FLOTHER KARL HEINZ
Form 4
July 27, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
FLOTHER KARL HEINZ
(Last) (First) (Middle)
C/O ACCENTURE, 5221 N. O'CONNOR BLVD., STE. 1400
(Street)
IRVING, TX 75039
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ACCENTURE LTD [ACN]

3. Date of Earliest Transaction (Month/Day/Year)
07/23/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Grp Chief Exec-Sys Int & Tech

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A common shares	07/23/2009		S [(1)]		37,880	D	$ 35	248,532	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLOTHER KARL HEINZ C/O ACCENTURE 5221 N. O'CONNOR BLVD., STE. 1400 IRVING, TX 75039			Grp Chief Exec-Sys Int & Tech	

Signatures

/s/ Kathryn Lloyd Attorney-in-Fact for Karl-Heinz Flother	07/27/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Planned disposition of Accenture Ltd Class A common shares pursuant to a Rule 10b5-1 Trading Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. le for Benefits for the Year Ended December 31, 2001 5Notes to Financial Statements 6 Supplemental Schedules Schedule H, Line 4(i)—Schedule of Assets (Held At End of Year) 12Schedule H, Line 4(j)—Schedule of Reportable Transactions 13

Report of Independent Auditors

Finance and Pension Committee of The Board of Directors
The Stanley Works

We have audited the accompanying statements of net assets available for benefits of the Stanley Account Value Plan as of December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2002, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Hartford, Connecticut
June 13, 2003

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Stanley Account Value Plan

Statement of Net Assets Available for Benefits

December 31, 2002

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual Funds	Total
Assets						
Investments, at current market value:						
The Stanley Works Common Stock:						
43,515 shares (cost $704,336)			$ 1,504,749			$ 1,504,749
5,094,566 shares (cost $121,725,124)	$176,170,092					176,170,092
7,126,731 shares (cost $130,754,375)				$246,442,358		246,442,358
Short-term investments and other (cost $6,283,723)	4,132,924		2,106,405	35,501	$ 8,893	6,283,723
Mutual Funds (cost $61,696,646)			27,544,417		26,478,741	54,023,158
	180,303,016		31,155,571	246,477,859	26,487,634	484,424,080

Cash	675,252	$ 145,048	22,698,790			23,519,090
Dividends and interest receivable	3,052		376,196	246	80,989	460,483
Debt issuance costs, net of accumulated amortization of $424,706				2,406,671		2,406,671
Loans to participants		6,329,453				6,329,453
	$180,981,320	$6,474,501	$54,230,557	$248,884,776	$26,568,623	$517,139,777
Liabilities and net assets available for benefits						
Liabilities:						
Debt				$180,826,604		$180,826,604
Accounts payable			$ 343,717		$ 114,234	457,951
			343,717	180,826,604	114,234	181,284,555
Net assets available for benefits	$180,981,320	$6,474,501	53,886,840	68,058,172	26,454,389	335,855,222
	$180,981,320	$6,474,501	$54,230,557	$248,884,776	$26,568,623	$517,139,777

See accompanying notes.

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Stanley Account Value Plan

Statement of Net Assets Available for Benefits

December 31, 2001

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual Funds	Total
Assets						
Investments, at current market value:						
The Stanley Works Common Stock:						
89,761 shares (cost $1,448,234)			$ 4,180,170			$ 4,180,170
6,017,356 shares (cost $146,068,167)	$280,228,269					280,228,269
7,637,039 shares (cost $139,622,613)				$355,656,906		355,656,906
Short-term investments (cost $3,941,751)	2,122,068		1,776,109	34,293	$ 9,281	3,941,751
Mutual Funds ($46,347,880)			23,954,928		19,886,848	43,841,776
	282,350,337		29,911,207	355,691,199	19,896,129	687,848,872
Cash	3,297,266	$ 119,734	(6,643)		6,643	3,417,000
Contributions receivable			5,716,603			5,716,603
Dividends and interest receivable	2,918		575,098	148	77,737	655,901
Debt issuance costs, net of accumulated amortization of $330,327				2,501,050		2,501,050
Loans to participants		6,839,274				6,839,274

	$285,650,521	$6,959,008	$36,196,265	$358,192,397	$19,980,509	$706,978,700
Liabilities and net assets available for benefits						
Liabilities:						
Debt				$187,736,600		$187,736,600
Accounts payable			$ 525,589		$ 174,794	700,383
			525,589	187,736,600	174,794	188,436,983
Net assets available for benefits	$285,650,521	$6,959,008	35,670,676	170,455,797	19,805,715	518,541,717
	$285,650,521	$6,959,008	$36,196,265	$358,192,397	$19,980,509	$706,978,700

See accompanying notes.

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Stanley Account Value Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2002

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual Funds	To
Additions						
Investment income:						
Dividends	$ 5,236,905		$ 45,478	$ 7,331,906	$ 344,101	$ 12,95
Interest	67,947		198,035	1,306		26
	5,304,852		243,513	7,333,212	344,101	13,22
Net depreciation	(64,948,344)		(3,762,092)	(89,033,452)	(3,447,224)	(161,19
Employee contributions	7,285,697				9,089,218	16,37
Employer contribution	1,520,292		10,692,943			12,21
Deductions						
Withdrawals	(64,707,757)					(64,70
Administrative expenses	(630,163)		(71,443)		(75,662)	(77
Amortization expense				(94,379)		(9
Interest expense				(11,236,024)		(11,23
Transfer from The Stanley Works Retirement Plan			28,686,008			28,68
Usage of surplus assets to fund contributions			(15,179,791)			(15,17
			13,506,217			13,50
Interfund transfers — net	11,006,222	(484,507)	(2,392,974)	(9,366,982)	738,241	
Net increase (decrease)	(104,669,201)	(484,507)	18,216,164	(102,397,625)	6,648,674	(182,68
Net assets available for benefits at beginning of year	285,650,521	6,959,008	35,670,676	170,455,797	19,805,715	518,54

Net assets available for benefits at end of year	$ 180,981,320	$6,474,501	$ 53,886,840	$ 68,058,172	$26,454,389	$ 335,85

See accompanying notes.

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Stanley Account Value Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2001

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual Funds	Tot
Additions						
Investment income:						
Dividends	$ 6,166,824		$ 55,023	$ 7,407,669	$ 350,991	$ 13,98
Interest	79,873		44,600	23,183	417	14
	6,246,697		99,623	7,430,852	351,408	14,12
Net appreciation (depreciation)	96,574,945		5,664,875	110,031,252	(1,271,534)	210,99
Employee contributions	6,891,338				7,757,378	14,64
Employer contribution	3,254,644		10,568,534			13,82
Deductions						
Withdrawals	(74,360,737)					(74,36
Administrative expenses	(107,686)		(74,468)		(61,345)	(24
Amortization expense				(94,379)		(9
Interest expense				(11,662,059)		(11,66
Interfund transfers — net	18,397,576	$ (1,124,262)	(16,782,848)	3,436,089	(3,926,555)	
Net increase (decrease)	56,896,777	(1,124,262)	(524,284)	109,141,755	2,849,352	167,23
Net assets available for benefits at beginning of year	228,753,744	8,083,270	36,194,960	61,314,042	16,956,363	351,30
Net assets available for benefits at end of year	$285,650,521	$ 6,959,008	$ 35,670,676	$170,455,797	$19,805,715	$518,54

See accompanying notes.

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Stanley Account Value Plan

Notes to Financial Statements

December 31, 2002

1. Description of the Plan

The Stanley Account Value Plan (the "Plan"), which operates as a leveraged employee stock ownership plan, is designed to comply with Sections 401(a), 401(k) and 4975(e)(7) of the Internal Revenue Code of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan is a defined contribution plan for eligible United States salaried and hourly paid employees of The Stanley Works and its affiliates (the "Company"). (The participating units of employees are listed in the Plan.)

Each year, subject to certain additional limitations, participants may contribute to the Plan through pre-tax payroll deductions up to 15% of their compensation, as defined in the Plan. Non-highly compensated employees have the option of making after-tax contributions to the Plan. Pre-tax contributions are matched in an amount equal to 50% of the participant's pre-tax contributions for a year up to a maximum matching allocation of 3½% of the participant's compensation for the year. A participant's contributions and matching allocations are allocated to a "Choice Account."

All participant contributions and rollover contributions that are first credited to a participant's Choice Account as of a date after June 30, 1998 may be invested as directed by the participant in one or more of the investment options made available by the Plan administrator. Prior to September 2002, all participant contributions and rollover contributions first credited to a participant's Choice Account as of a date prior to July 1, 1998, and all matching allocations credited to a participant's Choice Account, were invested automatically in the Stanley Stock Fund ("Previously Restricted Funds"). Effective September 2002, a participant may direct the investment among the investment funds made available by the Plan administrator, including the Stanley Stock Fund, of 12.50% of the Previously Restricted Funds credited to the participant's Choice Account as of August 6, 2002, (excluding the portion of the Previously Restricted Funds attributable to the participant's outstanding loan balance as of August 6, 2002) that were vested on August 6, 2002 ("Vested Previously Restricted Funds"). Effective in each of the three succeeding months, a participant may direct the investment of an additional 12.50% of the Vested Previously Restricted Funds. Therefore, by December 2002, 50% of a participant's Vested Previously Restricted Funds is available for investment direction by the participant. After December 2002, a participant continues to have the right to direct the investment among the investment funds available under the Plan, including the Stanley Stock Fund, of 50% of the value of the Vested Previously Restricted Funds. The portion of a participant's Choice Account attributable to Previously Restricted Funds that was not made available for investment direction by a participant by December 2002, and any matching allocations that are first credited to the participant's Choice Account after August 6, 2002, are invested automatically in the Stanley Stock Fund and are not ordinarily subject to a participant's direction as to investment. However, under certain circumstances, a participant who has attained age 55 and completed 10 years as a participant in the Plan is entitled to direct the investment of a portion of those funds.

