Bunge LTD
Form 10-K
February 28, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2013

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 (State or other jurisdiction of incorporation or organization)	**98-0231912** (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 o (do not check if a smaller reporting company)	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, 2013, as reported by the New York Stock Exchange, was approximately $10,314 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 21, 2014, 147,512,630 Common Shares, par value $.01 per share, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2013 Annual General Meeting of Shareholders to be held on May 23, 2014 are incorporated by reference into Part III.

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Cautionary Statement Regarding Forward Looking Statements

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

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

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

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PART I

Item 1. *Business*

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

Business Overview

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

- global oilseed processor and producer of vegetable oils and protein meals, based on processing capacity;
- producer of sugar and ethanol in Brazil and a leading global trader and merchandiser of sugar, based on volume; and
- seller of packaged vegetable oils worldwide, based on sales

Our strategy is to grow profitably by growing our core businesses, expanding into adjacent businesses where we can capitalize on our key competencies and pursuing operational excellence.

We conduct our operations in four principal business areas: agribusiness, sugar and bioenergy, food and ingredients and fertilizer. These business areas include five reportable business segments: agribusiness, sugar and bioenergy, edible oil products, milling products and fertilizer.

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

Our sugar and bioenergy segment produces and sells sugar and ethanol derived from sugarcane, as well as energy derived from their production process, through our operations in Brazil. Our integrated operations in this segment also include global merchandising of sugar and ethanol, and we have a minority investment in a corn-based ethanol producer in the United States and a 50% interest in a corn wet milling joint venture in Argentina. In December 2013, we sold our 50% investment in another corn-based ethanol producer in the United States to our joint venture partner for $10 million in cash.

Our food and ingredients operations consist of two reportable business segments: edible oil products and milling products. These segments include businesses that produce and sell edible oil based products, including oils, shortenings, margarines, and mayonnaise and milled grain products such as wheat flours, corn-based products and rice. The operations and assets of our milling products segment are located in Brazil, the United States and Mexico and the operations and assets of our edible oil products segment are located in North America, Europe, Brazil, China and India.

Our fertilizer segment is involved in producing, blending and distributing fertilizer products for the agricultural industry in South America, with assets and operations primarily located in Argentina. In August 2013, we completed the sale of our Brazilian fertilizer blending and distribution business, including blending facilities, brands and warehouses, to Yara International ASA (Yara) for $750 million in cash. In December 2013, we also sold our interest in our Moroccan fertilizer joint venture, Bunge Maroc Phosphore S.A., to our joint venture partner for $37 million in cash.

History and Corporate Information

Bunge Limited is a limited liability company formed under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC20791. We trace our history

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

2013 Summary Highlights In 2013, we continued to expand our agribusiness operations, including building a new port terminal and barge transshipment facility in northern Brazil, investing in port infrastructure in Paranagua, Brazil, building a new oilseed processing and refining facility in Altona, Canada and export loading facility in Bunbury, Australia. We also initiated an expansion for oilseed processing capacity in Asia and commenced expansion of our export capabilities in the port of Nikolayev, Ukraine where we also have plans to build a multi-oilseed processing facility. In sugar and bioenergy, our joint venture with Aceitera General Deheza S.A. in Argentina completed the construction of a corn wet mill. We continued to invest in sugarcane planting to maintain the supply of raw material for our sugarcane mills and in agricultural machinery and other assets to expand the proportion of mechanized harvesting and to improve the efficiency of our agricultural operations. In addition, we expanded cogeneration capacity at several of our sugarcane mills and invested in our joint venture with Solazyme Incorporated to build and operate a renewable oils production facility adjacent to one of our mills. In our food and ingredients operations, we continued to expand our business through acquisition of a leading wheat miller in Mexico, Grupo Altex S.A. In addition, we purchased a wheat mill in Minas Gerais, Brazil and completed construction of an oil packaging facility in Decatur, Alabama. In our fertilizer segment, we completed the sales of our Brazilian fertilizer distribution business to Yara International and our interest in our Moroccan fertilizer joint venture to OCP S.A.

Agribusiness

Overview Our agribusiness segment is an integrated global business involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products while managing risk across various product lines. The principal agricultural commodities that we handle in this segment are oilseeds, primarily soybeans, rapeseed or canola, and sunflower seed, and grains, primarily wheat and corn. We process oilseeds into vegetable oils and protein meals, principally for the food, animal feed and biodiesel industries through a global network of facilities. Our footprint is well balanced with approximately 36% of our processing capacity located in South America, 29% in North America, 20% in Europe and 15% in Asia. We also participate in the biodiesel industry, generally as a minority investor in biodiesel producers, primarily in Europe and Argentina. In connection with these biodiesel investments, we typically seek to negotiate arrangements to supply the vegetable oils used as raw materials in the biodiesel production process.

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

Distribution and Logistics We have developed an extensive global logistics network to transport our products, including trucks, railcars, river barges and ocean freight vessels. Typically, we either lease the transportation assets or contract with third parties for these services. To better serve our customer

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base and develop our global distribution and logistics capabilities, we own or operate various port logistics and storage facilities globally, including in Brazil, Argentina, Russia, Ukraine, Vietnam, Poland, Canada and the United States.

