsidiary level. Bunge was in compliance with these covenants at December 31, 2010.

In 2010, 2009 and 2008, Bunge paid interest, net of interest capitalized, of $247 million, $284 million and $309 million, respectively.

18. Accounts Receivable Securitization Facilities

In January 2010, Bunge adopted a FASB issued standard that resulted in amounts outstanding under its securitization programs being accounted for as secured borrowings and reflected as short-term debt on its consolidated balance sheet. As a result of this change in accounting standards, Bunge significantly reduced its utilization of these programs and either terminated or allowed these programs to expire.

Certain of Bunge's European subsidiaries had an accounts receivable securitization facility, through which subsidiaries sold without recourse, certain eligible trade accounts receivable up to a maximum amount of 200 million Euro. Utilization of these facilities stopped in March 2010 and the facility was allowed to expire in October 2010. The effective yield rates on accounts receivable sold were based on monthly EUR LIBOR plus 0.295% per annum, which included the program cost and certain administrative fees. In the years ended December 31, 2010, 2009 and 2008, Bunge recognized expenses of approximately $1 million, $5 million and $13 million, respectively, in selling, general and administrative expenses in its consolidated statements of income related to this facility. At December 31, 2009, Bunge had sold approximately $198 million of accounts receivable to the facility, of which it had retained $56 million of beneficial interests in certain accounts receivable that did not qualify as sales. The beneficial interests were subordinate to investors' interests and were valued at historical cost, which approximated fair value. The beneficial interests were recorded in other current assets in Bunge's consolidated balance sheet, net of an allowance for doubtful accounts of $8 million against the beneficial interests at December 31, 2009. There were no amounts outstanding under the facility at December 31, 2010.

Bunge had two revolving accounts receivable securitization facilities through its North American operating subsidiaries, through which it sold, on a revolving basis, undivided percentage ownership interests (undivided interests) in designated accounts receivable pools without recourse up to a maximum of approximately $221 million as of December 31, 2009. During 2010, Bunge did not utilize

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Accounts Receivable Securitization Facilities (Continued)

these facilities and it terminated the $71 million facility in March 2010 and allowed the $150 million facility to expire in July 2010. The effective rate on these facilities approximated the 30 day commercial paper rate plus annual commitment fees ranging from 90 basis points on an undrawn basis to 150 basis points on a drawn basis. During 2009, outstanding undivided interests averaged $153 million. There were no outstanding undivided interests in pooled accounts receivable at December 31, 2010 or 2009. Bunge recognized expenses of $1 million, $4 million and $7 million for the years ended December 31, 2010, 2009 and 2008, respectively, in selling, general and administrative expenses in its consolidated statements of income.

19. Pension Plans

Employee Defined Benefit Plans Certain U.S., Canadian, European and Brazilian based subsidiaries of Bunge sponsor non-contributory defined benefit pension plans covering substantially all employees of the subsidiaries. The plans provide benefits based primarily on participants' salary and length of service.

The funding policies for Bunge's defined benefit pension plans are determined in accordance with statutory funding requirements. The most significant defined benefits plan is in the United States. The U.S. funding policy requires at least those amounts required by the Pension Protection Act of 2006. Assets of the plans consist primarily of equity and fixed income investments.

Plan Amendments and Transfers In At December 31, 2010, there was a transfer in of assets and liabilities of a plan sponsored by one of Bunge's European subsidiaries due to statutory charges. This plan was previously accounted for as a defined contribution plan. In 2009, there was a transfer in that resulted from certain plan combinations in Bunge's European operations. There were no significant amendments to Bunge's employee benefit plans during the years ended December 31, 2010 and 2008.

Plan Settlement and Transfers Out In 2010, there was a transfer out that resulted from the divestiture of Bunge's Brazilian fertilizer nutrients assets (see Note 3 of the notes to the consolidated financial statements), which included its Brazil-based fertilizer subsidiary, Ultrafertil, SA (Ultrafertil). Ultrafertil was a participating sponsor in a frozen multiple-employer defined benefit pension plan (the "Petros Plan") that was managed by Fundaçao Petrobras de Securidade Social (Petros). The Petros Plan began in 1970 prior to the Brazilian government's deregulation of the fertilizer industry in Brazil. The Petros Plan was funded in accordance with Brazilian statutory requirements. The sale of Bunge's Brazilian fertilizer nutrients assets was accounted for as a settlement of the Petros Plan of approximately $42 million. In 2009, Bunge terminated certain of its Canadian plans which resulted in a $7 million settlement.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Pension Plans (Continued)

The following table sets forth in aggregate a reconciliation of the changes in the U.S. and foreign defined benefit pension plans' benefit obligations, assets and funded status at December 31, 2010 and 2009 for plans with assets in excess of benefit obligations and plans with benefit obligations in excess of plan assets. A measurement date of December 31, Bunge's fiscal year end, was used for all plans.

(US$ in millions)	U.S. Pension Benefits December 31, 2010	U.S. Pension Benefits December 31, 2009	Foreign Pension Benefits December 31, 2010	Foreign Pension Benefits December 31, 2009
Change in benefit obligations:				
Benefit obligation as of beginning of year	**$ 394**	$ 346	**$ 479**	$ 328
Service cost	**13**	12	**3**	3
Interest cost	**24**	22	**22**	41
Actuarial loss (gain), net	**19**	29	**9**	28
Employee contributions			**1**	2
Net transfers in (out)			**(398)**	14
Plan amendments			**1**	
Plan settlements			**42**	(7)
Effect of plan combinations				(8)
Benefits paid	**(17)**	(14)	**(19)**	(27)
Expenses paid	**(1)**	(1)		
Impact of foreign exchange rates			**(4)**	105
Benefit obligation as of end of year	**$ 432**	$ 394	**$ 136**	$ 479
Change in plan assets:				
Fair value of plan assets as of beginning of year	**$ 298**	$ 220	**$ 493**	$ 368
Actual return on plan assets	**48**	48	**28**	29
Employer contributions	**2**	45	**14**	10
Employee contributions			**1**	2
Plan settlements			**(2)**	(7)
Effect of plan combinations				(2)
Divestitures			**(398)**	
Benefits paid	**(17)**	(14)	**(19)**	(27)
Expenses paid	**(1)**	(1)		
Impact of foreign exchange rates			**(2)**	120
Fair value of plan assets as of end of year	**$ 330**	$ 298	**$ 115**	$ 493
Funded (unfunded) status and net amounts recognized:				
Plan assets (less than) in excess of benefit obligation	**$ (102)**	$ (96)	**$ (21)**	$ 14
Net (liability) asset recognized in the balance sheet	**$ (102)**	$ (96)	**$ (21)**	$ 14
Amounts recognized in the balance sheet consist of:				
Non-current assets	**$ 2**	$ 1	**$ 10**	$ 69
Current liabilities	**(1)**	(1)	**(2)**	(10)
Non-current liabilities	**(103)**	(96)	**(29)**	(45)
Net (liability) asset recognized	**$ (102)**	$ (96)	**$ (21)**	$ 14

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Pension Plans (Continued)

Included in accumulated other comprehensive income at December 31, 2010 are the following amounts that have not yet been recognized in net periodic benefit costs: unrecognized initial net asset of $1 million ($1 million, net of tax), unrecognized prior service cost of $9 million ($6 million, net of tax) and unrecognized actuarial loss of $110 million ($71 million, net of tax). The prior service cost included in accumulated other comprehensive income that is expected to be recognized in net periodic benefit costs in 2011 is $2 million ($1 million, net of tax) and unrecognized actuarial loss of $6 million ($4 million, net of tax).

Bunge has aggregated certain U.S. and foreign defined benefit pension plans with projected benefit obligations in excess of fair value of plan assets with pension plans that have fair value of plan assets in excess of projected benefit obligations. At December 31, 2010, the $432 million and $136 million projected benefit obligations for U.S. and foreign plans, respectively, include plans with projected benefit obligations of $381 million and $39 million, respectively, which were in excess of the fair value of related plan assets of $276 million and $8 million, respectively. At December 31, 2009, the $394 million and $479 million projected benefit obligations for U.S. and foreign plans, respectively, include plans with projected benefit obligations of $377 million and $64 million, respectively, which were in excess of the fair value of related plan assets of $281 million and $9 million, respectively. The accumulated benefit obligation for the U.S. and foreign defined benefit pension plans, respectively, was $381 million and $81 million at December 31, 2010 and $347 million and $456 million at December 31, 2009, respectively.