The contribution allocations credited to a participant's Choice Account as of a date before July 1, 1998 (other than matching allocations credited after June 30, 1985 and other than a participant's after-tax contributions to the Plan) are guaranteed a cumulative minimum return by the Pension Plan for Hourly Paid Employees of The Stanley Works for the period or periods during which they are invested or reinvested, prior to April 1, 1999, in common stock of The Stanley Works or, after March 31, 1999, in the Stanley Stock Fund. (Prior to April 30, 2001, the guarantee was provided for certain participants under The Stanley Works Retirement Plan. Effective April 30, 2001, the guarantee is provided through the Pension Plan for Hourly Paid Employees of The Stanley Works). This guarantee provides that the investment return will not be less than an investment return based on two-year U.S. Treasury notes (but not less than 5% nor greater than 12.5%).

The following investment funds are offered under the Plan for those funds in the Choice Account that are subject to participant direction:

Notes to Financial Statements **(continued)**

1. Description of the Plan(continued)

Stanley Stock Fund—Consists of common stock of The Stanley Works, along with a minor portion in cash for transaction purposes. This stock is traded on the New York and Pacific Stock Exchanges under the symbol SWK.

Mutual Funds

Pyramid Equity Index Fund—Seeks long-term growth, subject to the short-term fluctuations characteristic of the stock market. The fund invests in most of the Standard & Poors 500 (S&P 500), as well as other investments whose value is based on S&P 500 stocks.

Invesco Retirement Trust Stable Value Fund—Seeks liquidity and safety of principal, while providing a higher return than is typically offered by money market funds. The fund invests in a diversified portfolio of investment contracts with insurance companies, banks and other financial institutions.

American Funds EuroPacific Growth Fund—Seeks long-term growth, subject to the risks involved in investing outside of the United States, such as currency fluctuations, political instability, differing securities regulations and periods of liquidity.

Fidelity Small Cap Independence Fund—Seeks long-term growth, subject to the short-term fluctuations characteristic of the small stock market. The fund invests in securities of small capitalization companies in various industries.

Cornerstone Fund

In 1998, the Plan was amended to provide separate allocations for eligible U.S. salaried and hourly employees who are not covered under a collective bargaining agreement. No employees of Contact East, Inc. (other than an employee of Contact East, Inc. who was employed by Jensen Tools, Inc. on December 29, 2001) and no employees who are accruing a benefit under the Pension Plan for Hourly Paid Employees of The Stanley Works are eligible for Cornerstone Account allocations. Under this arrangement, eligible participants currently receive annual allocations to Cornerstone Accounts of 3%, 6% or 9% of compensation depending upon age. Effective June 1, 2001, additional Cornerstone Account allocations are required for active participants who were covered under The Stanley Works Retirement Plan on January 31, 1998. The amount of this additional annual allocation is a percentage of pay based on age and service as set forth in the Plan. Also, certain additional allocations may be made to Cornerstone Accounts in a particular year for designated groups of participants. Assets of the Cornerstone Fund are invested in professionally managed diversified investment funds, and these assets are not ordinarily subject to investment direction by participants.

Participants are fully vested as to amounts in their accounts attributable to their own contributions and earnings thereon and amounts transferred or rolled over from other qualified plans on their behalf. All participants who are employed on or after January 1, 2002 are vested in 100% of the value of the matching allocations and Cornerstone Account allocations made on their behalf once they have completed 3 years of service with no vesting in the matching allocations and Cornerstone Account allocations before completion of 3 years of service.

Benefits generally are distributed upon termination of employment. Normally, a lump-sum distribution is made in cash or shares of the Company's Common Stock (hereinafter referred to as Common Stock, Stanley Stock, or shares), at the election of the participant, from the Stanley Stock Fund.

During active employment, subject to financial hardship rules, participants may withdraw a portion of the vested amounts in their Choice Accounts. Under certain circumstances, a participant who has attained age 55 and completed

10 years as a participant in the Plan may withdraw a portion of the funds held in the participant's Choice Account.

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Stanley Account Value Plan

Notes to Financial Statements **(continued)**

Loan Fund

Participants may borrow from their Choice Accounts up to an aggregate amount equal to the lesser of $50,000 or 50% of the value of their vested interest in such accounts with a minimum loan of $1,000. The $50,000 loan amount limitation is reduced by the participant's highest outstanding loan balance during the 12 months preceding the date the loan is made. Each loan is evidenced by a negotiable promissory note bearing a rate of interest equal to the prime rate as reported in *The Wall Street Journal* on the first business day of the month in which the loan request is processed, which is payable, through payroll deductions, over a term of not more than five years. Participants are allowed ten years to repay the loan if the proceeds are used to purchase a principal residence. Only one loan per participant may be outstanding at any time, unless a loan was transferred or rolled over to the Plan on the participant's behalf from another plan sponsored by an entity that was acquired by The Stanley Works.

If a loan is outstanding at the time a distribution becomes payable to a participant (or beneficiary), the distribution is made net of the loan outstanding, and the distribution shall fully discharge the Plan with respect to the participant's account value attributable to the outstanding loan balance.

Unallocated Stanley Stock Fund

The Plan borrowed $95,000,000 in 1989 from a group of financial institutions and $180,000,000 in 1991 from the Company (see Notes 3 and 4) to acquire 5,868,088 and 9,696,968 shares, respectively, of Common Stock from the Company's treasury and previously unissued shares. The shares purchased from the proceeds of the loans were placed in the Unallocated Stanley Stock Fund (the "Unallocated Fund"). Under the 1989 loan agreement, the Company guaranteed the loan and was obligated to make annual contributions sufficient to enable the Plan to repay the loan plus interest. Both of the loan agreements were refinanced effective June 30, 1998.

Monthly transfers of shares of Stanley Stock are made from the Unallocated Fund for allocation to participants based on the portion of principal and interest paid under each loan for the month. Dividends received on allocated and unallocated shares of Stanley Stock and participant and Company contributions are used to make payments under the loans. If dividends on the allocated shares are applied to the payment of debt service, a number of shares of Stanley Stock having a fair market value at least equal to the amount of the dividends so applied are allocated to the Choice Accounts of participants who would otherwise have received cash dividends.

The fair market value of shares of Stanley Stock released from the Unallocated Fund pursuant to loan repayments made during any year, along with contributions made during that year that are not used to repay the loan may exceed the total of participant contributions, matching and Cornerstone allocations (other than allocations attributable to forfeitures or to amounts held in the temporary account (See Note 4)), and cash dividends on allocated shares of Stanley Stock applied to the payment of a loan for the year. If that occurs, such excess value is allocated in shares of Stanley Stock, based on relative compensation, among the participants who are employed by the Company on the last day of the year and who are not covered by a collective bargaining agreement or by the Pension Plan for Hourly Paid Employees of The Stanley Works.

The trust agreement governing the Plan provides that the trustee will vote the shares of Stanley Stock in the Stanley Stock Fund attributable to a participant's Choice Account in the Plan in accordance with such participant's directions.

The trust agreement governing the Plan provides that, if the trustee does not receive voting instructions with respect to shares of Stanley Stock in the Stanley Stock Fund attributable to a participant's Choice Account in the Plan, the trustee will vote such shares in the same proportion as it votes the allocated shares for which instructions are received from Plan participants. The trust agreement also provides that shares in the Unallocated Fund are to be voted by the trustee in the same proportion as it votes the shares of Stanley Stock in the Stanley Stock Fund attributable to Choice

Accounts for which instructions are received from Plan participants. Therefore, by providing voting instructions with respect to shares of Stanley Stock in the Stanley Stock Fund attributable to a participant's Choice Account in the Plan, a Plan participant will in effect be providing instructions with respect to a portion of the shares in the Unallocated Fund and a portion of the shares of Stanley Stock in the Stanley Stock Fund attributable to Choice Accounts in the Plan for which instructions were not provided as well. The foregoing provisions are subject to applicable law which requires the trustee to act as a fiduciary for Plan participants. Therefore, it is possible that the trustee may vote shares of Stanley Stock in the Stanley Stock Fund attributable to Choice Accounts in the Plan for which it does not receive instructions (as well as shares held in the Unallocated Fund) in a manner other than the proportionate method described above if it believes that proportionate voting would violate applicable law.

The Stanley Works reserves the right to amend or terminate the Plan at any time. Upon the termination of the Plan, the interest of each participant in the trust fund will become vested and be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code.

The Plan sponsor maintains separate accounts for each participant. Such accounts are credited with each participant's contributions, matching allocations, Cornerstone Account allocations, related gains, losses, dividend income, and loan activity.

At December 31, 2002 and 2001, benefits payable to terminated vested participants who had requested their payments were $928,502 and $3,360,480, respectively.

2. Significant Accounting Policies

Investments

The Plan investments consist primarily of shares of Stanley Stock. Stanley Stock is traded on a national exchange and is valued at the last reported sales price on the last business day of the plan year. Mutual funds are stated at fair value which equals the quoted market price on the last business day of the plan year. Short-term investments consist of short-term bank-administered trust funds which earn interest daily at rates approximating U.S. Government securities; cost approximates market value.

The assets of the Plan are held in trust by an independent corporate trustee, Citibank, N. A. (the "Trustee") pursuant to the terms of a written Trust Agreement between the Trustee and the Company.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that can affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Dividend Income

Dividend income is accrued on the ex-dividend date.

Gains or Losses on Sales of Investments

Gains or losses realized on the sales of investments are determined based on average cost.

Expenses

Administrative expenses not paid by the Plan are paid by the Company.

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Stanley Account Value Plan

Notes to Financial Statements **(continued)**

3. Debt

Debt consisted of the following at December 31:

	2002	2001
Notes payable in monthly installments to 2009 with interest at 6.07%	$ 17,350,763	$ 22,510,763
Notes payable to the Company in monthly installments to 2028 with interest at 6.09%	163,475,841	165,225,837
	$180,826,604	$187,736,600

During 1998, notes payable to financial institutions were refinanced, resulting in a reduction in the interest rate, extension of the maturity and a prepayment penalty of $2,831,378, which is being amortized over the remaining term of the debt. Concurrently, notes payable to the Company were restructured, resulting in a reduction in the interest rate and extension of the maturity. Additionally, the Plan borrowed funds from the Company to pay the prepayment penalty.