Financial Services and Activities We also offer various financial services, including asset management, trade structured finance and financial risk management services for customers and investors. Our asset management business develops and markets investment funds, including, through our subsidiary Climate Change Capital Limited, funds focused on sustainability oriented companies and projects and related advisory services. Our trade structured finance operations leverage our international trade flows to generate trade finance derived liquidity in emerging markets for customers. Our financial risk management services include structuring and marketing over-the-counter risk management products to enable agricultural producers and end users of commodities to manage their commodity price risk exposures. Through our financial services group we are also engaged in risk management involving proprietary trading of foreign exchange and other financial instruments. Additionally, in Brazil, where there are limited third-party financing sources available to farmers for their annual production of crops, we provide financing services to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances. These financing arrangements are generally intended to be short-term in nature and are typically secured by the farmer's crop. These arrangements typically carry local market interest rates. Our farmer financing activities are an integral part of our grain and oilseed origination activities as they help assure the annual supply of raw materials for our Brazilian agribusiness operations.

Raw Materials We purchase oilseeds and grains either directly from farmers or indirectly through intermediaries. Although the availability and price of agricultural commodities may, in any given year, be affected by unpredictable factors such as weather, government programs and policies and farmer planting decisions, our operations in major crop growing regions globally have enabled us to source adequate raw materials for our operational needs.

Competition Due to their commodity nature, markets for our products are highly competitive and subject to product substitution. Competition is principally based on price, quality, product and service offerings and geographic location. Major competitors include: The Archer Daniels Midland Co. (ADM), Cargill Incorporated (Cargill), Louis Dreyfus Group, Glencore International PLC, large regional companies such as Wilmar International Limited, Noble Group Limited and Olam International in Asia, and other companies in various countries.

Sugar and Bioenergy

Overview We are a leading, integrated producer of sugar and ethanol in Brazil, and a leading global trader and merchandiser of sugar. We wholly own or have controlling interests in eight sugarcane mills in Brazil, the world's largest producer and exporter of sugar. As of December 31, 2013, our mills had a total crushing capacity of approximately 21 million metric tons of sugarcane per year. Sugarcane, which is the raw material that we use to produce sugar and ethanol, is supplied by a combination of our own plantations and third-party farmers. Additionally, through cogeneration facilities at our sugarcane mills, we produce electricity from the burning of sugarcane bagasse (the fibrous portion of the sugarcane that remains after the extraction of sugarcane juice) in boilers, which enables our mills to meet their energy requirements and, for most mills, sell surplus electricity to the local grid or other large third-party users of electricity. Our trading and merchandising activities are managed through our London office, which also oversees our regional marketing offices in other locations and manages sugar price risk for our business. We also participate in the corn-based ethanol industry, where we have a minority investment in a U.S. ethanol production facility and a 50% interest in a joint venture in Argentina. Over the past three years, our sugar milling business in Brazil has faced a number of significant challenges, including adverse weather which negatively affected the supply and

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quality of the sugarcane supplied to our mills, as well as structural challenges stemming from low global sugar prices, domestic cost inflation and the Brazilian government's fuel policy, which has kept ethanol prices capped in order to control inflation. The combination of these and other factors has resulted in Bunge's decision to reduce the capital allocated to this business beginning in 2014, with future investment dedicated to agricultural and industrial maintenance and efficiency projects. Additionally, we have announced that we have commenced a comprehensive process to explore all alternatives to optimize the value of this business.

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

Our mills are supplied with sugarcane grown on approximately 333,000 hectares of land. This land represents approximately 17,000 hectares of land that we own, 214,000 hectares of land that we manage under agricultural partnership arrangements and 102,000 hectares of land farmed by third-party farmers. In 2013, approximately 61% of our total milled sugarcane came from our owned or managed plantations and 39% was purchased from third-party suppliers. Payments under the agricultural partnership agreements and third-party supply contracts are based on a formula which factors in the volume of sugarcane per hectare, sucrose content of the sugarcane and market prices for sugarcane, which are set by Consecana, the São Paulo state sugarcane and sugar and ethanol council.

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

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

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

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

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

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Electricity We generate electricity from burning sugarcane bagasse in our mills. As of December 31, 2013, our total installed cogeneration capacity was approximately 314 megawatts, with 112 megawatts available for resale to third parties after supplying our mills' energy requirements, representing approximately 545,000 megawatt hours of electricity available for resale.

Customers The sugar we produce at our mills is sold in both the Brazilian domestic and export markets. Our domestic customers are primarily in the confectionary and food processing industries. The ethanol we produce is primarily sold to customers for use in the Brazilian domestic market to meet the growing demand for fuel. We also export ethanol in the international market, but recent export volumes have been relatively low due to tight ethanol supplies in Brazil. Our sugar trading and merchandising operations purchase and sell sugar and ethanol from our own operations as well as third parties to meet international demand.

Competition We face competition from both Brazilian and international participants in the sugar industry. Our major competitors in Brazil include Cosan Limited, São Martinho S.A., LDC-SEV Bioenergia, and ED&F Man. Our major international competitors include British Sugar PLC, Südzucker AG, Cargill, Tereos Group, Sucden Group and Noble Group Limited.