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

	U.S. Pension Benefits December 31,		Foreign Pension Benefits December 31,	
(US$ in millions)	**2010**	**2009**	**2010**	**2009**
Projected benefit obligation	**$ 381**	$ 377	**$ 29**	$ 52
Accumulated benefit obligation	**330**	330	**28**	49
Fair value of plan assets	**276**	281	**3**	3

The components of net periodic benefit costs are as follows for U.S. and foreign defined benefit plans:

	U.S. Pension Benefits December 31,			Foreign Pension Benefits December 31,		
(US$ in millions)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
Service cost	**$ 13**	$ 12	$ 11	**$ 3**	$ 3	$ 5
Interest cost	**24**	22	21	**22**	41	37
Expected return on plan assets	**(24)**	(22)	(20)	**(25)**	(43)	(39)
Amortization of prior service cost	**2**	2	1	**1**	1	1
Amortization of net loss	**5**	3	1		(2)	
Settlement loss recognized				**26**	1	
Net periodic benefit costs	**$ 20**	$ 17	$ 14	**$ 27**	$ 1	$ 4

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Pension Plans (Continued)

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

	U.S. Pension Benefits December 31,		Foreign Pension Benefits December 31,	
	2010	2009	2010	2009
Discount rate	6.0%	6.2%	4.4%	10.5%
Increase in future compensation levels	4.2%	4.2%	2.4%	6.3%

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

	U.S. Pension Benefits December 31,			Foreign Pension Benefits December 31,		
	2010	2009	2008	2010	2009	2008
Discount rate	6.2%	6.5%	6.5%	10.5%	11.4%	9.4%
Increase in future compensation levels	4.2%	4.2%	4.3%	6.3%	6.7%	4.8%
Expected long-term rate of return on assets	8.0%	8.0%	7.8%	11.4%	10.9%	10.2%

The sponsoring subsidiaries select the expected long-term rate of return on assets in consultation with their investment advisors and actuaries. These rates are intended to reflect the average rates of earnings expected to be earned on the funds invested or to be invested to provide required plan benefits. The plans are assumed to continue in effect as long as assets are expected to be invested.

In estimating the expected long-term rate of return on assets, appropriate consideration is given to historical performance for the major asset classes held or anticipated to be held by the applicable plan trusts and to current forecasts of future rates of return for those asset classes. Cash flows and expenses are taken into consideration to the extent that the expected returns would be affected by them. As assets are generally held in qualified trusts, anticipated returns are not reduced for taxes.

Plan Assets Beginning with the year ended December 31, 2009, Bunge adopted prospectively the guidance of a FASB issued standard that requires expanded and more detailed disclosures about its sponsored postretirement defined benefit plan assets, including Bunge's investment strategies, major categories of plan assets, concentration of risks within plan assets and valuation techniques used to measure the fair value of plan assets.

The objectives of the U.S. plans' trust funds are to sufficiently diversify plan assets to maintain a reasonable level of risk without imprudently sacrificing return, with a target asset allocation of approximately 40% fixed income securities and approximately 60% equities. Bunge implements its investment strategy through a combination of indexed mutual funds and a proprietary portfolio of fixed income securities. Bunge's policy is not to invest plan assets in Bunge Limited shares. Investments for the Petros Plan in Brazil were pooled, managed and administered by Petros. Bunge did not control the investment policies or practices of the Petros Plan.

Plan investments are stated at fair value which is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan classifies its investments in Level 1, which refers to securities that are actively traded on a public exchange and valued using quoted prices from active markets for identical

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Pension Plans (Continued)

assets, Level 2, which refers to securities not traded in an active market but for which observable market inputs are readily available and Level 3, which refers to other assets valued based on significant unobservable inputs. In 2009, Level 3 assets were comprised of Brazilian real estate investment assets of $23 million and relate to the Petros Plan (a multiple-employer plan) of Bunge's Fosfertil investment (see Note 3 of the notes to the consolidated financial statements). The assets of the Petros Plan were pooled, managed and administered by Petros. Bunge did not have control over the invested assets therefore additional Level 3 disclosure was not practicable at December 31, 2009.

The fair values of Bunge's U.S. and foreign defined benefit pension plans' assets as of the measurement date for 2010 and 2009, by category, are as follows:

(US$ in millions)	**Fair Value Measurements at December 31, 2010**							
Asset Category	**Total**		**Quoted Prices in Active Markets for Identical Assets (Level 1)**		**Significant Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**	
	U.S. Pension Benefits	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**
Equities:								
Mutual Funds (1)	**$ 213**	**$ 20**	$ 213	$ 1	$	$ 19	$	$
Fixed income securities:								
Mutual Funds (2)	**117**	**95**	65		52	46		49
Total	**$ 330**	**$ 115**	$ 278	$ 1	$ 52	$ 65	$	$ 49

(US$ in millions)	**Fair Value Measurements at December 31, 2009**							
Asset Category	**Total**		**Quoted Prices in Active Markets for Identical Assets (Level 1)**		**Significant Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**	
	U.S. Pension Benefits	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**	**U.S. Pension Benefits**	**Foreign Pension Benefits**
Cash	$ 4	$	$ 4	$	$	$	$	$
Equities:								
Mutual Funds (1)	247	153	247	138		15		
Fixed income securities:								
Mutual Funds (2)	47	317			47	317		
Real estate		23						23
Total	$ 298	$ 493	$ 251	$ 138	$ 47	$ 332	$	$ 23

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(1) This category represents a portfolio of equity investments comprised of equity index funds that invest in U.S. equities and non-U.S. equities. The U.S. equities are comprised of investments focusing on large, mid and small cap companies and non-U.S. equities are comprised of international, emerging markets and real estate investment trusts.

(2) This category represents a portfolio of fixed income investments in mutual funds comprised of investment grade U.S. government bonds and notes, foreign government bonds and corporate bonds from diverse industries.

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Pension Plans (Continued)

(US$ in millions)	Fair Value Measurements Using Significant Unobservable Input (Level 3) Insured Asset	
Beginning balance, January 1, 2010	$	
Actual return on plan assets:		
Relating to assets still held at December 31, 2010		
Relating to assets sold during 2010		
Purchase, sales and settlements		
Transfers into Level 3 (1)	$	49
Ending balance, December 31, 2010	**$**	**49**

(1) At December 31, 2010, there was a transfer in of a plan previously accounted for as a defined contribution plan. This plan's assets are classified as insured assets and are held by a collective insurance fund. Bunge does not actively participate in the administration or the asset management of the collective fund.

Bunge expects to contribute $20 million and $9 million, respectively, to its U.S. and foreign based defined benefit pension plans in 2011.

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

(US$ in millions)	U.S. Pension Benefit Payments		Foreign Pension Benefit Payments	
2011	$	17	$	8
2012		18		8
2013		19		8
2014		21		8
2015		24		9
2016-2020		149		47

Employee Defined Contribution Plans Bunge also makes contributions to qualified defined contribution plans for eligible employees. Contributions to these plans amounted to $12 million, $17 million and $16 million in 2010, 2009 and 2008, respectively.

20. Postretirement Healthcare Benefit Plans

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

Plan Amendments In 2009, Bunge amended its postretirement healthcare plan in Brazil by increasing contributions from retirees to reduce its exposure to increased costs related to this plan.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Postretirement Healthcare Benefit Plans (Continued)

Plan Settlements In 2010, Bunge divested its Brazilian fertilizer nutrients assets (see Note 3 and 19 of the notes to the consolidated financial statements), which resulted in a settlement of approximately $32 million.

The following table sets forth a reconciliation of the changes in the postretirement healthcare benefit plans' benefit obligations and funded status at December 31, 2010 and 2009. A measurement date of December 31 was used for all plans.