The scheduled maturities of debt for the next five years are as follows: 2003—$7,000,000; 2004—$6,900,000; 2005—$7,150,999; 2006—$8,400,000 and 2007—$8,300,004.

The number of shares in the Unallocated Stock Fund is reduced as shares are released to the Stanley Stock Fund pursuant to principal and interest payments on the notes payable. During the year, 472,400 such shares were released and at December 31, 2002, 7,126,731 shares are unallocated.

Payment of the Plan's debt has been guaranteed by the Company. Should the principal and interest due exceed the dividends paid on shares in the Stanley Stock and Unallocated Stock Funds, and employee and Company matching contributions, the Company is responsible for funding such shortfall.

4. Transactions with Parties-in-Interest

As a result of the termination and liquidation of another plan sponsored by the Company, The Stanley Works Retirement Plan ("Retirement Plan"), a portion of the surplus assets of the terminated Retirement Plan was transferred to the Stanley Account Value Plan, effective August 31, 2002, pursuant to Internal Revenue Code Section 4980(d). Such transferred assets were credited to a temporary account and are used to fund certain allocations under the Plan. During 2002 $5,932,845 was used to fund 2001 employer Cornerstone contributions. An additional $9,246,946 was allocated for 2002 employer Cornerstone contributions which will be funded in 2003.

Fees paid during 2002 and 2001 for management and other services rendered by parties-in-interest were based on customary and reasonable rates for such services. The majority of such fees were paid by the Plan. Fees paid by the Plan during 2002 and 2001 were $777,268 and $243,499, respectively. The increase in the fees paid in 2002 as compared to 2001 is primarily attributable to higher outside record-keeping expenses.

In 1991, the Plan borrowed $180,000,000 from the Company, the proceeds of which were used to purchase 9,696,968 shares of stock for the Plan. In 1998, the Plan borrowed $2.8 million from the Company, the proceeds of which were used to pay a prepayment penalty incurred in connection with debt refinancing. The Plan made $11,763,175 and $10,119,808 of principal and interest payments related to such debt in 2002 and 2001, respectively. At December 31, 2002, $163,475,841 was outstanding on such debt.

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Stanley Account Value Plan

Notes to Financial Statements **(continued)**

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated April 4, 2000, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code, and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. Subsequent to the issuance of this determination letter, the Plan was amended. An application for an updated IRS determination letter regarding the Plan is currently pending. The Plan Sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believes that the Plan is qualified and the related trust is tax exempt. The Plan Sponsor has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

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Stanley Account Value Plan

Schedule H, Line 4(i)—Schedule of Assets (Held At End of Year)

EIN-06-0548860

December 31, 2002

Identity of Issue, Borrower, or Similar Party	Description of Investment, Including Maturity Date,	Cost	Current Value

	Rate of Interest, Par or Maturity Value		
Common Stock:			
The Stanley Works*	12,262,639 shares of Common Stock; par value $2.50 per share	$253,183,835	$424,117,199
Citibank, N.A.*	Short-Term Investment Fund — Pooled Bank Fund	6,283,723	6,283,723
Mutual Funds:			
BT S&P Index Fund	Pyramid Equity Index Fund	11,614,854	9,058,870
Invesco Retirement Trust Stable Value Fund	Invesco Retirement Trust	9,771,038	9,771,038
American Funds Euro Pacific Growth Fund	Euro Pacific Growth Fund	4,656,290	3,626,095
Fidelity Small Cap Independence Fund	Fidelity Select Small Capitalization Pool	4,661,251	4,022,738
BT Pyramid Russell 3000 Fund	Russell 300 Fund	23,836,931	19,281,275
BT Pyramid Broad Market Fixed Income Fund	Fixed Income Fund	7,156,282	8,263,142
Total investments		321,164,204	484,424,080
Loans to participants	Promissory notes at prime rate with maturities of five years or ten years	6,329,453	6,329,453
Total		$327,493,657	$490,753,533

**Indicates party-in-interest to the Plan.*

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Stanley Account Value Plan

Schedule H, 4(j)—Schedule of Reportable Transactions

EIN 06-0548860

Year ended December 31, 2002

Identity of Party Involved	Purchase Description of Assets	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss) (1)

Category (iii) — Series of transactions in excess of 5 percent of plan assets

Citibank, N.A.*	The Stanley Works Common Stock		$ 4,078,536	$ 4,078,536	
Citibank, N.A.*	The Stanley Works Common Stock	$47,306,935	23,541,915	47,306,935	$23,713,725

(1) Net gain represents gross gain minus transaction costs.

There were no category (i), (ii) or (iv) reportable transactions during 2002.

* *Indicates party-in-interest to the Plan.*

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Stanley Account Value Plan has duly caused this annual report to be signed on its behalf by the undersigned hereto duly authorized.

The Stanley Works Account Value Plan

Date: June 30, 2003	*By: /s/ Mark Mathieu* Mark Mathieu Vice President, Human Resources

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Index to Exhibits

Exhibit No.	Description
99.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

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t>

Interest expense
$
—

$
0

Other income (expense) – net
—

0

FX Contracts

Revenues
$
(2
)

$
36

Cost of products sold
44

(86
)
Other income (expense) – net
(15
)

(10
)

Commodity Contracts

Cost of products sold
$

405

$
139

Total gain (loss) recognized in earnings
$
432

$
79

	Six months ended June 30,	
	2014	2013
	(In millions)	
Interest Contracts		
Interest expense	$—	$0
Other income (expense) – net	0	0
FX Contracts		
Revenues	$(8)	$109
Cost of products sold	88	(87)
Other income (expense) – net	(24)	(55)
Commodity Contracts		
Cost of products sold	$(507)	$207
Total gain (loss) recognized in earnings	$(451)	$174

Inventories of certain merchandisable agricultural commodities, which include amounts acquired under deferred pricing contracts, are stated at market value. Changes in the market value of inventories of certain merchandisable agricultural commodities, forward cash purchase and sales contracts, exchange-traded futures and exchange-traded and OTC options contracts are recognized in earnings immediately.

Derivatives Designated as Cash Flow or Fair Value Hedging Strategies

As of June 30, 2014 and December 31, 2013, the Company has certain derivatives designated as cash flow and fair value hedges.

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Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 4. Derivative Instruments and Hedging Activities (Continued)

The Company uses interest rate swaps designated as fair value hedges to protect the fair value of fixed-rate debt due to changes in interest rates. The changes in the fair value of the interest rate swaps and the underlying fixed-rate debt are recorded in other (income) expense - net. The terms of the interest rate swaps match the terms of the underlying debt resulting in no ineffectiveness. At June 30, 2014, the Company has $17 million in other current assets representing the fair value of the interest rate swaps and a corresponding increase in the underlying debt for the same amount with no impact to earnings.
For each of the commodity hedge programs described below, the derivatives are designated as cash flow hedges. Assuming normal market conditions, the changes in the market value of such derivative contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Once the hedged item is recognized in earnings, the gains/losses arising from the hedge are reclassified from AOCI to either revenues, cost of products sold, interest expense or other income (expense) – net, as applicable. As of June 30, 2014, the Company has $32 million of after-tax losses in AOCI related to gains and losses from commodity cash flow hedge transactions. The Company expects to recognize all of these after-tax losses in its consolidated statement of earnings during the next 12 months.
The Company, from time to time, uses futures or options contracts to fix the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The objective of this hedging program is to reduce the variability of cash flows associated with the Company’s forecasted purchases of corn. The Company’s corn processing plants currently grind approximately 76 million bushels of corn per month. During the past 12 months, the Company hedged between 16% and 71% of its monthly anticipated grind. At June 30, 2014, the Company has designated hedges representing between 1% and 60% of its anticipated monthly grind of corn for the next 12 months.

The Company, from time to time, also uses futures, options, and swaps to fix the sales price of certain ethanol sales contracts. The Company has established hedging programs for ethanol sales contracts that are indexed to unleaded gasoline prices and to various exchange-traded ethanol contracts. The objective of these hedging programs is to reduce the variability of cash flows associated with the Company’s sales of ethanol. During the past 12 months, the Company hedged between 10 million and 121 million gallons of ethanol sales per month under these programs. For the next 12 months, the Company has designated hedges representing between 7 million and 95 million gallons of ethanol sales per month.

The following table sets forth the fair value of derivatives designated as hedging instruments as of June 30, 2014 and December 31, 2013.

	June 30, 2014		December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
	(In millions)		(In millions)	
Interest Contracts	17	—	0	9
Total	$17	$—	$0	$9

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Explanation of Responses:

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 4. Derivative Instruments and Hedging Activities (Continued)

The following tables set forth the pre-tax gains (losses) on derivatives designated as hedging instruments that have been included in the consolidated statements of earnings for the three and six months ended June 30, 2014 and 2013.

	Consolidated Statement of Earnings Locations	Three months ended June 30, 2014	2013
		(In millions)	
Effective amounts recognized in earnings			
FX Contracts	Other income/expense – net	$0	$0
Interest Contracts	Interest expense	0	0
Commodity Contracts	Cost of products sold	11	(3)
	Revenues	(58)	6
Ineffective amount recognized in earnings			
Commodity Contracts	Revenues	(1)	—
	Cost of products sold	(27)	(13)
Total amount recognized in earnings		$(75)	$(10)

	Consolidated Statement of Earnings Locations	Six months ended June 30, 2014	2013
		(In millions)	
Effective amounts recognized in earnings			
FX Contracts	Other income/expense – net	$0	$0
Interest Contracts	Interest expense	0	0
Commodity Contracts	Cost of products sold	7	(5)
	Revenues	(85)	5
Ineffective amount recognized in earnings			
Commodity Contracts	Revenues	(24)	—
	Cost of products sold	(7)	(55)
Total amount recognized in earnings		$(109)	$(55)

Hedge ineffectiveness for commodity contracts results when the change in the price of the underlying commodity in a specific cash market differs from the change in the price of the derivative financial instrument used to establish the hedging relationship. As an example, if the change in the price of a corn futures contract is strongly correlated to the change in cash price paid for corn, the gain or loss on the derivative instrument is deferred and recognized at the time the corn grind occurs. If the change in price of the derivative does not strongly correlate to the change in the cash price of corn, in the same example, some portion or all of the derivative gains or losses may be required to be recognized in earnings prior to the corn grind occurring.