Food and Ingredients

Overview Our food and ingredients operations include two reportable business segments: edible oil products and milling products. We primarily sell our products to three customer types or market channels: food processors, food service companies and retail outlets. The principal raw materials used in our food and ingredients business area are various crude and further-processed vegetable oils in our edible oil products segment, and corn, wheat and rice in our milling products segment. These raw materials are agricultural commodities that we either produce or purchase from third parties. We seek to realize synergies between our food and ingredients and agribusiness operations through our raw material procurement activities, enabling us to benefit from being an integrated, global enterprise. In December 2013, we acquired Grupo Altex, S.A. de C.V. (Altex) in our milling products segment for $214 million in cash, net of $7 million of cash acquired and non-cash settlement of an existing loan to Altex of $96 million. The purchase price is subject to a post-closing working capital adjustment to be finalized within 90 days after the acquisition.

Edible Oil Products

Products Our edible oil products include packaged and bulk oils, shortenings, margarines, mayonnaise and other products derived from the vegetable oil refining process. We primarily use soybean, sunflower and rapeseed or canola oil that we produce in our oilseed processing operations as raw materials in this business. We are a leading seller of packaged vegetable oils worldwide, based on sales. We have edible oil refining and packaging facilities in North America, South America, Europe and Asia. We market our edible oil products under various brand names, depending on the region, and in several regions we also sell packaged edible oil products to grocery store chains for sale under their own private labels.

In Brazil, our retail brands include *Soya*, the leading packaged vegetable oil brand, as well as *Primor* and *Salada*. We are also a leading player in the Brazilian margarine market with our brands *Delicia, Soya* and *Primor*, as well as in mayonnaise with our *Primor*, *Soya* and *Salada* brands. Our brand, *Bunge Pro,* is the leading food service shortening brand in Brazil. We also produce processed tomato and other staple food products, including sauces, pastes, condiments and seasonings in Brazil under established brand names, including *Etti*.

In the United States and Canada, our leading products include *Nutra-Clear NT Ultra*, a high oleic canola oil that is trans fat free and low in saturated fats that is marketed as a frying solution for large food service and food processor customers. We have also introduced *Pour'n Fry NT Ultra*, a high oleic

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soybean oil, thereby expanding our offerings of highly stable, trans fat free edible oil solutions. Most recently, we have developed proprietary processes that allow us to offer bakery and food processor customers a reduction in saturated fats in both shortenings and margarines of up to 40%. We also produce margarines and buttery spreads, including our leading brand *Country Premium*, for food service, food processor and retail private label customers.

In Europe, we are a leader in consumer packaged vegetable oils, which are sold in various geographies under brand names including *Venusz, Floriol, Kujawski, Olek, Unisol, Ideal, Oleina, Maslenitsa, Oliwier* and *Rozumnitsa* and a leader in margarines, including *Smakowita, Maslo Rosline, Manuel, Masmix, Deli Reform, Keiju, Evesol, Linco, Gottgott, Suvela and Holland Premium.*

In India, our brands include *Dalda*, *Ginni* and *Chambal* in edible oils; *Dalda* and *Gagan* in vanaspati and *Masterline* in professional bakery fats. In China, our edible oil brand is Dou Wei Jia.

Customers Our customers include many of the world's leading food processors and manufacturers who are leading brand owners. These includes baked goods companies, snack food producers, restaurant chains, food service distributors and other food manufacturers who use vegetable oils and shortenings as ingredients in their operations, as well as grocery chains, wholesalers, distributors and other retailers who sell to consumers.

Competition Competition is based on a number of factors, including price, raw material procurement, brand recognition, product quality, innovation and technical support, new product introductions, composition and nutritional value and advertising and promotion. Our products may compete with widely advertised, well-known, branded products, as well as private label and customized products. In addition, consolidation in the supermarket industry has resulted in customers demanding lower prices and reducing the number of suppliers with which they do business. As a result, it is increasingly important to obtain adequate access to retail outlets and shelf space for our retail products. In the United States, Brazil and Canada, our principal competitors in the edible oil products business include ADM, Cargill, Stratas Foods, Unilever, Ventura Foods LLC and Brasil Foods S.A. In Europe, our principal competitors include ADM, Cargill, Unilever and various local companies in each country.

Milling Products

Products Our milling products segment activities include the production and sale of a variety of wheat flours and bakery mixes in Brazil and Mexico, corn-based products in the United States and Mexico derived from the corn dry milling process and milled rice products in the United States and Brazil. Our brands in Brazil include *Suprema, Soberana, Primor* and *Predileta* wheat flours and *Gradina, Bentamix* and *Pre-Mescla* bakery premixes. Our corn milling products consist primarily of dry-milled corn meals, flours and grits (including flaking and brewer's grits), as well as soy-fortified corn meal, corn-soy blend and other similar products. We mill and sell bulk and packaged rice in the U.S. and also sell branded rice in Brazil under the *Primor* brand. Our wheat flour and bakery mix brands in Mexico include *Espiga, Esponja, Francesera, Chulita, Galletera* and *Pastelera.*

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

Competition In Brazil, our major competitors are Predileto Alimentos, M. Dias Branco, Moinho Pacifico and Moinho Anaconda, as well as many small regional producers. Our major competitors in our North American corn milling products business include Cargill, Didion Milling Company, SEMO Milling, LLC and Life Line Foods, LLC. Our major competitors in our U.S. rice milling business

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include ADM and Farmers Rice Cooperative. Our major competitors in Mexico include Grupo Elizondo, Molinera de México and Grupo Trimex.