(US$ in millions)	U.S. Postretirement Healthcare Benefits December 31, 2010	U.S. Postretirement Healthcare Benefits December 31, 2009	Foreign Postretirement Healthcare Benefits December 31, 2010	Foreign Postretirement Healthcare Benefits December 31, 2009
Change in benefit obligations:				
Benefit obligation as of beginning of year	**$ 26**	$ 25	**$ 111**	$ 72
Service cost			**1**	2
Interest cost	**2**	2	**10**	10
Actuarial (gain) loss, net	**(6)**	1	**12**	11
Employee contributions	**1**	1		
Net transfers in				4
Plan amendments				(8)
Plan settlements/divestitures			**(32)**	
Effect of acquisitions			**1**	
Benefits paid	**(3)**	(3)	**(8)**	(6)
Impact of foreign exchange rates			**5**	26
Benefit obligation as of end of year	**$ 20**	$ 26	**$ 100**	$ 111
Change in plan assets:				
Employer contributions	**$ 2**	$ 2	**$ 8**	$ 6
Employee contributions	**1**	1		
Benefits paid	**(3)**	(3)	**(8)**	(6)
Fair value of plan assets as of end of year	**$**	$	**$**	$
Funded status and net amounts recognized:				
Plan assets less than benefit obligation	**$ (20)**	$ (26)	**$ (100)**	$ (111)
Net liability recognized in the balance sheet	**$ (20)**	$ (26)	**$ (100)**	$ (111)
Amounts recognized in the balance sheet consist of:				
Current liabilities	**$ (2)**	$ (3)	**$ (8)**	$ (7)
Non-current liabilities	**(18)**	(23)	**(92)**	(104)
Net liability recognized	**$ (20)**	$ (26)	**$ (100)**	$ (111)

Included in accumulated other comprehensive income at December 31, 2010 are the following amounts for U.S. and foreign postretirement healthcare benefit plans that have not yet been recognized in net periodic benefit costs: unrecognized prior service credit of $1 million ($1 million, net of tax) and $6 million ($4 million, net of tax), respectively, and unrecognized actuarial gain (loss) of $1 million ($1 million, net of tax) and $(13) million (($8) million, net of tax), respectively. Bunge expects to

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Postretirement Healthcare Benefit Plans (Continued)

recognize unrecognized prior service credits in 2011 of $1 million ($1 million, net of tax) and unrecognized actuarial losses of $1 million ($1 million, net of tax) as components of net periodic pension cost for its postretirement healthcare benefit plans

The components of net periodic benefit costs for U.S. and foreign postretirement healthcare benefit plans are as follows:

(US$ in millions)	U.S. Postretirement Healthcare Benefits Year Ended December 31, 2010	2009	2008	Foreign Postretirement Healthcare Benefits Year Ended December 31, 2010	2009	2008
Service cost	**$**	$	$	**$ 1**	$ 2	$ 1
Interest cost	**2**	2	1	**10**	10	6
Amortization of prior service cost				**(1)**		
Amortization of net loss				**2**		1
Settlement gain recognized				**(26)**		
Net periodic benefit costs	**$ 2**	$ 2	$ 1	**$ (14)**	$ 12	$ 8

The weighted-average discount rates used in determining the actuarial present value of the accumulated benefit obligations under the U.S. and foreign postretirement healthcare benefit plans are as follows:

	U.S. Postretirement Healthcare Benefits December 31, 2010	2009	Foreign Postretirement Healthcare Benefits December 31, 2010	2009
Discount rate	**5.3%**	5.8%	**10.8%**	11.3%

The weighted-average discount rate assumptions used in determining the net periodic benefit costs under the U.S. and foreign postretirement healthcare benefit plans are as follows:

	U.S. Postretirement Healthcare Benefits Year Ended December 31, 2010	2009	2008	Foreign Postretirement Healthcare Benefits Year Ended December 31, 2010	2009	2008
Discount rate	**5.8%**	6.5%	6.4%	**11.3%**	12.4%	9.3%

At December 31, 2010, for measurement purposes related to U.S. plans, an 11.18% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2011, decreasing to 4.50% by 2029, remaining at that level thereafter. At December 31, 2009, for measurement purposes related to U.S. plans, a 12% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2010. For foreign plans, the assumed annual rate of increase in the per capita cost of covered healthcare benefits averaged 8.07% and 8.95% for 2010 and 2009, respectively.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Postretirement Healthcare Benefit Plans (Continued)

A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

(US$ in millions)	One percentage point increase	One percentage point decrease
Effect on total service and interest cost U.S. plans	$	$
Effect on total service and interest cost Foreign plans	$ 1	$ (1)
Effect on postretirement benefit obligation U.S. plans	$ 1	$ (1)
Effect on postretirement benefit obligation Foreign plans	$ 12	$ (10)

Bunge expects to contribute $2 million to its U.S. postretirement healthcare benefit plan and $8 million to its foreign postretirement healthcare benefit plans in 2011.

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

(US$ in millions)	U.S. Postretirement Healthcare Benefit Expected Payments	Foreign Postretirement Healthcare Benefit Expected Payments
2011	$ 2	$ 8
2012	2	8
2013	2	8
2014	2	9
2015	2	9
2016-2020	7	51

21. Related Party Transactions

Notes receivable In December 2009, Bunge sold its investment in Saipol to the joint venture partner Sofiproteol. The note receivable from Sofiproteol will be repaid in four equal annual installments, with the first payment collected in January 2010.

Bunge holds a note receivable under a revolving credit facility from Bunge-Ergon Vicksburg LLC, a 50% owned U.S. joint venture. The amounts outstanding were $24 million and $19 million at December 31, 2010 and 2009, respectively. This note matures in May 2011 with interest payable at a rate of LIBOR plus 2.0%.

Bunge holds a note receivable from Southwest Iowa Renewable Energy, a 26% owned U.S. investment, having a carrying value of approximately $34 million and $27 million at December 31, 2010 and 2009, respectively. This note matures in August 2014 with interest payable at a rate of LIBOR plus 7.5%.

Bunge holds a note receivable from Eastern Agro Investment, Ltd., a 50% owned investment, having a carrying value of approximately $11 million at December 31, 2010. This note matures in February 2011 with interest payable at a rate of 3.78%.

Bunge holds a note receivable from Biodiesel Bilbao S.A., a 20% owned investment, having a carrying value of approximately $7 million at December 31, 2010. This note matures in December 2015 with interest payable at a rate of EURIBOR plus 2.0%.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Related Party Transactions (Continued)

Bunge has recognized interest income related to these notes receivable of approximately $4 million, $1 million and $6 million for the years ended December 31, 2010, 2009 and 2008, respectively, in interest income in its consolidated statements of income. Notes receivable at December 31, 2010 and 2009, with carrying values of $90 million and $47 million, respectively, are included in other current assets or other non-current assets in the consolidated balance sheets, according to payment terms.

Notes payable Bunge has a note payable with a carrying value of $7 million and $8 million at December 31, 2010 and 2009, respectively, to a joint venture partner in one of its port terminals in Brazil. The *real*-denominated note is payable on demand with interest payable annually at the Brazilian interbank deposit rate (9.75% at December 31, 2010). In addition, Bunge had a note payable to a U.S. joint venture in the U.S. The note was paid in full at December 31, 2010. At December 31, 2009, this note had a carrying value of $5 million with interest payable at LIBOR plus 2.0%. The notes payable are included in other current liabilities in Bunge's consolidated balance sheets at December 31, 2010 and 2009. Bunge recorded interest expense of approximately $1 million, $1 million and $2 million in 2010, 2009 and 2008, respectively, related to these notes.

Other Bunge purchased soybeans, other commodity products and phosphate-based products from certain of its unconsolidated joint ventures, which totaled $525 million, $1,073 million and $1,059 million for the years ended December 31, 2010, 2009 and 2008, respectively. Bunge also sold soybean commodity products and other commodity products to certain of these joint ventures, which totaled $478 million, $596 million and $335 million for the years ended December 31, 2010, 2009 and 2008, respectively. At December 31, 2010 and 2009, Bunge had approximately $69 million and $23 million, respectively, of receivables from these joint ventures recorded in trade accounts receivable in the consolidated balance sheets. In addition, at December 31, 2010 and 2009, Bunge had approximately $42 million and $25 million, respectively, of payables to these joint ventures recorded in trade accounts payable in the consolidated balance sheets. Bunge believes these transactions are recorded at values similar to those with third parties.

Mutual Investment Limited Bunge is a party to an administrative services agreement with Mutual Investment Limited, Bunge's former parent company prior to the 2001 initial public offering, under which Bunge provides corporate and administrative services to Mutual Investment Limited, including financial, legal, tax, accounting and insurance. The agreement has a quarterly term that is automatically renewable unless terminated by either party. Mutual Investment Limited pays Bunge for the services rendered on a quarterly basis based on Bunge's direct and indirect costs of providing the services. In 2010, 2009 and 2008, Mutual Investment Limited paid Bunge $60 thousand, $139 thousand and $34 thousand, respectively, under this agreement.

22. Commitments and Contingencies

Bunge is party to a large number of claims and lawsuits, primarily tax and labor claims in Brazil, arising in the normal course of business. Bunge records liabilities related to its general claims and lawsuits when the exposure item becomes probable and can be reasonably estimated. After taking into account the recorded liabilities for these matters, management believes that the ultimate resolution of such matters will not have a material adverse effect on Bunge's financial condition, results of

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Commitments and Contingencies (Continued)

operations or liquidity. Included in other non-current liabilities at December 31, 2010 and 2009 are the following accrued liabilities:

(US$ in millions)	December 31, 2010	December 31, 2009
Tax claims	**$ 127**	$ 135
Labor claims	**78**	97
Civil and other	**114**	110
Total	**$ 319**	$ 342

Tax Claims The tax claims relate principally to claims against Bunge's Brazilian subsidiaries, including primarily value-added tax claims (ICMS, IPI, PIS and COFINS, of which PIS and COFINS are used by the Brazilian government to fund social contribution programs). 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.