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Explanation of Responses:

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 4. Derivative Instruments and Hedging Activities (Continued)

The following tables set forth the changes in AOCI related to derivatives gains (losses) for the three and six months ended June 30, 2014 and 2013.

	Three months ended June 30,	
	2014	2013
	(In millions)	
Balance at March 31, 2014 and 2013	$(59)	$11
Unrealized gains (losses)	23	(7)
Losses (gains) reclassified to earnings	47	(3)
Tax effect	(23)	5
Balance at June 30, 2014 and 2013	$(12)	$6

	Six months ended June 30,	
	2014	2013
	(In millions)	
Balance at December 31, 2013 and 2012	$5	$4
Unrealized gains (losses)	(105)	2
Losses (gains) reclassified to earnings	78	—
Tax effect	10	—
Balance at June 30, 2014 and 2013	$(12)	$6

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 5. Marketable Securities

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(In millions)			
June 30, 2014				
United States government obligations				
Maturity less than 1 year	$298	$—	$—	$298
Maturity 1 to 5 years	90	—	—	90
Government–sponsored enterprise obligations				
Maturity 1 to 5 years	3	—	—	3
Corporate debt securities				
Maturity 1 to 5 years	72	—	—	72
Other debt securities				
Maturity less than 1 year	68	—	—	68
Maturity 1 to 5 years	3	—	—	3
Equity securities				
Available-for-sale	382	—	(11)	371
	$916	$—	$(11)	$905

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(In millions)			
December 31, 2013				
United States government obligations				
Maturity less than 1 year	$395	$—	$—	$395
Maturity 1 to 5 years	124	—	—	124
Government–sponsored enterprise obligations				
Maturity 1 to 5 years	4	—	—	4
Corporate debt securities				
Maturity 1 to 5 years	16	—	—	16
Other debt securities				
Maturity less than 1 year	38	—	—	38
Maturity 1 to 5 years	3	—	—	3
Equity securities				
Available-for-sale	362	1	(2)	361
	$942	$1	$(2)	$941

Of the $11 million in unrealized losses at June 30, 2014, $8 million arose within the last 12 months and are related to the Company's investment in two available-for-sale equity securities with a fair value of $366 million. The market value of the Company's investment that has been in an unrealized loss position for 12 months or longer is $4 million and is related to one available-for-sale equity security. The Company evaluated the near-term prospects of the issuers in relation to the severity and duration of the impairment. Based on that evaluation and the Company's ability and

intent to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Company does not consider these investments to be other-than-temporarily impaired at June 30, 2014.

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Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 6. Other Current Assets

The following table sets forth the items in other current assets:

	June 30, 2014	December 31, 2013
	(In millions)	
Unrealized gains on derivative contracts	$876	$969
Deferred receivables consideration	216	757
Customer omnibus receivable	1,528	1,298
Financing receivables - net [1]	386	576
Other current assets	2,180	2,750
	$5,186	$6,350

[1] The Company provides financing to certain suppliers, primarily Brazilian farmers, to finance a portion of the suppliers' production costs. The amounts are reported net of allowances of $10 million and $15 million at June 30, 2014 and December 31, 2013, respectively. Changes in the allowance for the six months ended June 30, 2014 included an increase of $1 million for additional bad debt provisions and a reduction in the allowance for adjustments of $6 million. Interest earned on financing receivables of $4 million and $12 million for the quarter and six months ended June 30, 2014, respectively, and $5 million and $14 million for quarter and six months ended June 30, 2013, respectively, is included in interest income in the consolidated statements of earnings.

Note 7. Accrued Expenses and Other Payables

The following table sets forth the items in accrued expenses and other payables:

	June 30, 2014	December 31, 2013
	(In millions)	
Unrealized losses on derivative contracts	$778	$824
Accrued expenses and other payables	2,580	3,966
	$3,358	$4,790

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 8. Debt and Financing Arrangements

As of December 31, 2013, the Company had outstanding $1.15 billion principal amount of convertible senior notes (the “Notes”) due in February 2014. On February 18, 2014, the Notes were repaid with available funds.

At June 30, 2014, the fair value of the Company’s long-term debt exceeded the carrying value by $1.2 billion, as estimated using quoted market prices (a Level 2 measurement under applicable accounting standards).

At June 30, 2014, the Company had lines of credit totaling $6.9 billion, of which $6.7 billion was unused. Of the Company’s total lines of credit, $4.0 billion support a commercial paper borrowing facility, against which there was no commercial paper outstanding at June 30, 2014.

The Company has accounts receivable securitization programs (the “Programs”). The Programs provide the Company with up to $1.6 billion in funding resulting from the sale of accounts receivable. As of June 30, 2014, the Company utilized $0.4 billion of its facility under the Programs (see Note 14 for more information on the Programs).

Note 9. Income Taxes

The Company’s effective tax rate for the quarter and six months ended June 30, 2014 was 27.6% and 27.3%, respectively, compared to 28.7% and 28.3% for the quarter and six months ended June 30, 2013, respectively, due primarily to changes in the forecasted geographic mix of pretax earnings.

The Company is subject to income taxation in many jurisdictions around the world. The Company is subject to routine examination by domestic and foreign tax authorities and frequently faces challenges regarding the amount of taxes due. These challenges include positions taken by the Company related to the timing, nature and amount of deductions and the allocation of income among various tax jurisdictions. Resolution of the related tax positions, through negotiation with relevant tax authorities or through litigation, may take years to complete. Therefore, it is difficult to predict the timing for resolution of tax positions. In its routine evaluations of the exposure associated with various tax filing positions, the Company recognizes a liability, when necessary, for estimated potential additional tax owed by the Company in accordance with the applicable accounting standard. However, the Company cannot predict or provide assurance as to the ultimate outcome of these ongoing or future examinations.

The Company’s wholly-owned subsidiary, ADM do Brasil Ltda. (ADM do Brasil), received three separate tax assessments from the Brazilian Federal Revenue Service (BFRS) challenging the tax deductibility of commodity hedging losses and related expenses for the tax years 2004, 2006, and 2007. As of June 30, 2014, these assessments, updated for estimated penalties, interest, and variation in currency exchange rates, totaled approximately $577 million. ADM do Brasil’s tax return for 2005 was also audited and no assessment was received. The statutes of limitation for 2005 and 2008 have expired. If the BFRS were to challenge commodity hedging deductions in tax years after 2008, the Company estimates it could face additional claims of approximately $38 million (based on currency exchange rates as of June 30, 2014).

ADM do Brasil enters into commodity hedging transactions that can result in gains, which are included in ADM do Brasil’s calculations of taxable income in Brazil, and losses, which ADM do Brasil deducts from its taxable income in Brazil. The Company has evaluated its tax position regarding these hedging transactions and concluded, based upon advice from Brazilian legal counsel, that it was appropriate to recognize both gains and losses resulting from hedging

transactions when determining its Brazilian income tax expense. Therefore, the Company has continued to recognize the tax benefit from hedging losses in its financial statements and has not recorded any tax liability for the amounts assessed by the BFRS.

ADM do Brasil filed an administrative appeal for each of the assessments. During the second quarter of fiscal 2011, the appeal panel found in favor of the BFRS on the 2004 assessment and ADM do Brasil filed a second level administrative appeal, which is still ongoing. In January of 2012, the appeal panel found in favor of the BFRS on the 2006 and 2007 assessments and ADM do Brasil filed a second level administrative appeal, which is still ongoing. If ADM do Brasil continues to be unsuccessful in the administrative appellate process, it intends to file appeals in the Brazilian federal courts. While the Company believes its consolidated financial statements properly reflect the tax deductibility of these hedging losses, the ultimate resolution of this matter could result in the future recognition of additional payments of, and expense for, income tax and the associated interest and penalties.

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Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 9. Income Taxes (Continued)

The Company intends to vigorously defend its position against the current assessments and any similar assessments that may be issued for years subsequent to 2008.

The Company's subsidiaries in Argentina have received tax assessments challenging transfer prices used to price grain exports totaling $37 million (inclusive of interest and adjusted for variation in currency exchange rates) for the tax years 2004 and 2005. The Argentine tax authorities have been conducting a review of income and other taxes paid by large exporters and processors of cereals and other agricultural commodities resulting in allegations of income tax evasion. While the Company believes that it has complied with all Argentine tax laws, it cannot rule out receiving additional assessments challenging transfer prices used to price grain exports for years subsequent to 2005, and estimates that these potential assessments would be approximately $466 million (as of June 30, 2014 and subject to variation in currency exchange rates). The Company intends to vigorously defend its position against the current assessments and any similar assessments that may be issued for years subsequent to 2005. The Company believes that it has appropriately evaluated the transactions underlying these assessments, and has concluded, based on Argentine tax law, that its tax position would be sustained, and accordingly, has not recorded a tax liability for these assessments.