Fertilizer

Overview Through our operations in Argentina, we produce, blend and distribute a range of NPK fertilizers, including phosphate-based liquid and solid nitrogen fertilizers. NPK refers to nitrogen (N), phosphate (P) and potash (K), the main components of chemical fertilizers.

Sale of Brazilian Fertilizer Blending and Distribution Business and Interest in Morocco Joint Venture In August 2013, we completed the sale of our Brazilian fertilizer blending and distribution business, including blending facilities, brands and warehouses, to Yara International ASA for $750 million. Through a long-term supply agreement with Yara, we will continue to supply fertilizer to farmers in Brazil as part of our grain origination activities. We will also continue to operate our fertilizer terminal in the Port of Santos, Brazil. Additionally, in December 2013, we completed the sale of our 50% interest in a joint venture to produce fertilizer products in Morocco to OCP S.A., our joint venture partner for $37 million.

Products and Services The NPK fertilizers we produce are used for the cultivation of a variety of crops, including soybeans, corn, sugarcane, cotton, wheat and coffee. We market these products under the *Bunge* brand, as well as the *Solmix* brand. We also produce single superphosphate (SSP), ammonia and urea.

Raw Materials Our principal raw materials in this segment are SSP, monoammonium phosphate (MAP), diammonium phosphate (DAP), triple superphosphate (TSP), urea, ammonium sulfate, potassium chloride concentrated phosphate rock, sulfuric acid and natural gas.

The prices of fertilizer raw materials are typically based on international prices that reflect global supply and demand factors and global transportation and other logistics costs. Each of these fertilizer raw materials is readily available in the international market from multiple sources.

Competition Competition is based on delivered price, product offering and quality, location, access to raw materials, production efficiency and customer service, including in some cases, customer financing terms. Our main competitors in our fertilizer operations are YPF, The Mosaic Company and Profertil S.A.

Risk Management

Risk management is a fundamental aspect of our business. Engaging in the hedging of risk exposures and anticipating market developments are critical to protect and enhance our return on assets. As such, we are active in derivative markets for agricultural commodities, energy, ocean freight, foreign currency and interest rates. We seek to leverage the market insights that we gain through our global operations across our businesses by actively managing our physical and financial positions on a daily basis. Our risk management decisions take place in various locations but exposure limits are centrally set and monitored. For commodity, foreign exchange, interest rate, energy and transportation risk, our risk management decisions are made in accordance with applicable company policies. Commodity exposure limits are designed to consider notional exposure to price and relative price (or "basis") volatility, as well as value-at-risk limits. Credit and counterparty risk is managed locally within our business units and monitored regionally and globally. We have a corporate risk management group, which oversees management of various risk exposures globally, as well as local risk managers and committees in our operating companies. The Finance and Risk Policy Committee of our Board of Directors oversees and periodically reviews our overall risk management policies and risk limits. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

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Operating Segments and Geographic Areas

We have included financial information about our reportable segments and our operations by geographic area in Note 28 of the notes to the consolidated financial statements.

Investments in Affiliates

We participate in various unconsolidated joint ventures and other investments accounted for using the equity method. Certain equity method investments at December 31, 2013 are described below. We allocate equity in earnings of affiliates to our reporting segments.

Agribusiness

PT Bumiraya Investindo We have a 35% ownership interest in PT Bumiraya Investindo, an Indonesian palm plantation company.

Bunge-SCF Grain, LLC We have a 50% interest in Bunge-SCF Grain, LLC, a joint venture with SCF Agri/Fuels LLC that operates grain facilities along the Mississippi River.

Caiasa Paraguay Complejo Agroindustrial Angostura S.A. We have a 33.33% ownership interest in this oilseed processing facility joint venture with Louis Dreyfus Commodities and Aceitera General Deheza S.A. (AGD), in Paraguay.

Diester Industries International S.A.S. (DII) We are a party to this joint venture with Diester Industries, a subsidiary of Sofiproteol, which produces and markets biodiesel in Europe. We have a 40% interest in DII.

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

Augustea Bunge Maritime Ltd. Bunge has a joint venture in Malta with Augustea Atlantica S.p.A.(Augustea) which was formed to acquire, own, operate, charter and sell dry-bulk ships. Bunge has a 49.15% interest in this joint venture.

Sugar and Bioenergy

ProMaiz We are a party to this joint venture in Argentina with AGD for the construction and operation of a corn wet milling facility. We are a 50% owner in this joint venture.

Southwest Iowa Renewable Energy, LLC (SIRE) We are a 25% owner of SIRE. The other owners are primarily agricultural producers located in Southwest Iowa. SIRE operates an ethanol plant near our oilseed processing facility in Council Bluffs, Iowa.

Solazyme Bunge Renewable Oils We have a 49.9% interest in a joint venture with Solazyme Incorporated for the construction and operation of a renewable oils production facility in Brazil, which will use sugar supplied by one of our mills to produce renewable oils.