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

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

Guarantees Bunge has issued or was a party to the following guarantees at December 31, 2010:

(US$ in millions)	Maximum Potential Future Payments
Customer financing (1)	$ 71
Unconsolidated affiliates financing (2)	56
Total	$ 127

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(1) Bunge has issued guarantees to third parties in Brazil related to amounts owed these third parties by certain of Bunge's customers. The terms of the guarantees are equal to the terms of the related financing arrangements, which are generally one year or less, with the exception of guarantees issued under certain Brazilian government programs, primarily from 2006 and 2007, where terms are up to five years. In the event that the customers default on their payments to the third parties and Bunge would be required to perform under the guarantees, Bunge has obtained collateral from the customers. At December 31, 2010, Bunge had approximately $58 million of tangible property that had been pledged to Bunge as collateral against certain of these refinancing arrangements. Bunge evaluates the likelihood of the customer repayments of the amounts due under these guarantees based upon an expected loss analysis and records the fair value of such guarantees as an obligation in its consolidated financial statements. Bunge's recorded obligation related to these outstanding guarantees was $8 million at December 31, 2010.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Commitments and Contingencies (Continued)

(2) 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 2012 and 2018. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under these guarantees. At December 31, 2010, Bunge's recorded obligation related to these guarantees was $4 million.

In addition, Bunge Limited has provided full and unconditional parent level guarantees of the indebtedness outstanding under certain senior credit facilities and senior notes entered into, or issued by, its 100% owned subsidiaries. At December 31, 2010, Bunge's consolidated balance sheet includes debt with a carrying amount of $3,405 million related to these guarantees. This debt includes the senior notes issued by two of Bunge's 100% owned finance subsidiaries, Bunge Limited Finance Corp. and Bunge N.A. Finance L.P. There are no significant restrictions on the ability of Bunge Limited Finance Corp., Bunge N.A. Finance L.P. or any other Bunge subsidiary to transfer funds to Bunge Limited.

Freight Supply Agreements In the ordinary course of business, Bunge enters into time charter agreements for the use of ocean freight vessels and freight service on railroad lines for the purpose of transporting agricultural commodities. In addition, Bunge sells the right to use these ocean freight vessels when excess freight capacity is available. These agreements generally range from two months to approximately five years, in the case of ocean freight vessels, depending on market conditions, and 5 to 17 years in the case of railroad services. Future minimum payment obligations due under these agreements are as follows:

(US$ in millions)	
Less than 1 year	$ 302
1 to 3 years	269
3 to 5 years	188
After five years	1,046
Total	$ 1,805

Actual amounts paid under these contracts may differ due to the variable components of these agreements and the amount of income earned on the sales of excess capacity. The agreements for the freight service on railroad lines require a minimum monthly payment regardless of the actual level of freight services used by Bunge. The costs of Bunge's freight supply agreements are typically passed through to the customers as a component of the prices charged for its products.

Also in the ordinary course of business, Bunge enters into relet agreements related to ocean freight vessels. Such relet agreements are similar to sub-leases. Bunge received approximately $416 million in 2010 and expects to receive payments of approximately $23 million in 2011 under such relet agreements.

Commitments At December 31, 2010, Bunge had approximately $12 million of purchase commitments related to its inventories and $84 million of contractual commitments related to construction in progress.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Shareholders' Equity

Share Repurchase Program On June 8, 2010, Bunge announced that its Board of Directors had approved a program for the repurchase of up to $700 million of Bunge's issued and outstanding common shares. The program runs through December 31, 2011. Bunge repurchased 6,714,573 common shares, for approximately $354 million through December 1, 2010. There are no shares in treasury as of December 31, 2010.

Common shares On December 1, 2010, Bunge used its 6,714,573 repurchased common shares and issued an additional 1,702,642 common shares in the conversion of its then outstanding 862,455 (mandatory convertible preference shares), plus accumulated and unpaid dividends. On the mandatory conversion date of December 1, 2010, as a result of adjustments to the initial conversion rates because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each mandatory convertible preference share automatically converted on December 1, 2010 into 9.7596 common shares (which represented a total of 8,417,215 common shares).

In August 2009, Bunge sold 12,000,000 common shares in a public equity offering, including the exercise in full of the underwriters' over-allotment option, for which it received net proceeds of approximately $761 million after deducting underwriting discounts, commissions and expenses. Bunge used the net proceeds of this offering to repay indebtedness and for other general corporate purposes.

Mandatory Convertible Preference Shares Prior to the mandatory conversion date of December 1, 2010, Bunge had 862,455 mandatory convertible preference shares, with a par value $0.01 per share and with an initial liquidation preference of $1,000, issued and outstanding. At any time prior to December 1, 2010, holders could elect to convert the mandatory convertible preference shares at the minimum conversion rate of 8.2416 common shares per mandatory convertible preference share, subject to additional certain anti-dilution adjustments. The mandatory convertible preference shares accrued dividends at an annual rate of 5.125%. Dividends were cumulative from the date of issuance and were payable, quarterly in arrears, on each March 1, June 1, September 1 and December 1, when, as and if declared by Bunge's board of directors. Accumulated but unpaid dividends on the mandatory convertible preference shares did not bear interest. Dividends were paid in cash with the final dividend paid on December 1, 2010.

Cumulative Convertible Perpetual Preference Shares Bunge has 6,900,000, 4.875% cumulative convertible perpetual preference shares (convertible preference shares), par value $0.01 outstanding as of December 31, 2010. Each convertible preference share has an initial liquidation preference of $100 per share plus accumulated unpaid dividends up to a maximum of an additional $25 per share. As a result of adjustments made to the initial conversion price because cash dividends paid on Bunge Limited's common shares exceeded certain specified thresholds, each convertible preference share is convertible at any time at the holder's option into approximately 1.0938 common shares based on a conversion price of $91.43 per convertible preference share, subject in each case to certain specified anti-dilution adjustments (which represents 7,547,220 Bunge Limited common shares as of December 31, 2010).

At any time on or after December 1, 2011, if the closing market price of Bunge's common shares equals or exceeds 130% of the conversion price of the convertible preference shares, for 20 trading days within any period of 30 consecutive trading days (including the last trading day of such period), Bunge may elect to cause all outstanding convertible preference shares to be automatically converted

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Shareholders' Equity (Continued)

into the number of common shares that are issuable at the conversion price. The convertible preference shares are not redeemable by Bunge at any time.

The convertible preference shares accrue dividends at an annual rate of 4.875%. Dividends are cumulative from the date of issuance and are payable, quarterly in arrears, on each March 1, June 1, September 1 and December 1, commencing on March 1, 2007, when, as and if declared by Bunge's board of directors. The dividends may be paid in cash, common shares or a combination thereof. Accumulated but unpaid dividends on the convertible preference shares will not bear interest. In 2010 and 2009, Bunge recorded $67 million and $78 million, respectively, of dividends on its convertible preference shares.

Accumulated Other Comprehensive Income (Loss) The following table summarizes the balances of related after tax components of accumulated other comprehensive income (loss):

(US$ in millions)	Foreign Exchange Translation Adjustment (1)	Deferred Gain (Loss) on Hedging Activities	Treasury Rate Lock Contracts	Pension and Other Postretirement Liability Adjustment	Unrealized Gain (Loss) on Investments	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2008	$ 707	$ 12	$ (11)	$ (43)	$ 4	$ 669
Other comprehensive income (loss), net of tax	(1,346)	(92)	2	(36)	(8)	(1,480)
Balance, December 31, 2008	(639)	(80)	(9)	(79)	(4)	(811)
Other comprehensive income (loss), net of tax	1,062	75	2	(11)	2	1,130
Balance, December 31, 2009	423	(5)	(7)	(90)	(2)	319
Other comprehensive income, net of tax	247	3	7	7		264
Balance, December 31, 2010	**$ 670**	**$ (2)**	**$**	**$ (83)**	**$ (2)**	**$ 583**

(1) Bunge has significant operating subsidiaries in Brazil, Argentina and Europe. The functional currency of Bunge's subsidiaries is the local currency. The assets and liabilities of these subsidiaries are translated into U.S. dollars from local currency at month-end exchange rates, and the resulting foreign exchange translation gains and losses are recorded in the consolidated balance sheets as a component of accumulated other comprehensive income (loss).