In accordance with the accounting requirements for uncertain tax positions, the Company has concluded that it is more likely than not to prevail on the Brazil and Argentina matters based upon their technical merits. The Company has not recorded an uncertain tax liability for these assessments partly because the taxing jurisdictions' processes do not provide a mechanism for settling at less than the full amount of the assessment. The Company's consideration of these tax assessments requires judgments about the application of income tax regulations to specific facts and circumstances. The final outcome of these matters cannot reliably be predicted, may take many years to resolve, and could result in the payment and expense of up to the entire amount of these assessments.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 10. Accumulated Other Comprehensive Income (AOCI)

The following tables set forth the changes in AOCI by component for the three and six months ended June 30, 2014 and the reclassifications out of AOCI for the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30, 2014				
	Foreign Currency Translation Adjustment (In millions)	Deferred Gain (Loss) on Hedging Activities	Pension Liability Adjustment	Unrealized Gain (Loss) on Investments	Total
Balance at March 31, 2014	$235	$(59)	$(326)	$(8)	$(158)
Other comprehensive income (loss) before reclassifications	35	23	(1)	3	60
Amounts reclassified from AOCI	—	47	5	—	52
Tax effect	—	(23)	(1)	—	(24)
Net current period other comprehensive income	35	47	3	3	88
Balance at June 30, 2014	$270	$(12)	$(323)	$(5)	$(70)

	Six months ended June 30, 2014				
	Foreign Currency Translation Adjustment (In millions)	Deferred Gain (Loss) on Hedging Activities	Pension Liability Adjustment	Unrealized Gain (Loss) on Investments	Total
Balance at December 31, 2013	$269	$5	$(330)	$(1)	$(57)
Other comprehensive income before reclassifications	—	(105)	—	(7)	(112)
Amounts reclassified from AOCI	—	78	10	—	88
Tax effect	1	10	(3)	3	11
Net current period other comprehensive income	1	(17)	7	(4)	(13)
Balance at June 30, 2014	$270	$(12)	$(323)	$(5)	$(70)

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 10. Accumulated Other Comprehensive Income (AOCI) (Continued)

Details about AOCI components	Amount reclassified from AOCI Three months ended June 30, 2014	 June 30, 2013	 Six months ended June 30, 2014	 June 30, 2013	Affected line item in the consolidated statement of earnings
	(In millions)				
Deferred loss (gain) on hedging activities					
	$(11)	$(3)	$(7)	$(1)	Cost of products sold
	58	—	85	1	Revenues
	47	(3)	78	—	Total before tax
	(18)	1	(29)	—	Tax
	$29	$(2)	$49	$—	Net of tax
Pension liability adjustment					
Amortization of defined benefit pension items:					
Prior service credit	$(4)	$(4)	$(8)	$(8)	
Actuarial losses	9	19	18	38	
	5	15	10	30	Total before tax
	(1)	(11)	(3)	(11)	Tax
	$4	$4	$7	$19	Net of tax

Note 11. Other (Income) Expense - Net

The following tables set forth the items in other (income) expense:

	Three Months Ended June 30, 2014	 2013	Six Months Ended June 30, 2014	 2013
	(In millions)			
Gains on sales of assets	$(13)	$(16)	$(34)	$(21)
Net gain on marketable securities transactions	—	(5)	—	(5)
Loss on Australian foreign exchange hedges	—	51	—	51
Other – net	16	(8)	14	—
Other (Income) Expense - Net	$3	$22	$(20)	$25

The loss on Australian foreign exchange hedges for the three and six months ended June 30, 2013 was related to losses on foreign currency derivative contracts entered into to economically hedge substantially all of the remaining U.S. dollar cost of the proposed GrainCorp Limited (GrainCorp) acquisition.

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Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 12. Segment Information

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products. The Company's operations are organized, managed and classified into three reportable business segments: Oilseeds Processing, Corn Processing, and Agricultural Services. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable segments, as defined by the applicable accounting standard, and are classified as Other.

Intersegment sales have been recorded at amounts approximating market. Operating profit for each segment is based on net sales less identifiable operating expenses. Also included in segment operating profit is equity in earnings of affiliates based on the equity method of accounting. Certain Corporate items are not allocated to the Company's reportable business segments. Corporate results principally include the impact of LIFO-related adjustments, unallocated corporate expenses, and interest cost net of investment income. Corporate results also include the after-tax elimination of income attributable to the minority shareholder of Toepfer. The Company acquired the remaining 20% minority interest in Toepfer during the second quarter of 2014, thus no longer requiring the elimination of income attributable to the minority shareholder at June 30, 2014.

For detailed information regarding the Company's reportable segments, see Note 18 to the consolidated financial statements included in the Company's Annual report on Form 10-K for the year ended December 31, 2013.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 12. Segment Information (Continued)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(In millions)			
Gross revenues				
Oilseeds Processing	$9,821	$10,371	$18,219	$19,083
Corn Processing	3,102	3,686	5,951	6,773
Agricultural Services	10,302	10,659	21,377	22,800
Other	129	90	275	177
Intersegment elimination	(1,860)	(2,265)	(3,632)	(4,565)
Total	$21,494	$22,541	$42,190	$44,268
Intersegment sales				
Oilseeds Processing	$980	$1,035	$1,575	$1,604
Corn Processing	31	48	50	82
Agricultural Services	789	1,129	1,890	2,770
Other	60	53	117	109
Total	$1,860	$2,265	$3,632	$4,565
Revenues from external customers				
Oilseeds Processing	$8,841	$9,336	$16,644	$17,479
Corn Processing	3,071	3,638	5,901	6,691
Agricultural Services	9,513	9,530	19,487	20,030
Other	69	37	158	68
Total	$21,494	$22,541	$42,190	$44,268
Segment operating profit				
Oilseeds Processing	$327	$321	$661	$634
Corn Processing	347	223	543	376
Agricultural Services	203	81	356	232
Other	11	22	19	35
Total segment operating profit	888	647	1,579	1,277
Corporate	(153)	(330)	(478)	(585)
Earnings from continuing operations before taxes	$735	$317	$1,101	$692

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 13. Asset Impairment, Exit, and Restructuring Costs

Asset impairment, exit, and restructuring costs recognized in the three and six months ended June 30, 2014 of $31 million consisted of costs associated with the relocation of the Company's global headquarters to Chicago, IL of $16 million and restructuring charges related to Toepfer integration following the acquisition of the minority interest and other restructuring charges of $15 million.

Note 14. Sale of Accounts Receivable

Since March 2012, the Company has had an accounts receivable securitization program (the "Program") with certain commercial paper conduit purchasers and committed purchasers (collectively, the "Purchasers"). Under the Program, certain U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Receivables, LLC ("ADM Receivables"). ADM Receivables in turn transfers such purchased accounts receivable in their entirety to the Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Receivables receives a cash payment of up to $1.2 billion, as amended, and an additional amount upon the collection of the accounts receivable (deferred consideration). The Program terminates on June 26, 2015, unless extended.

In March 2014, the Company entered into a second accounts receivable securitization program (the "Second Program") with certain commercial paper conduit purchasers and committed purchasers (collectively, the "Second Purchasers"). Under the Second Program, certain non-U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Ireland Receivables Company ("ADM Ireland Receivables"). ADM Ireland Receivables in turn transfers such purchased accounts receivable in their entirety to the Second Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Ireland Receivables receives a cash payment of up to $0.4 billion and an additional amount upon the collection of the accounts receivable (deferred consideration). The Second Program terminates on March 20, 2015, unless extended.

Under the Program and Second Program (collectively, the "Programs"), ADM Receivables and ADM Ireland Receivables use the cash proceeds from the transfer of receivables to the Purchasers and Second Purchasers and other consideration to finance the purchase of receivables from the Company and the ADM subsidiaries originating the receivables. The Company accounts for these transfers as sales. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities and its right to the deferred consideration. At June 30, 2014 and December 31, 2013, the Company did not record a servicing asset or liability related to its retained responsibility, based on its assessment of the servicing fee, market values for similar transactions and its cost of servicing the receivables sold.

As of June 30, 2014 and December 31, 2013, the fair value of trade receivables transferred to the Purchasers and Second Purchasers under the Programs and derecognized from the Company's consolidated balance sheet was $0.6 billion, and $1.9 billion, respectively. In exchange for the transfer as of June 30, 2014 and December 31, 2013, the Company received cash of $0.4 billion and $1.1 billion, respectively, and recorded a receivable for deferred consideration included in other current assets of $0.2 billion and $0.8 billion, respectively. Cash collections from customers on receivables sold were $14.7 billion and $18.9 billion for the six months ended June 30, 2014 and 2013, respectively. Of this amount, $13.6 billion and $18.9 billion pertain to cash collections on the deferred consideration for the six months ended June 30, 2014 and 2013, respectively. Deferred consideration is paid to the Company in cash on behalf of the Purchasers and Second Purchasers as receivables are collected; however, as these are revolving

facilities, cash collected from the Company's customers is reinvested by the Purchasers and Second Purchasers daily in new receivable purchases under the Programs.

The Company's risk of loss following the transfer of accounts receivable under the Programs is limited to the deferred consideration outstanding. The Company carries the deferred consideration at fair value determined by calculating the expected amount of cash to be received and is principally based on observable inputs (a Level 2 measurement under the applicable accounting standards) consisting mainly of the face amount of the receivables adjusted for anticipated credit losses and discounted at the appropriate market rate. Payment of deferred consideration is not subject to significant risks other than delinquencies and credit losses on accounts receivable transferred under the Programs which have historically been insignificant.

Transfers of receivables under the Programs resulted in an expense for the loss on sale of $1 million and $2 million during the three and six months ended June 30, 2014, respectively, and $1 million and $2 million during the three and six months ended June 30, 2013, respectively, classified as selling, general, and administrative expenses in the consolidated statements of earnings.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Note 14. Sale of Accounts Receivable (Continued)

The Company reflects all cash flows related to the Programs as operating activities in its consolidated statement of cash flows for the six months ended June 30, 2014 and 2013 because the cash received from the Purchasers and Second Purchasers upon both the sale and collection of the receivables is not subject to significantly different risks given the short-term nature of the Company's trade receivables.

Note 15. Subsequent Events

On July 7, 2014, the Company announced that it is acquiring WILD Flavors GmbH, providing the Company the ability to offer food and beverage companies a comprehensive suite of systems to enhance their products. In an all-cash transaction valued at approximately €2.3 billion enterprise value, the Company will pay €2.2 billion to WILD Flavors shareholders Dr. Hans-Peter Wild and funds affiliated with Kohlberg Kravis Roberts & Co. L.P., and assume approximately €0.1 billion of net debt. The transaction is contingent on regulatory approvals and is expected to close by December 31, 2014.