Research and Development, Innovation, Patents and Licenses

Our research and development activities are focused on developing products and improving processes that will drive growth or otherwise add value to our core business operations. In our food and ingredients business area, we have research and development centers located in the United States, Brazil and Hungary to develop and enhance technology and processes associated with product development. Additionally, the evolution of biotechnology has created opportunities to develop and

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commercialize processes related to the transformation of oilseeds, grains and other commodities. To better take advantage of related opportunities, our global innovation activities involve scouting, developing, buying, selling and/or licensing next generation technologies in food, feed, fuel and fertilizer.

Our total research and development expenses were $19 million in 2013, $19 million in 2012 and $21 million in 2011. As of December 31, 2013, our research and development organization consisted of 150 employees worldwide.

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

Seasonality and Working Capital Needs

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

We experience seasonality in our sugar and bioenergy segment as a result of the Brazilian sugarcane growing cycle. In the Center-South of Brazil, the sugarcane harvesting period typically begins in late March and ends in early December. This creates fluctuations in our sugar and ethanol inventories, which usually peak in December to cover sales between crop harvests. The sugar segment is also impacted by the yield development during the crop years where the sugar content in the cane is lowest at the start and highest in the middle of the crop. As a result of the above factors, there may be significant variations in our results of operations from one quarter to another.

In our food and ingredients segments, there are no significant seasonal effects on our business.

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

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

Government Regulation

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

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

In recent years, there has been increased interest globally in the production of biofuels as alternatives to traditional fossil fuels and as a means of promoting energy independence in certain countries. Biofuels convert crops, such as sugarcane, corn, soybeans, palm, rapeseed or canola and other oilseeds, into ethanol or biodiesel to extend, enhance or substitute for fossil fuels. Production of biofuels has increased significantly in recent years in response to high fossil fuel prices coupled with government incentives for the production of biofuels that are being offered in many countries, including the United States, Brazil, Argentina and many European countries. Furthermore, in certain countries, governmental authorities are mandating biofuels use in transport fuel at specified levels. As such, the markets for agricultural commodities used in the production of biofuels have become increasingly affected by the growth of the biofuel industry and related legislation.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010, the European Market Infrastructure Regulation (EMIR) of 2013, as well as anticipated revisions to Europe's Markets in Financial Instruments Directive (MiFID 2) and Market Abuse Regulation (MAR) have generated, and will continue to generate, numerous new rules and regulations that will have a significant impact on the derivatives market. While it is difficult to predict at this time the collective impact these regulations will have on us, they could impose significant additional costs on us relating to derivatives transactions, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain derivatives transactions.

Environmental Matters

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

Additionally, our business could be affected in the future by regulation or taxation of greenhouse gas emissions. It is difficult to assess the potential impact of any resulting regulation of greenhouse gas emissions. Potential consequences could include increased energy, transportation and raw material costs, and we may be required to make additional investments to modify our facilities, equipment and processes. As a result, the effects of additional climate change regulatory initiatives could have adverse impacts on our business and results of operations. Compliance with environmental laws and regulations did not materially affect our earnings or competitive position in 2013.

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Competitive Position

Markets for most of our products are highly price competitive and many are sensitive to product substitution. Please see the "Competition" section contained in the discussion of each of our operating segments above for a discussion of competitive conditions, including our primary competitors in each segment.

Employees

As of December 31, 2013, we had approximately 35,000 employees. Many of our employees are represented by labor unions, and their employment is governed by collective bargaining agreements. In general, we consider our employee relations to be good.

Risks of Foreign Operations

We are a global business with substantial assets located outside of the United States from which we derive a significant portion of our revenue. In addition, part of our strategy involves expanding our business in several emerging markets, including Eastern Europe, Asia, the Middle East and Africa. Volatile global and regional economic, political and market conditions may have a negative impact on our operating results and our ability to achieve our business strategies. For additional information, see the discussion under "Item 1A. Risk Factors."

Insurance

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

Available Information

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

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

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

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

Executive Officers and Key Employees of the Company

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

Name	Position
Soren Schroder	Chief Executive Officer
Todd Bastean	Chief Executive Officer, Bunge North America
Andrew Burke	Chief Financial Officer
Michael Goettl	Chief Executive Officer, Bunge Asia
Gordon Hardie	Managing Director, Food & Ingredients
Enrique Humanes	Chief Executive Officer, Bunge Southern Cone
Tommy Jensen	Chief Executive Officer, Bunge Europe, Middle East & Africa
Frank R. Jimenez	General Counsel, Secretary and Managing Director, Government Affairs
Pierre Mauger	Chief Development and Performance Management Officer
Raul Padilla	Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines
Pedro Parente	President and Chief Executive Officer, Bunge Brazil
D. Benedict Pearcy	Managing Director, Sugar and Bioenergy
Vicente C. Teixeira	Chief Personnel Officer
Christopher White	Senior Advisor