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Shareholders' Equity (Continued)

Comprehensive Income (Loss) The following table summarizes the components of comprehensive income (loss):

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Net income	**$ 2,388**	$ 335	$ 1,326
Other comprehensive income (loss):			
Foreign exchange translation adjustment, net of tax	**223**	1,252	(1,527)
Unrealized gains (losses) on commodity futures and foreign exchange contracts designated as cash flow hedges, net of tax (expense) benefit $(11), $(10), $31	**21**	25	(68)
Unrealized gains (losses) on investments, net of tax (expense) benefit $0, $(1), $4		2	(8)
Reclassification of realized net (gains) losses to net income, net of tax expense (benefit) $11, $(30), $15	**(11)**	52	(22)
Pension adjustment, net of tax (expense) benefit $(5), $11, $10	**5**	(27)	(15)
Other postretirement healthcare subsidy tax deduction adjustment	**2**		
Total comprehensive income (loss)	**2,628**	1,639	(314)
Less: Comprehensive income attributable to noncontrolling interest	**(10)**	(148)	(102)
Total comprehensive income (loss) attributable to Bunge	**$ 2,618**	$ 1,491	$ (416)

Transfers to/from Noncontrolling Interest On May 27, 2010, Bunge sold its Brazilian fertilizer nutrients assets, including its direct and indirect 54% ownership interest in the voting common shares and 36% interest in the nonvoting preferred shares of Fosfertil (representing Bunge's right to approximately 42% of the earnings of Fosfertil). See Note 3 of the notes to the consolidated financial statements. Prior to this date, Fosfertil was a consolidated subsidiary of Bunge. Effective as of the sale date and as a result of this transaction, Bunge deconsolidated Fosfertil and derecognized $588 million of noncontrolling interest, which represented approximately 58% of noncontrolling interest in earnings of Fosfertil.

Bunge is involved in a joint venture to build and operate a grain terminal in Longview, Washington, U.S. Bunge has a 51% controlling interest in the joint venture, which it consolidates. In 2010, the noncontrolling interest holders, which have a 49% interest, made a $61 million capital contribution to this joint venture. Bunge made a proportionate capital contribution, which resulted in no ownership percentage change. In 2009, Bunge received $35 million of capital contributions from the noncontrolling interests, of which $5 million was the initial noncontrolling equity interest upon consolidation by Bunge of this joint venture.

Effective January 1, 2010, Bunge adopted a FASB issued standard that amends the consolidation guidance that applies to variable interest entities (VIEs). As a result of this adoption, Bunge consolidated AGRI-Bunge, LLC, an agribusiness joint venture which originates grains and operates a Mississippi river terminal in the United States in which Bunge has 50% voting power and a 34%

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Shareholders' Equity (Continued)

interest in the equity and earnings. Bunge recorded $3 million of noncontrolling equity interest upon its consolidation of this joint venture in the first quarter of 2010.

During 2010, there was a net redemption of certain third party investors in a private investment fund consolidated by Bunge. The net redeemed shares were valued at $9 million and represented approximately 30% of the outstanding shares of the fund along with $4 million of dividends representing their share of the cumulative earnings of the fund. This resulted in Bunge's ownership interest in the fund increasing from 31% at December 31, 2009 to 39% at December 31, 2010. In addition in 2010, an inactive joint venture was liquidated which resulted in $2 million of capital returned to noncontrolling interests and dividends of $8 million were recorded, which represented earnings of a non-wholly owned subsidiary. In 2009, certain third party investors in the same private investment fund redeemed their shares in the fund. The shares were valued at $44 million and represented 51% of the outstanding shares of the fund and 100% of the ownership interest of these investors in the fund. Additionally, the investors received $8 million of dividends, which represented their share of the cumulative earnings of the fund. This transaction resulted in Bunge's ownership interest in the fund increasing from 16% at December 31, 2008 to 31% at December 31, 2009.

During 2009, certain of Bunge's Brazilian subsidiaries primarily involved in its sugar business received approximately $52 million in capital contributions from noncontrolling interests. Bunge made proportionate capital contributions to these subsidiaries, which resulted in no ownership percentage change.

In 2008, certain of Bunge's Brazilian subsidiaries, which are primarily involved in its sugar business, received approximately $25 million in capital contributions from noncontrolling interests. Bunge's ownership interest in these subsidiaries was not affected by these contributions. In addition in 2008, Bunge recorded $13 million in additional paid-in capital as a result of a final purchase price adjustment relating to the merger of its subsidiaries in Poland. In this transaction, Bunge exchanged 18% of the stock of one of its subsidiaries for additional ownership interests in certain non wholly owned subsidiaries and affiliates, resulting in consolidation of all of these entities by Bunge.

24. Earnings Per Share

Basic earnings per share is computed by dividing net income available to Bunge common shareholders by the weighted-average number of common shares outstanding, excluding any dilutive effects of stock options, restricted stock unit awards, convertible preference shares and convertible notes during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include additional shares from the assumed exercise of stock options, restricted stock unit awards and convertible securities and notes, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options, except those which are not dilutive, were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period. In addition, Bunge accounts for the effects of convertible securities and convertible notes, using the if-converted method. Under this method, the convertible securities and convertible notes are assumed to be converted and the related dividend or interest expense, net of tax, is added back to earnings, if dilutive.

On the mandatory conversion date of December 1, 2010, each mandatory convertible preference share, then outstanding, automatically converted into 9.7596 of common shares. At any time prior to

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Earnings Per Share (Continued)

December 1, 2010, holders could elect to convert the mandatory convertible preference shares at the conversion rate of 8.2416, subject to certain additional anti-dilution adjustments (which represented 7,108,009 common shares prior to December 1, 2010). Each mandatory convertible preference share had a liquidation preference of $1,000 per share. The calculation of diluted earnings per common share for the year ended December 31, 2010 includes the weighted-average common shares that would be issuable upon conversion of the mandatory convertible preference shares, up to the mandatory conversion date of December 1, 2010, as they were dilutive. The calculation of diluted earnings per common share for the year ended December 31, 2008 includes the weighted-average common shares that would have been issuable upon conversion of the mandatory convertible preference shares as they were dilutive (see Note 23 of the notes to the consolidated financial statements). The calculation of diluted earnings per common share for the year ended December 31, 2009 does not include the weighted-average common shares that would be issuable upon conversion of the mandatory convertible preference shares as they were not dilutive.

In addition, Bunge has 6,900,000 convertible perpetual preference shares outstanding as of December 31, 2010 (see Note 23 of the notes to the consolidated financial statements). Each convertible preference share has an initial liquidation preference of $100 per share and each convertible preference share is convertible, at any time at the holder's option, initially into approximately 1.0938 common shares based on a conversion price of $91.4262 per convertible preference share, subject in each case to certain anti-dilution specified adjustments (which represents 7,547,220 common shares as of December 31, 2010). The calculation of diluted earnings per common share for the year ended December 31, 2009 does not include the weighted-average common shares that would be issuable upon conversion of the convertible perpetual preference shares as they were not dilutive. The calculations of diluted earnings per common share for the years ended December 31, 2010 and 2008 include the weighted-average common shares that would be issuable upon conversion of the convertible perpetual preference shares as they were dilutive.

BUNGE LIMITED AND SUBSIDIARIES

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24. Earnings Per Share (Continued)

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2010, 2009 and 2008.

	Year Ended December 31,		
(US$ in millions, except for share data)	**2010**	**2009**	**2008**
Net income attributable to Bunge	**$ 2,354**	$ 361	$ 1,064
Convertible preference share dividends	**(67)**	(78)	(78)
Net income available to Bunge common shareholders	**$ 2,287**	$ 283	$ 986
Weighted-average number of common shares outstanding:			
Basic	**141,191,136**	126,448,071	121,527,580
Effect of dilutive shares:			
stock options and awards (1)	**1,032,143**	1,221,751	1,488,899
convertible preference shares	**14,051,535**		14,574,787
Diluted	**156,274,814**	127,669,822	137,591,266
Earnings per common share:			
Earnings to Bunge common shareholders basic	**$ 16.20**	$ 2.24	$ 8.11
Earnings to Bunge common shareholders diluted	**$ 15.06**	$ 2.22	$ 7.73

(1) The weighted-average common shares outstanding-diluted excludes approximately 3 million, 2 million and 1 million stock options and contingently issuable restricted stock units, which were not dilutive and not included in the computation of diluted earnings per share for 2010, 2009 and 2008, respectively.