On August 5, 2014, the Company amended its U.S. qualified pension plans and began notifying certain eligible individuals of its offer to pay those individuals' pension benefit in a lump sum. Individuals eligible for the voluntary lump sum payment option are generally those who are retirees, surviving joint annuitants, beneficiaries, and alternate payees of the U.S. qualified pension plans who are currently receiving a payment and commenced their benefit prior to June 30, 2014. The Company estimates that, depending on participation rates estimated at 20% to 40%, the voluntary lump sum payments, to be paid from plan assets, could reduce its global pension benefit obligation by approximately $170 million to $340 million and improve its pension underfunding by approximately $13 million to $26 million. The Company estimates that it will also have to incur a non-cash pre-tax income statement charge of approximately $45 million to $90 million in the quarter ending December 31, 2014 as a result of the requirement to expense the unrealized actuarial losses currently recognized in accumulated other comprehensive income/(loss) that relate to the liabilities settled on or before December 31, 2014. The Company expects an immaterial increase in ongoing pension expense in 2015. Actual participation rates, payout amounts, and accounting impacts will not be known until December 2014.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Company Overview

This MD&A should be read in conjunction with the accompanying unaudited consolidated financial statements.

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products. The Company uses its significant global asset base to originate and transport agricultural commodities, connecting to markets in more than 140 countries. The Company also processes corn, oilseeds, wheat and cocoa into products for food, animal feed, chemical and energy uses. The Company uses its global asset network, business acumen, and its relationships with suppliers and customers to efficiently connect the harvest to the home, thereby generating returns for its shareholders, principally from margins earned on these activities.

The Company's operations are organized, managed and classified into three reportable business segments: Oilseeds Processing, Corn Processing, and Agricultural Services. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable segments, as defined by the applicable accounting standard, and are classified as Other.

The Oilseeds Processing segment includes global activities related to the origination, merchandising, crushing, and further processing of oilseeds such as soybeans and soft seeds (cottonseed, sunflower seed, canola, rapeseed, and flaxseed) into vegetable oils and protein meals. Oilseeds products produced and marketed by the Company include ingredients for the food, feed, energy, and industrial products industries. Crude vegetable oils produced by the segment's crushing activities are sold "as is" or are further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oils are used to produce biodiesel or are sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. In Europe and South America, the Oilseeds Processing segment includes origination and merchandising activities as adjuncts to its oilseeds processing assets. These activities include a network of grain elevators, port facilities, and transportation assets used to buy, store, clean, and transport grains and oilseeds. The Oilseeds Processing segment produces natural health and nutrition products and other specialty food and feed ingredients. The Oilseeds Processing segment is a major supplier of peanuts and peanut-derived ingredients to both the U.S. and export markets. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. In South America, the Oilseeds Processing segment operates fertilizer blending facilities. The Oilseeds Processing segment also includes activities related to the procurement, transportation and processing of cocoa beans into cocoa liquor, cocoa butter, cocoa powder, chocolate, and various compounds in North America, South America, Europe, Asia, and Africa for the food processing industry. The Oilseeds Processing segment also includes the Company's share of the results of its equity investment in Wilmar International Limited (Wilmar) and its share of results for its Stratas Foods LLC and Edible Oils Limited joint ventures.

The Company's Corn Processing segment is engaged in corn wet milling and dry milling activities, with its asset base primarily located in the central part of the United States. The Corn Processing segment converts corn into sweeteners, starches, and bioproducts. Its products include ingredients used in the food and beverage industry including sweeteners, starch, syrup, glucose, and dextrose. Dextrose and starch are used by the Corn Processing segment as feedstocks for its bioproducts operations. By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, and other specialty food and animal feed ingredients. Ethyl alcohol is produced by the Company for industrial use as ethanol or as beverage grade. Ethanol, in gasoline, increases octane and is used as an extender and oxygenate. Bioproducts also include amino acids such as lysine and threonine that are vital compounds used in swine

feeds to produce leaner animals and in poultry feeds to enhance the speed and efficiency of poultry production. Corn gluten feed and meal, as well as distillers' grains, are produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed into vegetable oil and protein meal. Other Corn Processing products include citric and lactic acids, lactates, sorbitol, xanthan gum, and glycols, all of which are used in various food and industrial products. The Corn Processing segment includes the activities of a propylene and ethylene glycol facility and the Company's Brazilian sugarcane ethanol plant and related operations. This segment also includes the Company's share of the results of its equity investments in Almidones Mexicanos S.A., Eaststarch C.V., and Red Star Yeast Company LLC.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The Agricultural Services segment utilizes its extensive U.S. grain elevator, global transportation network, and port operations to buy, store, clean, and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats, rice, and barley, and resells these commodities primarily as food and feed ingredients and as raw materials for the agricultural processing industry. Agricultural Services' grain sourcing, handling, and transportation network provides reliable and efficient services to the Company's customers and agricultural processing operations. Agricultural Services' transportation network capabilities include barge, ocean-going vessel, truck, and rail freight services. The Agricultural Services segment also includes the activities related to the processing of wheat into wheat flour, the processing and distribution of formula feeds, animal health and nutrition products, and the procurement, processing, and distribution of edible beans. The Agricultural Services segment includes the activities of Alfred C. Toepfer International (Toepfer), a global merchant of agricultural commodities and processed products. On June 6, 2014, the Company announced that it has completed its acquisition of the remaining 20% minority interest in Toepfer for $157 million. The Agricultural Services segment also includes the Company's share of the results of its Kalama Export Company joint venture and returns associated with the Company's investment in GrainCorp.

Other includes the Company's remaining operations, primarily its financial business units, related principally to futures commission and insurance activities.

Corporate results principally include the impact of LIFO-related inventory adjustments, unallocated corporate expenses, and interest cost net of investment income. Corporate results also include the after-tax elimination of income attributable to the minority shareholder of Toepfer prior to June 6, 2014.

Significant Ongoing Portfolio Management Actions

On April 15, 2014, the Company announced additional significant actions in its portfolio management. The Company:

- signed an agreement with The Mosaic Company to sell its fertilizer blending business in Brazil and Paraguay; and
- plans to pursue the sale of its chocolate processing assets while retaining the majority of the cocoa press operations.

The fertilizer sale is contingent on customary regulatory approvals which are in process. The Company considered whether the fertilizer blending business in Brazil and Paraguay should be classified as held for sale as of June 30, 2014, and determined that the requirements under the applicable authoritative accounting literature for held for sale accounting were not met.

The Company believes these actions will help the Company continue to improve returns and create shareholder value.

On July 7, 2014, the Company announced that it is acquiring WILD Flavors GmbH, providing the Company the ability to offer food and beverage companies a comprehensive suite of systems to enhance their products. In an all-cash transaction valued at approximately €2.3 billion enterprise value, the Company will pay €2.2 billion to WILD Flavors shareholders Dr. Hans-Peter Wild and funds affiliated with Kohlberg Kravis Roberts & Co. L.P., and assume approximately €0.1 billion of net debt. The transaction is contingent on regulatory approvals and is expected to close by December 31, 2014.

Operating Performance Indicators

The Company is exposed to certain risks inherent to an agricultural-based commodity business. These risks are further described in Item 1A, "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended

December 31, 2013.

The Company’s oilseeds processing and agricultural services operations are principally agricultural commodity-based businesses where changes in selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. Therefore, changes in agricultural commodity prices have relatively equal impacts on both revenues and cost of products sold. Thus, changes in revenues of these businesses do not necessarily correspond to the changes in margins or gross profit.

The Company’s corn processing operations and certain other food and animal feed processing operations also utilize agricultural commodities (or products derived from agricultural commodities) as raw materials. However, in these operations, agricultural commodity market price changes do not necessarily equal changes in cost of products sold. Thus, changes in revenues of these businesses may correspond to changes in margins or gross profit.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The Company has consolidated subsidiaries in 74 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the applicable periods. For the majority of the Company's business activities in Brazil, the functional currency is the U.S. dollar; however, certain transactions, including taxes, occur in local currency and require conversion to the functional currency. Fluctuations in the exchange rates of foreign currencies, primarily the Euro, British pound, Canadian dollar, and Brazilian real, as compared to the U.S. dollar can result in corresponding fluctuations in the U.S. dollar value of revenues and expenses reported by the Company.

The Company measures the performance of its business segments using key financial metrics including net earnings, segment operating profit, return on invested capital, EBITDA, economic value added, and cost per metric ton. The Company's operating results can vary significantly due to changes in factors such as fluctuations in energy prices, weather conditions, crop plantings, government programs and policies, changes in global demand, general global economic conditions, changes in standards of living, and global production of similar and competitive crops. Due to these unpredictable factors, the Company does not provide forward-looking information in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Three Months Ended June 30, 2014 Compared to Three Months Ended June 30, 2013

Net earnings attributable to controlling interests was $533 million in the second quarter of 2014 compared to $223 million in the second quarter of 2013. Segment operating profit increased $241 million to $888 million, primarily due to improved ethanol and merchandising and handling results. Included in this quarter's segment operating profit was approximately $70 million of net gains related to hedge timing effects compared to approximately $26 million of gains in the prior year's quarter. These hedge timing effects represent hedge ineffectiveness on designated cash flow hedges and other mark-to-market timing impacts on certain cocoa and ethanol derivative contracts. Corporate charges decreased $177 million to $153 million due to a favorable $112 million change in LIFO inventory reserves, $26 million decrease in net interest expense and absence of the $29 million loss provision in last year's quarter related to the Foreign Corrupt Practices Act (FCPA) matter. Corporate results this quarter include a credit of $73 million from the effect of decreasing agricultural commodity prices on LIFO inventory valuation reserves, compared to a charge of $39 million in the second quarter of 2013.

Income taxes increased $112 million due to higher earnings before income taxes partially offset by a lower effective tax rate. The Company's effective tax rate for the quarter ended June 30, 2014 decreased to 27.6% compared to 28.7% for the quarter ended June 30, 2013 due primarily to changes in the forecasted geographic mix of pretax earnings.