Soren Schroder, 52 Mr. Schroder has been our Chief Executive Officer since June 1, 2013. Prior to his current position, he was the Chief Executive Officer of Bunge North America since April 2010. Previously, he served as Vice President of Agribusiness for Bunge Europe since June 2006 and in a variety of agribusiness leadership roles at the company in the United States and Europe since joining Bunge in 2000. Prior to joining Bunge, he worked for over 15 years at Continental Grain and Cargill. Mr. Schroder is a member of Rabobank Intnt style="font-family:inherit;font-size:10.5pt;">10.5x

ARB Midstream, LLC

Platte River gathering system from Rimrock Midstream Holdings, LLC

NA

Enlink Midstream, LLC and EnLink Midstream Partners, LP

Tall Oak Midstream, LLC

19.4x

Global Infrastructure Partners LP

Bakken midstream assets from Hess Corporation

18.1x

Enterprise Products Partners LP

EFS Midstream LLC

12.0x

Howard Midstream Energy Partners, LLC

Pennsylvania natural gas gathering assets from Southwestern Energy Company

10.5x

EQT Midstream Partners, LP

West Virginia Marcellus gathering system from EQT Corporation

10.6x
Western Gas Partners, LP

Interest in Delaware Basin gathering system from Anadarko Petroleum Corporation

8.8x

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EnLink Midstream Partners, LP	EnLink Midstream Holdings, LP	9.0x
EnLink Midstream Partners, LP	Coronado Midstream, LLC	16.0x
Western Gas Partners, LP	Nuevo Midstream, LLC	8.5x

9. The disclosure in the table under the subheading "Selected Precedent Transaction Analysis—Dropdown Assets" on pages 61-62 is hereby amended and supplemented by adding the trading multiples utilized by Lazard for each of the transactions listed:

"Pipeline JV Transactions"

Acquiror	Target	EBITDA Multiple
Ontario Municipal Employees Retirement System	BridgeTex Pipeline Company LLC	12.0x
Alinda Capital Partners LLC	Maurepas Pipeline LLC	13.0x
Lotus Midstream LLC and Moda Midstream LLC	Ingleside Energy Center and Centurion pipeline system from Occidental Petroleum Corp.	14.4x
ONEOK, Inc.	West Texas LPG Pipeline Limited Partnership	14.0x
Andeavor	Rangeland Energy II, LLC	9.0x
BlackRock Inc.	Glass Mountain Pipeline, LLC	15.0x
Blackstone Energy Partners	Grand Prix Pipeline from Targa Resources Corp.	10.0x
Holly Energy Partners, L.P.	SLC Pipeline and Frontier Aspen Pipeline from Plains All American, L.P.	10.9x
MPLX LP	Ozark Crude Oil Pipeline from Enbridge Inc.	8.0x
Valero Energy Partners LP	Red River pipeline from Plains All American Pipeline, L.P.	8.5x
Sunoco Logistics Partners LP	Permian Basin crude oil system from Vitol Group	13.8x
Phillips 66 Partners LP	Natural gas liquids logistics system from Chevron Corp.	10.0x
Shell Midstream Partners, L.P.	Zydeco Pipeline Company LLC; Bengal Pipeline Company LLC; Colonial Pipeline Company	8.8x
Tallgrass Energy Partners, LP	Tallgrass Pony Express Pipeline, LLC	9.0x
Western Refining Logistics, LP	Pipeline assets located in Texas and New Mexico from Western Refining, Inc.	9.6x
Shell Midstream Partners, L.P.	Poseidon Oil Pipeline Company LLC	9.5x
Shell Midstream Partners, L.P.	Zydeco Pipeline Company LLC and Colonial Pipeline Company	10.0x
EnLink Midstream Partners, LP	Victoria Express Pipeline and related assets from Devon Energy Corporation	10.0x
Phillips 66 Partners LP	Sand Hills and Southern Hills natural gas liquids pipeline systems and Explorer refined products pipeline system from Phillips 66	9.5x
Rose Rock Midstream, L.P.	Wattenberg Oil Trunkline System and Glass Mountain Pipeline from SemGroup Corporation	11.0x
Kinder Morgan, Inc.	Hiland Partners	16.0x
MPLX LP	Pipeline and storage facility assets from Marathon Petroleum Corporation	10.0x
Plains All American Pipeline, L.P.	BridgeTex Pipeline Company	10.5x
Enbridge Energy Partners L.P.	Alberta Clipper Pipeline from Enbridge, Inc.	11.0x
Tallgrass Energy Partners, LP	Tallgrass Pony Express Pipeline, LLC	9.0x

Rose Rock Midstream, L.P.	White Cliffs Pipeline from SemGroup Corporation	12.9x
Martin Midstream Partners L.P.	West Texas LPG Pipeline L.P.	13.5x

10. The table appearing on pages 66-67 under the heading “Unaudited Forecasted Financial Information of Status Quo WES” and footnotes thereto are amended and restated as follows:

$ in millions, except per unit amounts	2018E	2019E	2020E	2021E
Net Revenues[1]	$1,571	$2,028	$2,228	$2,312
Operating Expenses				
Operation and Maintenance	$424	$575	$591	$581
Cash General and Administrative	$50	$62	$64	$66
Property and Other Taxes	$46	$54	$57	$57
Total Operating Expenses	$520	$690	$712	$705
Equity Investment Distributions	$161	$191	$238	$243
Non-Controlling Interest Adjustment[2]	$(13)	$(13)	$(14)	$(12)
Contingency	$—	$(39)	$(45)	$(48)
Adjusted EBITDA[3]	$1,200	$1,476	$1,694	$1,791
Cash Interest Expense	$(191)	$(257)	$(284)	$(309)
Maintenance Capital Expenditures	$(88)	$(82)	$(93)	$(90)
Above-Market Component of Swaps	$54	$—	$—	$—
Recognized Service Revenues Adjustment	$—	$5	$5	$8
Other[4]	$3	$(3)	$(4)	$(4)
Distributable Cash Flow[5]	$978	$1,140	$1,319	$1,396
Distributable Cash Flow attributable to each limited partner unit	$3.79	$4.28	$4.83	$5.06

Notes:

1. Net Revenues is calculated by subtracting cost of product from revenues.
2. Represents the adjustment for the 25% interest in Chipeta Processing LLC not owned by WES.
3. Adjusted EBITDA is defined as revenues less cost of product, operation and maintenance expense, cash general and administrative expense, property and other taxes, plus distributions from equity investments, and less adjustments for the non-controlling interest associated with the Chipeta complex. For years 2019 and thereafter, management also applied a 2.5% downward contingency to the original projections of Adjusted EBITDA (prior to the subtraction of cash general and administrative expenses) to account for its views as to uncertainty in future year projections.
4. Represents state margin tax cash payments.
5. Distributable cash flow is defined as Adjusted EBITDA, plus the net settlement amounts from the sale and/or purchase of natural gas, condensate and NGLs under WES’s commodity price swap agreements to the extent such amounts are not recognized as Adjusted EBITDA, less Service revenues - fee based recognized in Adjusted EBITDA (less than) in excess of customer billings, net cash paid (or to be paid) for interest expense, maintenance capital expenditures, and income taxes.

11. The table appearing on page 67 under the heading “Unaudited Forecasted Financial Information of Status Quo WGP” and footnotes thereto are amended and restated as follows:

$ in millions, except per unit amounts	2018E	2019E	2020E	2021E
WES Adjusted EBITDA	$1,200	$1,476	$1,694	$1,791
Cash General and Administrative Expense	$3	$3	$3	$3
WGP Adjusted EBITDA[1]	$1,197	$1,473	$1,691	$1,788
Distributions from WES	$519	$568	$655	$707
Cash General and Administrative Expense	$3	$3	$3	$3
Cash Interest Expense	$1	$1	$1	$1
Cash Available for Distribution[2]	$515	$563	$651	$703
Cash Available for Distribution per unit	$2.36	$2.57	$2.97	$3.21

Notes:
1. Adjusted EBITDA is defined as status quo WES Adjusted EBITDA described above, less cash paid for incremental general and administrative expense.
2. Cash available for distribution is defined as distributions received from WES, less cash paid for incremental general and administrative expense and interest expense.

12. The table appearing on page 67 under the heading “Unaudited Forecasted Financial Information of the Assets Subject to the Contribution and Sale” and footnotes thereto are amended and restated as follows:

$ in millions, except per unit amounts	2018E	2019E	2020E	2021E	2022E	2023E
Net Revenues[1]	$ 297	$544	$621	$699	$846	$931
Operating Expenses						
Operation and Maintenance	$ 60	$103	$111	$117	$134	$146
General and Administrative	$ 40	$40	$41	$43	$44	$46
Property and Other Taxes	$ 9	$10	$12	$12	$13	$14
Total Operating Expenses	$ 109	$154	$164	$172	$191	$206
Equity Investment Distributions	$ 47	$56	$63	$75	$56	$52
Contingency	$ —	$(24)	$(28)	$(32)	$(38)	$(41)
Adjusted EBITDA[2]	$ 235	$422	$491	$570	$673	$737

Notes:
1. Net Revenues is calculated by subtracting cost of product from revenues.
2. Adjusted EBITDA for the assets to be acquired through the Contribution and Sale is defined as revenues less cost of product, operation and maintenance expense, general and administrative expense, property and other taxes, plus distributions from equity investments. For years 2019 and thereafter, management also applied a 5.0% downward contingency to the original projections of Adjusted EBITDA to account for its views as to uncertainty in future year projections.

13. The table appearing on page 67 under the heading “Unaudited Forecast Financial Information of Pro Forma WGP” and footnotes thereto are amended and restated as follows:

$ in millions, except per unit amounts	2019E	2020E	2021E
Net Revenues[1]	$2,572	$2,849	$3,011
Operating Expenses			
Operation and Maintenance	$678	$702	$698
Cash General and Administrative	$105	$108	$112
Property and Other Taxes	$64	$69	$70
Total Operating Expenses	$847	$879	$880
Equity Investment Distributions	$247	$301	$319
Non-Controlling Interest Adjustment[2]	$(13)	$(14)	$(12)
Contingency	$(64)	$(73)	$(80)
Adjusted EBITDA[3]	$1,896	$2,184	$2,358
Cash Interest Expense	$(370)	$(407)	$(437)
Maintenance Capital Expenditures	$(115)	$(125)	$(120)
Above-Market Component of Swaps	$—	$—	$—
Recognized Service Revenues Adjustment	$8	$8	$10
Other[4]	$(3)	$(4)	$(4)
Distributable Cash Flow Attributable to WES	$1,416	$1,655	$1,806
Non-Controlling Interest Adjustment	$(28)	$(33)	$(36)
Distributable Cash Flow Attributable to WGP[5]	$1,387	$1,622	$1,770
Distributable Cash Flow per unit	$3.06	$3.58	$3.91