25. Share-Based Compensation

In 2010, Bunge recognized approximately $22 million and $38 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards. In 2009, Bunge recognized approximately $16 million and $1 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards. In 2008, Bunge recognized approximately $16 million and $50 million of compensation expense, related to its stock option and restricted stock unit awards, respectively, in additional paid-in capital for awards classified as equity awards.

In 2010, there was an insignificant amount of aggregate tax benefit related to share-based compensation. In 2009, the aggregate tax benefit related to share-based compensation was approximately $6 million. In 2008, Bunge reversed an aggregate tax benefit of approximately $5 million related to share-based compensation.

2009 Equity Incentive Plan and Equity Incentive Plan In 2009, Bunge established the 2009 Equity Incentive Plan (the 2009 EIP), which was approved by shareholders at the 2009 annual general meeting. Under the 2009 EIP, the compensation committee of Bunge board of directors may grant equity-based awards to officers, employees, consultants and independent contractors. Awards under the 2009 EIP may be in the form of stock options, restricted stock units (performance-based or time-vested) or other equity-based awards. Prior to May 8, 2009, the date of shareholder approval of

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Share-Based Compensation (Continued)

the 2009 EIP, Bunge granted equity-based awards under the Equity Incentive Plan (the Equity Incentive Plan), which is a shareholder approved plan. Under the Equity Incentive Plan, the compensation committee of the Bunge Limited board of directors was authorized to grant equity-based awards to officers, employees, consultants and independent contractors. The Equity Incentive Plan provided that awards may be in the form of stock options, restricted stock units (performance-based or time-vested) or other equity-based awards. Effective May 8, 2009, no further awards will be granted under the Equity Incentive Plan.

(i) *Stock Option Awards* Stock options to purchase Bunge Limited common shares are non-statutory and granted with an exercise price equal to the market value of Bunge Limited common shares on the date of grant, as determined under the Equity Incentive Plan or the 2009 EIP, as applicable. Options expire ten years after the date of grant and generally vest and become exercisable on a pro-rata basis over a three-year period on each anniversary of the date of the grant. Vesting may be accelerated in certain circumstances as provided in the 2009 EIP and the Equity Incentive Plan. Compensation expense is recognized for option grants beginning in 2006 on a straight-line basis and for options granted prior to 2006 is recognized on an accelerated basis over the vesting period of each grant.

(ii) *Restricted Stock Units* Performance-based restricted stock units and time-vested restricted stock units are granted at no cost. Performance-based restricted stock units are awarded at the beginning of a three-year performance period and vest following the end of the three-year performance period. Performance-based restricted stock units fully vest on the third anniversary of the date of grant. Payment of the units is subject to Bunge attaining certain targeted cumulative earnings per share (EPS) during the three-year performance period. Targeted cumulative EPS under the Equity Incentive Plan or the 2009 EIP, as applicable, is based on income per share from continuing operations adjusted for non-recurring charges and other one-time events at the discretion of the compensation committee. Vesting may be accelerated in certain circumstances as provided in the 2009 EIP and in the Equity Incentive Plan. Payment of the award is calculated based on a sliding scale whereby 50% of the performance-based restricted stock unit award vests if the minimum performance target is achieved. No vesting occurs if actual cumulative EPS is less than the minimum performance target. The award is capped at 200% of the grant for actual performance in excess of the maximum performance target for an award. Awards are paid solely in Bunge Limited common shares.

Time-vested restricted stock units are subject to vesting periods varying from three to five years and vest on either a pro-rata basis over the applicable vesting period or 100% at the end of the applicable vesting period, as determined at the time of grant by the compensation committee. Vesting may be accelerated in certain circumstances as provided in the 2009 EIP and the Equity Incentive Plan. Time-vested restricted stock units are paid out in Bunge Limited common shares upon satisfying the applicable vesting terms.

At the time of payout, a participant holding a vested restricted stock unit will also be entitled to receive corresponding dividend equivalent share payments. Dividend equivalents on performance-based restricted stock units are capped at the target level. Compensation expense for restricted stock units is equal to the market value of Bunge Limited common shares at the date of grant and is recognized on a straight-line basis over the vesting period of each grant.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Share-Based Compensation (Continued)

2007 Non-Employee Directors' Equity Incentive Plan Bunge has established the Bunge Limited 2007 Non-Employee Directors' Equity Incentive Plan (the 2007 Directors' Plan), a shareholder approved plan. Under the 2007 Directors' Plan, the compensation committee may grant equity based awards to non-employee directors of Bunge Limited. Awards may consist of restricted stock, restricted stock units, deferred restricted stock units and non-statutory stock options.

(i) *Stock Option Awards* Stock options to purchase Bunge Limited common shares are granted with an exercise price equal to the market value of Bunge Limited common shares on the date of grant, as determined under the 2007 Directors' Plan. Options expire ten years after the date of grant and generally vest and are exercisable on the third anniversary of the date of grant. Vesting may be accelerated in certain circumstances as provided in the 2007 Directors' Plan. Compensation expense is recognized for options on a straight-line basis.

(ii) *Restricted Stock Units* Restricted stock units and deferred restricted stock units are granted at no cost. Restricted stock units generally vest on the third anniversary of the date of grant and payment is made in Bunge Limited common shares. Deferred restricted stock units generally vest on the first anniversary of the date of grant and payment is deferred until after the third anniversary of the date of grant and made in Bunge Limited common shares. Vesting may be accelerated in certain circumstances as provided in the 2007 Directors' Plan.

At the time of payment, a participant holding a restricted stock unit or deferred restricted stock unit will also be entitled to receive corresponding dividend equivalent share payments. Compensation expense is equal to the market value of Bunge Limited common shares at the date of grant and is recognized on a straight-line basis over the vesting period of each grant.

Non-Employee Directors' Equity Incentive Plan Prior to May 25, 2007, the date of shareholder approval of the 2007 Directors' Plan, Bunge granted equity-based awards to its non-employee directors under the Non-Employee Directors' Equity Incentive Plan (the Directors' Plan) which is a shareholder approved plan. The Directors' Plan provides for awards of non-statutory stock options to non-employee directors. The options vest and are exercisable on the January 1 that follows the date of grant. Vesting may be accelerated in certain circumstances as provided in the Directors' Plan. Compensation expense is recognized for option grants beginning in 2006 on a straight-line basis and for options granted prior to 2006 is recognized on an accelerated basis over the vesting period of each grant. Effective May 25, 2007, no further awards will be granted under the Directors' Plan.

The fair value of each stock option granted under all of Bunge's equity incentive plans is estimated on the date of grant using the Black-Scholes-Merton option-pricing model that uses the assumptions noted in the following table. The expected volatility of Bunge's common shares is based on historical volatility calculated using the daily closing price of Bunge's shares up to the date of grant. Bunge uses historical employee exercise behavior for valuation purposes. The expected option term of options granted represents the period of time that the options granted are expected to be outstanding and is based on historical experience giving consideration for the contractual terms, vesting periods and expectations of future employee behavior. The risk-free interest rate is based on the rate of U.S.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Share-Based Compensation (Continued)

Treasury zero-coupon bonds with a term equal to the expected option term of the option grants on the date of grant.

Assumptions:	December 31, 2010	December 31, 2009	December 31, 2008
Expected option term (in years)	**5.43**	5.14	5.07
Expected dividend yield	**1.36%**	1.47%	0.60%
Expected volatility	**44.34%**	43.35%	28.56%
Risk-free interest rate	**2.56%**	2.31%	2.58%

A summary of option activity under the plans as of December 31, 2010 and changes during the year then ended is presented below.

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
(US$ in millions)				
Outstanding at January 1, 2010	4,658,629	$ 56.32		
Granted	965,600	$ 61.60		
Exercised	(171,643)	$ 33.00		
Forfeited or expired	(209,755)	$ 74.52		
Outstanding at December 31, 2010	**5,242,831**	**$ 57.34**	**5.76**	**$ 76**
Exercisable at December 31, 2010	**3,708,035**	**$ 54.78**	**4.46**	**$ 66**

The weighted-average grant date fair value of options granted during 2010, 2009 and 2008 was $23.70, $18.68 and $31.09, respectively. The total intrinsic value of options exercised during 2010, 2009 and 2008 was approximately $4 million, $2 million and $8 million, respectively. The excess tax benefit classified as a financing cash flow for 2010, 2009 and 2008 was not significant.