Market Factors Influencing Operations or Results

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. Demand for global protein meal and vegetable oil remained strong and steady. Export demand for North American corn was strong. Toward the end of the second quarter, the industry began the seasonal supply shift from North America to South America resulting in a decline in U.S. export volumes that typically runs until the next North American fall harvest. Corn sweetener demand was steady and U.S. ethanol demand from both domestic and export markets was strong. Lower average selling prices of corn sweeteners were offset by lower net corn costs. Compared to a strong quarter last year, South American grain and oilseed origination was challenged by slow farmer selling throughout most of the quarter. Cocoa press margins have continued to improve from last year when margins were negatively impacted by higher inventories and excess industry capacity.

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Explanation of Responses:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Analysis of Statements of Earnings

Revenues by segment for the quarter are as follows:

	Three Months Ended June 30,		
	2014	2013	Change
	(In millions)		
Oilseeds Processing			
Crushing and Origination	$5,437	$5,622	$(185)
Refining, Packaging, Biodiesel, and Other	2,438	2,759	(321)
Cocoa and Other	837	761	76
Asia	129	194	(65)
Total Oilseeds Processing	8,841	9,336	(495)
Corn Processing			
Sweeteners and Starches	944	1,332	(388)
Bioproducts	2,127	2,306	(179)
Total Corn Processing	3,071	3,638	(567)
Agricultural Services			
Merchandising and Handling	8,430	8,379	51
Milling and Other	1,025	1,102	(77)
Transportation	58	49	9
Total Agricultural Services	9,513	9,530	(17)
Other			
Financial	69	37	32
Total Other	69	37	32
Total	$21,494	$22,541	$(1,047)

Revenues decreased $1.0 billion, or 5%, to $21.5 billion due principally to lower average selling prices, related to a decrease in underlying commodity costs, partially offset by higher sales volumes. Oilseeds Processing revenues decreased 5% to $8.8 billion due principally to lower sales volumes of soybeans and lower average selling prices of vegetable oil partially offset by higher sales volumes of vegetable oil. Corn Processing revenues decreased 16% to $3.1 billion due principally to lower average selling prices for sweeteners and ethanol. Agricultural Services revenues were flat at $9.5 billion as higher sales volumes of corn and rapeseed were offset by lower average selling prices for corn.

Cost of products sold decreased $1.4 billion to $20.3 billion due principally to lower average commodity costs and changes in LIFO reserves partially offset by higher manufacturing costs. Included in cost of products sold is a credit of $73 million from the effect of decreasing agricultural commodity prices during this quarter on LIFO inventory valuation reserves compared to a charge of $39 million in the prior year's quarter. Manufacturing expenses increased $46 million due to higher energy costs and higher maintenance costs, in part due to increased U.S. barge freight activities this year.

Selling, general, and administrative expenses decreased $26 million to $426 million due principally to the absence of the prior year charge of $29 million related to the FCPA matter and lower provisions for bad debts partially offset by higher I.T. and other project-related expenses.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Asset impairment, exit, and restructuring costs of $31 million consisted of costs associated with the relocation of the Company's global headquarters to Chicago, IL of $16 million and restructuring charges related to Toepfer integration following the acquisition of the minority interest and other restructuring charges of $15 million.

Interest expense declined $28 million to $79 million primarily due to lower outstanding long-term debt balances. During February 2014, the Company repaid $1.15 billion principal amount of convertible senior notes with available funds.

Equity in earnings of unconsolidated affiliates increased $16 million to $78 million primarily due to higher earnings from the Company's investment in Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) and affiliates (CIP) partially offset by lower earnings from the Company's investment in Wilmar.

Other expense decreased $19 million to $3 million due principally to year over year changes in foreign currency expense including the $51 million prior period losses on Australian dollar currency hedges related to the proposed GrainCorp transaction.

Operating profit by segment and earnings before income taxes for the quarter are as follows:

	Three Months Ended June 30,		
	2014	2013	Change
	(In millions)		
Oilseeds Processing			
Crushing and Origination	$163	$185	$(22)
Refining, Packaging, Biodiesel, and Other	119	93	26
Cocoa and Other	19	(6)	25
Asia	26	49	(23)
Total Oilseeds Processing	327	321	6
Corn Processing			
Sweeteners and Starches	124	126	(2)
Bioproducts	223	97	126
Total Corn Processing	347	223	124
Agricultural Services			
Merchandising and Handling	115	14	101
Milling and Other	61	64	(3)
Transportation	27	3	24
Total Agricultural Services	203	81	122
Other			
Financial	11	22	(11)
Total Other	11	22	(11)
Total Segment Operating Profit	888	647	241
Corporate	(153)	(330)	177
Earnings from Continuing Operations Before Income Taxes	$735	$317	$418

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Explanation of Responses:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Oilseeds Processing operating profit increased $6 million to $327 million. Operating profit in the prior year quarter included a gain of approximately $11 million for cocoa hedge timing effects compared to an immaterial amount in the current quarter. Crushing and Origination operating profit decreased $22 million to $163 million primarily due to lower South American origination results caused by year over year slower farmer-selling partially offset by strong soybean and softseed volumes and margins in North America and South America. Refining, Packaging, Biodiesel, and Other results improved $26 million to $119 million on good volumes and margins for refined and packaged oils in South America and higher results for lecithin and protein specialties. Cocoa and Other results , including the $11 million gain in the prior year for mark-to-market hedge timing effects, improved $25 million to $19 million this quarter as cocoa press margins significantly increased. Asia results declined $23 million to $26 million, principally reflecting a decrease from the Company's share of the results from its equity investee, Wilmar.

Corn Processing operating profit increased $124 million to $347 million. Included in the current quarter operating profit is a gain of approximately $70 million for corn hedge timing effects; while the prior year quarter included a gain of approximately $15 million. Excluding corn hedge timing effects, Sweeteners and Starches operating profit increased $25 million primarily due to lower net corn costs partially offset by lower average selling prices. Excluding corn hedge timing effects, Bioproducts profit in the quarter improved by $44 million as strong demand for U.S. ethanol from domestic and export markets combined with lower net corn costs resulted in higher margins this quarter. While the ethanol logistics environment remained challenging, the Company provided a steady supply to blenders.

Agricultural Services operating profit increased $122 million to $203 million. Merchandising and Handling operating results increased $101 million to $115 million amid strong U.S. export volumes and continued improvement in international merchandising results. Current period Merchandising and Handling results include a gain of $17 million related to a partial recovery of a $22 million loss provision originally established in the second quarter of 2013. Transportation operating profit improved $24 million to $27 million as southbound barge freight utilization was driven by strong U.S. exports, and with good northbound utilization. Milling and Other results were essentially flat at $61 million as lower milling results were offset by strong performance by the edible bean business.

Other financial operating profit decreased $11 million to $11 million mainly due to higher loss provisions in the Company's captive insurance operations.

Corporate results for the quarter are as follows:

	Three Months Ended June 30, 2014	2013	Change
	(In millions)		
LIFO credit (charge)	$73	$(39)	$112
Interest expense - net	(78)	(104)	26
Unallocated corporate costs	(109)	(71)	(38)
Other charges	(31)	(80)	49
Minority interest and other	(8)	(36)	28
Total Corporate	$(153)	$(330)	$177

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Explanation of Responses:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Corporate costs were $153 million this quarter compared to $330 million in last year's quarter. The effects of changing commodity prices on LIFO inventory valuations resulted in a credit of $73 million this quarter compared to a charge of $39 million in the prior year quarter. Interest expense - net declined $26 million due principally to lower outstanding long-term debt balances. Unallocated corporate costs increased $38 million primarily due to increased I.T. and other project-related costs. Other charges of $31 million in the second quarter of 2014 consisted of global headquarters relocation costs of $16 million and Toepfer integration and other restructuring charges of $15 million. Other charges in the second quarter of 2013 included a $29 million provision related to the FCPA matter and losses on Australian dollar currency hedges of $51 million related to losses incurred on foreign currency instruments acquired to economically hedge the majority of the Company's anticipated U.S. dollar cost of the proposed GrainCorp transaction. Minority interest and other expense decreased $28 million primarily due to higher earnings from the Company's investment in CIP and changes in the elimination of the income attributable to the minority shareholder of Toepfer. As previously noted, the Company acquired the remaining 20% interest in Toepfer in the second quarter of 2014.

Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013

Net earnings attributable to controlling interests increased $308 million to $800 million. Segment operating profit was $1.6 billion, up 24%. Corporate costs were lower by $107 million in the current period primarily due to the absence of prior year charges related to the FCPA matter and prior year losses on Australian dollar currency hedges related to the proposed GrainCorp transaction. Earnings before income taxes for the six months ended June 30, 2014 includes charges of $86 million from the effect of increasing agricultural commodity prices on LIFO inventory valuation reserves, compared to charges of $73 million for the six months ended June 30, 2013.

Income taxes increased $105 million due to higher earnings before income taxes. The Company's effective tax rate for the six months ended June 30, 2014 decreased to 27.3% compared to 28.3% for the six months ended June 30, 2013 due primarily to changes in the forecasted geographic mix of pretax earnings.

Market Factors Influencing Operations or Results

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. Demand for global protein meal and vegetable oil remained strong and steady. Export demand for North American corn and soybeans was strong, but logistical challenges during the winter months, including rail delays and river freezes, caused higher costs. Toward the end of the second quarter, the industry began the seasonal supply shift from North America to South America resulting in a decline in U.S. export volumes that typically runs until the next North American fall harvest. Corn and wheat futures prices were inverted, which limited opportunities for storage and merchandising margins. Corn sweetener demand was steady. Strong U.S. ethanol demand from both domestic and export markets combined with industry logistical and production challenges in the winter months led to strong ethanol margins. South American grain and oilseed origination was challenged by slow farmer selling. Cocoa press margins have continued to improve from last year when margins were negatively impacted by excess capacity.