Notes:

1. Net Revenues is calculated by subtracting cost of product from revenues.
2. Represents the adjustment for the 25% interest in Chipeta Processing LLC not owned by WES.
3. Adjusted EBITDA is defined as revenues less cost of product, operation and maintenance expense, cash general and administrative expense, property and other taxes, plus distributions from equity investments, and less adjustments for the non-controlling interest associated with the Chipeta complex. Management also applied a 2.5% downward contingency to the original projections of Status Quo WES Adjusted EBITDA and a 5% downward contingency to the original projections of Adjusted EBITDA for the Assets Subject to the Contribution and Sale (prior to the subtraction of cash general and administrative expenses) to account for its views as to uncertainty in future year projections.
4. Represents state margin tax cash payments.
5. Distributable cash flow is defined as Adjusted EBITDA, plus the net settlement amounts from the sale and/or purchase of natural gas, condensate and NGLs under our commodity price swap agreements to the extent such amounts are not recognized as Adjusted EBITDA, less Service revenues -- fee based recognized in Adjusted EBITDA (less than) in excess of customer billings, net cash paid (or to be paid) for interest expense, maintenance capital expenditures, income taxes and WES distributions to WGRAH in connection with its 2.0% pro forma interest in WES.

Important Information for Investors and Unitholders

This current report does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

In connection with the Merger Agreement and the transactions contemplated thereby (the "Simplification Transaction"), the Partnership filed with the SEC a registration statement on Form S-4, which includes a prospectus of the Partnership and the Proxy Statement. WES and the Partnership also plan to file other documents with the SEC regarding the proposed Simplification Transaction. WES mailed a definitive proxy statement/prospectus to the unitholders of WES on January 28, 2019. INVESTORS AND UNITHOLDERS OF WES ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE PROPOSED SIMPLIFICATION TRANSACTION THAT HAVE BEEN OR WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED SIMPLIFICATION TRANSACTION. Investors and unitholders of WES will be able to obtain free copies of the proxy statement/prospectus and other documents containing important information about WES and the Partnership from the SEC, through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by WES and the Partnership will be available free of charge on their internet website at www.westerngas.com or by contacting their Investor Relations Department at 832-636-6000.

Participants in the Solicitation

WES, the Partnership, their respective general partners and their respective general partners' respective directors and certain of their executive officers may be deemed to be participants in the solicitation of proxies from the unitholders of WES in connection with the proposed Simplification Transaction. Information about the directors and executive officers of WES is set forth in WES's Annual Report on Form 10-K which was filed with the SEC on February 16, 2018. Information about the directors and executive officers of the Partnership is set forth in the Partnership's Annual Report on Form 10-K which was filed with the SEC on February 16, 2018. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. Free copies of these documents can be obtained using the contact information above.

Cautionary Statement Regarding Forward-Looking Statements

This current report contains forward-looking statements. For example, statements regarding future financial performance, future competitive positioning and business synergies, future acquisition cost savings, future market demand, future benefits to unitholders, future economic and industry conditions, the proposed Simplification Transaction (including its benefits, results, effects and timing) and whether and when the Simplification Transaction will be consummated, are forward-looking statements within the meaning of federal securities laws. WES, the Partnership and their respective general partners believe that their expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct.

A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this current report. Such factors include, but are not limited to: the failure of the unitholders of WES to approve the proposed Simplification Transaction; the risk that the conditions to the closing of the proposed Simplification Transaction are not satisfied; the risk that regulatory approvals required for the proposed Simplification Transaction are not obtained or are obtained subject to conditions that are not anticipated; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed Simplification Transaction; uncertainties as to the timing of the proposed Simplification Transaction; competitive responses to the proposed Simplification Transaction; the inability to obtain or delay in obtaining cost savings and synergies from the proposed Simplification Transaction; unexpected costs, charges or expenses resulting from the proposed Simplification Transaction; the outcome of pending or potential litigation, including the Lawsuits; the inability to retain key personnel; uncertainty of the expected financial performance of the Partnership following completion of the proposed Simplification Transaction; and any changes in general economic and/or industry specific conditions.

WES and the Partnership caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in WES's and the Partnership's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC's website, http://www.sec.gov. All subsequent written and oral forward-looking statements concerning WES, the Partnership, the proposed Simplification Transaction or other matters attributable to WES and the Partnership or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by law, WES, the Partnership and their respective general partners undertake no obligation to publicly update or revise any forward-looking statements.

The information in this Item 8.01 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

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

		WESTERN GAS EQUITY PARTNERS, LP	
		By:	Western Gas Equity Holdings, LLC, its general partner
Dated:	February 14, 2019	By:	/s/ Philip H. Peacock Philip H. Peacock Senior Vice President, General Counsel and Corporate Secretary

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