As of December 31, 2010, there was $21 million of total unrecognized compensation cost related to non-vested stock options granted under the Equity Incentive Plans expected to be recognized approximately over the next two years.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Share-Based Compensation (Continued)

A summary of Bunge's restricted stock units under the plans as of December 31, 2010 and changes during 2010 is presented below:

Restricted Stock Units	Shares	Weighted-Average Grant-Date Fair Value
Restricted stock units at January 1, 2010 (1)	1,081,544	$ 75.15
Granted	583,753	$ 58.67
Vested/issued (2)	(348,492)	$ 80.42
Forfeited/cancelled (2)	(182,052)	$ 65.78
Restricted stock units at December 31, 2010 (1)	**1,134,753**	**$ 67.15**

(1) Excludes accrued unvested corresponding dividends, which are payable in shares upon vesting in Bunge's common shares. As of December 31, 2010, there were 14,888 unvested corresponding dividends accrued. Accrued unvested corresponding dividends are revised upon non-achievement of performance targets.

(2) During 2010, Bunge issued 348,492 common shares, net of common shares withheld to cover taxes, including related common shares representing accrued corresponding dividends, with a weighted-average fair value of $60.39 per share. In 2010, payment/issuance of approximately 4,340 vested restricted stock units and related earned dividends were deferred by participants. As of December 31, 2010, Bunge has approximately 24,003 deferred common share units including common shares representing accrued corresponding dividends. During 2010, Bunge canceled in the aggregate approximately 167,348 shares related primarily to performance-based restricted stock unit awards that were withheld to cover payment of employee related taxes and performance-based restricted stock unit awards did not vest due to non-achievement of performance targets.

The weighted-average grant date fair value of restricted stock units granted during 2010, 2009 and 2008 was $58.67, $50.63 and $110.07, respectively.

At December 31, 2010, there was approximately $36 million of total unrecognized compensation cost related to restricted stock units share-based compensation arrangements granted under the 2009 EIP, the Equity Incentive Plan and the 2007 Non-Employee Directors' Plan, which will be recognized over the next two years. The total fair value of restricted stock units vested during 2010 was approximately $28 million.

Common Shares Reserved for Share-Based Awards The 2007 Directors' Plan and the 2009 EIP provide that 600,000 and 10,000,000 common shares, respectively, are reserved for grants of stock options, stock awards and other awards under the plans. At December 31, 2010, 453,775 and 8,554,697 common shares were available for future grants under the 2007 Directors' Plan and the 2009 EIP, respectively.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Lease Commitments

Bunge routinely leases storage facilities, transportation equipment and office facilities under operating leases. Minimum lease payments under non-cancelable operating leases at December 31, 2010 are as follows:

(US$ in millions)	
2011	$ 165
2012	111
2013	96
2014	44
2015	39
Thereafter	187
Total	$ 642

Rent expense under non-cancelable operating leases was $157 million, $146 million and $140 million for 2010, 2009 and 2008, respectively.

In addition, Bunge has land lease agreements for the production of sugarcane. These agreements have an average life of six to seven years and cover approximately 133,000 hectares of land. Amounts owed under these agreements are dependent on several variables including the quantity of sugarcane produced per hectare, the total recoverable sugar (TRS) per ton of sugarcane produced and the price for each kilogram of TRS as determined by Consecena, the Sao Paulo state sugarcane and sugar and ethanol council. The related expense included in cost of goods sold in the consolidated statement of income for 2010 was $61 million.

27. Operating Segments and Geographic Areas

Sugar and Bioenergy segment Bunge participates in the sugar and sugarcane-based ethanol industries through its sugar trading and merchandising business, headquartered in London, and its sugarcane milling operations in Brazil. In addition, Bunge has investments in entities that produce corn-based ethanol in the United States. Bunge wholly-owns or has majority interests in seven sugarcane mills in Brazil, five of which were acquired in the Moema acquisition in February 2010 (see Note 2 of the notes to the consolidated financial statements). Bunge also has an 80% stake in a greenfield mill, which commenced commercial operations in the fourth quarter of 2010. Most of the mills allow Bunge to adjust production, within certain capacity limits, between sugar (raw and crystal) and sugarcane-based ethanol (hydrous and anhydrous), allowing Bunge to readily respond to changes in customer demand and market prices within each of these product lines. Bunge also has cogeneration facilities at all mills, which produce energy through the burning of sugarcane bagasse in boilers, enabling these mills to be self-sufficient for their energy needs and, in most cases, to sell surplus energy to third parties such as local utilities.

In the first quarter of 2010, Bunge began reporting the results of its sugar and bioenergy businesses as a reportable segment. Prior to 2010, sugar and bioenergy results and assets were included in the agribusiness segment. Accordingly, amounts for prior years presented have been reclassified to conform to the current year segment presentation.

As a result, Bunge has five reportable segments agribusiness, sugar and bioenergy, edible oil products, milling products and fertilizer which are organized based upon similar economic

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Operating Segments and Geographic Areas (Continued)

characteristics and are similar in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The agribusiness segment is characterized by both inputs and outputs being agricultural commodities and thus high volume and low margin. The sugar and bioenergy segment involves sugar origination, milling, trading and merchandising businesses, as well as sugar and sugarcane-based ethanol production and corn-based ethanol investments and activities. Following the completion of the sale of Bunge's Brazilian fertilizer nutrients assets in May 2010, the activities of the fertilizer segment include its blending and distribution business in Brazil as well as its operations in Argentina and the United States (see Note 3 of the notes to the condensed consolidated financial statements). Additionally, Bunge has retained its 50% interest in its fertilizer joint venture in Morocco. The edible oil products segment involves the manufacturing and marketing of products derived from vegetable oils. The milling products segment involves the manufacturing and marketing of products derived primarily from wheat and corn.

The "Unallocated" column in the following table contains the reconciliation between the totals for reportable segments and Bunge consolidated totals, which consists primarily of corporate items not allocated to the operating segments, inter-segment eliminations. Transfers between the segments are

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Operating Segments and Geographic Areas (Continued)

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

(US$ in millions)	Agribusiness	Sugar and Bioenergy	Edible Oil Products	Milling Products	Fertilizer	Unallocated	Total
2010							
Net sales to external customers	$ 30,138	$ 4,455	$ 6,783	$ 1,605	$ 2,726	$	$ 45,707
Inter-segment revenues	3,902	24	96	41	115	(4,178)	
Gross profit(1)	1,660	101	427	168	155		2,511
Foreign exchange gain (loss)	(4)	30		(1)	(23)		2
Equity in earnings of affiliates	18	(6)		3	12		27
Noncontrolling interest(2)	(47)	9	(5)		(35)	44	(34)
Other income (expense)	2	(8)	(10)	5	(15)		(26)
Segment EBIT(3)	840	(13)	80	67	2,344	(90)	3,228
Depreciation, depletion and amortization expense	(179)	(116)	(78)	(27)	(43)		(443)
Investments in affiliates	509	20	15	13	52		609
Total assets	16,100	4,679	2,243	771	2,208		26,001
Capital expenditures	409	365	66	23	182	27	1,072
2009							
Net sales to external customers	$ 27,934	2,577	$ 6,184	$ 1,527	$ 3,704	$	$ 41,926
Inter-segment revenues	3,462	77	131	17	18	(3,705)	
Gross profit(1)	1,330	49	412	152	(739)		1,204
Foreign exchange gain (loss)	216	2	(4)	(1)	256		469
Equity in earnings of affiliates	15	(12)	86	4	(13)		80
Noncontrolling interest(2)	(26)	6	(10)		87	(31)	26
Other income (expense)	(4)	2	(7)	(1)	(15)		(25)
Segment EBIT	812	8	181	58	(616)		443
Depreciation, depletion and amortization expense	(179)	(15)	(73)	(27)	(149)		(443)
Investments in affiliates	506	20	15	14	67		622
Total assets	11,172	2,691	2,030	670	4,683	40	21,286
Capital expenditures	222	257	55	24	329	31	918
2008							
Net sales to external customers	$ 35,670	1,018	$ 8,216	$ 1,810	$ 5,860	$	$ 52,574
Inter-segment revenues	7,871	289	112	6	173	(8,451)	
Gross profit(1)	2,009	20	356	202	1,449		4,036
Foreign exchange gain (loss)	(196)	(2)	(22)	1	(530)		(749)
Equity in earnings of affiliates	12	(6)	17	4	7		34
Noncontrolling interest(2)	(26)	2	(8)		(323)	93	(262)
Other income (expense)	(21)	15	14		2		10
Segment EBIT	959	(10)	(11)	104	321		1,363
Depreciation, depletion and amortization expense	(178)	(8)	(74)	(18)	(161)		(439)
Investments in affiliates	484	41	155	12	69		761
Total assets	11,404	795	2,093	597	5,030	311	20,230
Capital expenditures	286	177	101	70	230	32	896

(1) In 2010, Bunge recorded pretax impairment charges of $77 million in cost of goods sold related to its operations in Europe, Brazil and the U.S. Of these pretax impairment charges $35 million of these charges was allocated to the agribusiness segment, $28 million to the edible oil products segment and $14 million to the milling products segment. In addition, Bunge recorded pretax restructuring charges of $19 million in cost of goods sold, related primarily to termination benefit costs of its U.S. and Brazil operations, which it allocated $10 million, $1 million, $4 million and $4 million to its agribusiness, sugar and bioenergy, edible oil products and fertilizer segment,

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Operating Segments and Geographic Areas (Continued)

respectively. Bunge also recorded $10 million in selling, general and administrative expenses, related to its Brazilian operations, which it allocated $3 million, $3 million, $3 million and $1 million to its agribusiness, sugar and bioenergy, edible oil products and milling products segment, respectively, in its consolidated statements of income (see Note 9 of the notes to the consolidated financial statements).

In 2009, Bunge recorded pretax impairment charges of $5 million in cost of goods sold, relating to the permanent closure of a smaller, older and less efficient oilseed processing and refining facility, in its agribusiness segment. In addition, Bunge recorded pretax impairment charges of $26 million in selling, general and administrative expenses, relating to the write-down of certain real estate assets and a biodiesel equity investment, in its agribusiness segment.

In 2008, Bunge recorded pretax asset impairment and restructuring charges of $23 million in the agribusiness segment and $3 million in the edible oil products segment. The impairment and restructuring charges related to permanent closure of older less efficient facilities and related employee termination costs, and environmental expenses. These impairment and restructuring charges are recorded in cost of goods sold in Bunge's consolidated statements of income (see Note 9 of the notes to the consolidated financial statements).

(2)
Includes noncontrolling interest share of interest and tax to reconcile to consolidated net income attributable to noncontrolling interest and other amounts not attributable to Bunge's operating segments.

(3)
In 2010, Bunge sold its Brazilian fertilizer nutrients assets, including its interest in Fertilizantes Fosfatados S.A. (Fosfertil). Bunge recognized a pretax gain of $2,440 million on this transaction which is included in segment EBIT (see Note 3 of the notes to the consolidated financial statements). Also, included in segment EBIT for 2010 is an unallocated loss of $90 million related to loss on extinguishment of debt (see Note 17 of the notes to the consolidated financial statements).

Total segment earnings before interest and taxes (EBIT) is an operating performance measure used by Bunge's management to evaluate segment operating activities. Bunge's management believes total segment EBIT is a useful measure of operating profitability, since the measure allows for an evaluation of the performance of its segments without regard to its financing methods or capital structure. In addition, EBIT is a financial measure that is widely used by analysts and investors in Bunge's industries.

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

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Total segment EBIT	**$ 3,228**	$ 443	$ 1,363
Interest income	**69**	122	214
Interest expense	**(298)**	(283)	(361)
Income tax (expense) benefit	**(689)**	110	(245)
Noncontrolling interest share of interest and tax	**44**	(31)	93
Net income attributable to Bunge	**$ 2,354**	$ 361	$ 1,064

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Operating Segments and Geographic Areas (Continued)

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

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Agricultural commodities products	**$ 30,138**	$ 27,934	$ 35,670
Sugar and bioenergy products	**4,455**	2,577	1,018
Edible oil products	**6,783**	6,184	8,216
Wheat milling products	**1,082**	985	1,285
Corn milling products	**523**	542	525
Fertilizer products	**2,726**	3,704	5,860
Total	**$ 45,707**	$ 41,926	$ 52,574

Geographic area information for net sales to external customers, determined based on the location of the subsidiary making the sale, and long-lived assets follows:

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Net sales to external customers:			
Europe	**$ 15,490**	$ 13,815	$ 18,189
United States	**10,441**	10,267	12,153
Brazil	**9,027**	9,203	11,998
Asia	**6,136**	5,385	5,524
Argentina	**2,918**	1,836	2,730
Canada	**1,658**	1,388	1,954
Rest of world	**37**	32	26
Total	**$ 45,707**	$ 41,926	$ 52,574

	Year Ended December 31,		
(US$ in millions)	**2010**	**2009**	**2008**
Long-lived assets (1):			
Europe	**$ 986**	$ 1,021	$ 1,080
United States	**1,176**	977	904
Brazil	**4,103**	3,971	2,620
Asia	**279**	178	161
Argentina	**300**	228	226
Canada	**172**	174	157
Rest of world	**25**	17	14
Total	**$ 7,041**	$ 6,566	$ 5,162

(1) Long-lived assets include property, plant and equipment, net, goodwill and other intangible assets, net and investments in affiliates.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. Quarterly Financial Information (Unaudited)

	Quarter				
(US$ in millions, except per share data)	**First**	**Second**	**Third**	**Fourth**	**Year End**
2010 (1)					
Volumes (in millions of metric tons)	32	36	35	32	135
Net sales	$ 10,345	$ 10,974	$ 11,662	$ 12,726	$ 45,707
Gross profit	545	425	712	829	2,511
Net income	80	1,787	206	315	2,388
Net income attributable to Bunge	63	1,778	212	301	2,354
Earnings per common share basic					
Net income	$ 0.57	$ 12.41	$ 1.48	$ 2.23	$ 16.91
Earnings to Bunge common shareholders	$ 0.31	$ 12.21	$ 1.38	$ 2.07	$ 16.20
Earnings per common share diluted (2)					
Net income	$ 0.57	$ 11.21	$ 1.39	$ 2.04	$ 15.28
Earnings to Bunge common shareholders	$ 0.31	$ 11.15	$ 1.36	$ 1.95	$ 15.06
Weighted-average number of shares outstanding basic	140,112,091	144,034,189	139,600,641	141,025,069	141,191,136
Weighted-average number of shares outstanding diluted	141,286,541	159,448,713	147,993,316	154,382,325	156,274,814
Market price:					
High	$ 71.29	$ 61.85	$ 61.61	$ 65.52	
Low	$ 56.90	$ 47.19	$ 46.29	$ 57.45	
2009					
Volumes (in millions of metric tons)	32	38	37	34	141
Net sales	$ 9,198	$ 10,994	$ 11,298	$ 10,436	$ 41,926
Gross profit	135	412	343	314	1,204
Net (loss) income	(176)	322	197	(8)	335
Net income attributable to Bunge	(195)	313	232	11	361
Earnings per common share basic					
Net (loss) income	$ (1.45)	$ 2.64	$ 1.54	$ (0.60)	$ 2.65
Earnings (loss) to Bunge common shareholders	$ (1.76)	$ 2.40	$ 1.82	$ (0.21)	$ 2.24
Earnings per common share diluted (2)					
Net (loss) income	$ (1.45)	$ 2.34	$ 1.37	$ (0.60)	$ 2.62
Earnings (loss) to Bunge common shareholders	$ (1.76)	$ 2.28	$ 1.62	$ (0.21)	$ 2.22
Weighted-average number of shares outstanding basic	121,730,058	122,026,034	127,800,921	134,084,639	126,448,071
Weighted-average number of shares outstanding diluted	121,730,058	137,576,049	143,540,130	134,084,639	127,669,822

Market price:				
High	$ 59.33	$ 67.89	$ 72.41	$ 68.51
Low	$ 41.61	$ 46.58	$ 54.44	$ 57.06

(1) In 2010, Bunge sold its Brazilian fertilizer nutrients assets, including its interest in Fertilizantes Fosfatados S.A. (Fosfertil). Bunge recognized a pretax gain of $2,440 million on this transaction which is included in segment EBIT (see Note 3 of the notes to the consolidated financial statements). Also, included

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. Quarterly Financial Information (Unaudited) (Continued)

in segment EBIT for 2010 is an unallocated loss of $90 million related to loss on extinguishment of debt (see Note 17 of the notes to the consolidated financial statements).

(2) Earnings per share to Bunge common shareholders for both basic and diluted is computed independently for each period presented. As a result, the sum of the quarterly earnings per share for the years ended December 31, 2010 and 2009 does not equal the total computed for the year.

29. Subsequent Events

On February 10, 2011, one of Bunge's European subsidiaries acquired a port facility in Ukraine for a total purchase price of approximately $100 million.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BUNGE LIMITED

Dated: December 22, 2011

By: /s/ ANDREW J. BURKE

Andrew J. Burke
Chief Financial Officer and
Global Operational Excellence Officer