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Explanation of Responses:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Analysis of Statements of Earnings

Revenues by segment for the six months are as follows:

	Six Months Ended June 30,		
	2014	2013	Change
	(In millions)		
Oilseeds Processing			
Crushing and Origination	$9,983	$10,362	$(379)
Refining, Packaging, Biodiesel, and Other	4,702	5,133	(431)
Cocoa and Other	1,664	1,594	70
Asia	295	390	(95)
Total Oilseeds Processing	16,644	17,479	(835)
Corn Processing			
Sweeteners and Starches	1,876	2,504	(628)
Bioproducts	4,025	4,187	(162)
Total Corn Processing	5,901	6,691	(790)
Agricultural Services			
Merchandising and Handling	17,380	17,763	(383)
Milling and Other	2,004	2,172	(168)
Transportation	103	95	8
Total Agricultural Services	19,487	20,030	(543)
Other			
Financial	158	68	90
Total Other	158	68	90
Total	$42,190	$44,268	$(2,078)

Revenues decreased $2.1 billion, or 5%, to $42.2 billion due principally to lower average selling prices partially offset by higher sales volumes. Oilseeds Processing revenues decreased 5% to $16.6 billion due principally to lower sales volumes of soybeans and vegetable oil, partially offset by higher selling prices for cocoa products. Corn Processing revenues decreased 12% to $5.9 billion due principally to lower average selling prices for sweeteners and ethanol partially offset by higher sales volume of ethanol. Agricultural Services revenues decreased 3% to $19.5 billion primarily due to lower average selling prices for corn partially offset by higher sales volumes of corn and soybeans.

Cost of products sold decreased $2.4 billion to $40.3 billion due principally to lower average commodity costs partially offset by higher manufacturing costs. Included in cost of products sold is a charge of $86 million from the effect of increasing agricultural commodity prices on LIFO inventory valuation reserves compared to a charge of $73 million in the prior year's period. Manufacturing expenses increased $136 million due to higher energy costs and higher maintenance costs. Higher energy costs were driven by unusually high volatility of natural gas prices during the winter months due primarily to supply interruptions impacted by the severe winter weather conditions.

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Explanation of Responses:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Selling, general, and administrative expenses decreased $69 million to $819 million due principally to the absence of the prior year charge of $54 million related to the FCPA matter and lower provisions for bad debts partially offset by higher I.T. and other project-related expenses.
Asset impairment, exit, and restructuring costs of $31 million consisted of costs associated with the relocation of the Company's global headquarters to Chicago, IL of $16 million and restructuring charges related to Toepfer integration following the acquisition of the minority interest and other restructuring charges of $15 million.

Interest expense declined $41 million to $172 million primarily due to lower outstanding long-term debt balances. During February 2014, the Company repaid $1.15 billion principal amount of convertible senior notes with available funds.

Equity in earnings of unconsolidated affiliates increased $11 million to $210 million primarily due to higher earnings from the Company's investment in CIP partially offset by lower earnings from the Company's investment in Wilmar.

Other (income) expense - net increased $45 million to income of $20 million due principally to the absence of $51 million incurred in the prior year for unrealized losses on Australian dollar currency hedges related to the proposed GrainCorp acquisition.

Operating profit by segment and earnings before income taxes for the six months are as follows:

	Six Months Ended June 30, 2014 (In millions)	2013	Change
Oilseeds Processing			
Crushing and Origination	$324	$341	$(17)
Refining, Packaging, Biodiesel, and Other	232	201	31
Cocoa and Other	25	(28)	53
Asia	80	120	(40)
Total Oilseeds Processing	661	634	27
Corn Processing			
Sweeteners and Starches	244	202	42
Bioproducts	299	174	125
Total Corn Processing	543	376	167
Agricultural Services			
Merchandising and Handling	184	100	84
Milling and Other	112	123	(11)
Transportation	60	9	51
Total Agricultural Services	356	232	124
Other			
Financial	19	35	(16)
Total Other	19	35	(16)

Total Segment Operating Profit	1,579	1,277	302
Corporate	(478)	(585)	107
Earnings from Continuing Operations Before Income Taxes	$1,101	$692	$409

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Oilseeds Processing operating profit increased $27 million to $661 million. Included in the current period operating profit is a charge of approximately $25 million for cocoa hedge timing effects, while the prior period included a gain of approximately $16 million. Crushing and Origination operating profit decreased $17 million to $324 million primarily due to lower South American Origination results caused by year over year slower farmer-selling partially offset by strong soybean and softseed volumes and margins in North America and South America. European crushing and origination results were essentially flat. Refining, Packaging, Biodiesel, and Other results improved $31 million to $232 million on good volumes and margins for refined and packaged oils. Improved European biodiesel results were partially offset by a decline in North American biodiesel results. Cocoa and Other results, including the mark-to-market timing effects discussed above, improved $53 million to $25 million this period as cocoa press margins significantly increased. Asia results declined $40 million to $80 million, principally reflecting a decrease from the Company's share of its results from its equity investee, Wilmar.

Corn Processing operating profit increased $167 million to $543 million. Included in the current period operating profit is a gain of approximately $5 million for corn hedge timing effects; while the prior period included a charge of approximately $29 million. Excluding corn hedge timing effects, Sweeteners and Starches operating profit increased $12 million primarily due to lower net corn costs partially offset by lower average selling prices. Excluding corn hedge timing effects, Bioproducts profit in the period improved by $121 million as solid demand for U.S. ethanol from domestic and export markets, lower net corn costs, and lower industry production volumes in the winter months caused by logistical and production challenges combined to drive strong margins. While the ethanol logistics environment remained challenging, the Company provided a steady supply to blenders.

Agricultural Services operating profits increased $124 million to $356 million. Merchandising and Handling operating results improved $84 million to $184 million due principally to higher U.S. export volumes and improvement in international merchandising results. Current period Merchandising and Handling results include a gain of $17 million related to a partial recovery of a $22 million loss provision originally established in the second quarter of 2013. Transportation operating profit recovered $51 million to $60 million as southbound barge freight utilization was driven by strong U.S. exports, and good northbound utilization. Milling and Other results declined $11 million to $112 million as inverted wheat futures prices reduced opportunities for grain and feed merchandising.

Other financial operating profit decreased $16 million to $19 million mainly due to higher loss provisions in the Company's captive insurance operations.

Corporate results for the six months are as follows:

	Six Months Ended June 30,		
	2014	2013	Change
	(In millions)		
LIFO credit (charge)	$(86)	$(73)	$(13)
Interest expense - net	(171)	(209)	38
Unallocated corporate costs	(189)	(153)	(36)
Other charges	(31)	(105)	74

Minority interest and other	(1)	(45)	44
Total Corporate	$(478)	$(585)	$107

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Corporate results were $478 million in the current period compared to $585 million in the prior period. The effects of increasing commodity prices on LIFO inventory valuations resulted in a charge of $86 million in the current period compared to a charge of $73 million in the prior period. Interest expense - net declined $38 million due principally to lower outstanding long-term debt balances. Unallocated corporate costs increased $36 million primarily due to increased I.T. and other project-related costs. Other charges of $31 million in the first half of 2014 consisted of global headquarters relocation costs of $16 million and Toepfer integration and other restructuring charges of $15 million. Other charges in the second half of 2013 included a $54 million provision related to the FCPA matter and losses on Australian dollar currency hedges of $51 million related to losses incurred on foreign currency instruments acquired to economically hedge the majority of the Company's anticipated U.S. dollar cost of the proposed GrainCorp transaction. Minority interest and other expense decreased $44 million primarily due to higher earnings from the Company's investment in CIP and changes in the elimination of the income attributable to the minority shareholders of Toepfer. As previously noted, the Company acquired the remaining 20% interest in Toepfer in the second quarter of 2014.

Liquidity and Capital Resources

A Company objective is to have sufficient liquidity, balance sheet strength, and financial flexibility to fund the operating and capital requirements of a capital intensive agricultural commodity-based business. The Company's strategy involves expanding the volume and diversity of crops that it merchandises and processes, expanding the global reach of its core model, and expanding its value-added product portfolio. The Company depends on access to credit markets, which can be impacted by its credit rating and factors outside of the Company's control, to fund its working capital needs and capital expenditures. The primary source of funds to finance the Company's operations, capital expenditures, and advancement of its growth strategy is cash generated by operations and lines of credit, including a commercial paper borrowing facility. In addition, the Company believes it has access to funds from public and private equity and debt capital markets in both U.S. and international markets.

At June 30, 2014, the Company had $2.0 billion of cash, cash equivalents, and short-term marketable securities and a current ratio, defined as current assets divided by current liabilities, of 2.1 to 1. Included in working capital is $5.3 billion of readily marketable commodity inventories. Cash provided by operating activities was $1.0 billion for the six months compared to $2.3 billion the same period last year. Working capital changes decreased cash by $0.1 billion for the six months and increased cash by $1.6 billion the same period last year. Trade receivables increased $0.9 billion due principally to a $1.1 billion decrease in utilization of the accounts receivable securitization program. Inventories declined approximately $2.4 billion at June 30, 2014 compared to December 31, 2013, as lower quantities reduced inventories by approximately $2.2 billion and lower prices reduced inventories by $0.2 billion. Trade payables declined approximately $1.6 billion principally reflecting cash used to pay for North American harvest-related grain purchases. Cash used in investing activities was $0.3 billion for the six months compared to cash provided by investing activities of $0.1 billion the same period last year. Marketable securities purchases were $0.6 billion for the six months compared to $0.3 billion the same period last year. Capital expenditures and net assets of businesses acquired were comparable. Cash used in financing activities was $2.2 billion for the six months compared to $2.3 billion the same period last year. In the current period, long-term debt payments increased as the $1.15 billion convertible debt matured in February 2014 and was paid with available cash.

At June 30, 2014, the Company's capital resources included net worth of $20.2 billion and lines of credit totaling $6.9 billion, of which $6.7 billion was unused. The Company's ratio of long-term debt to total capital (the sum of the

Company's long-term debt and shareholders' equity) was 21% at June 30, 2014 and December 31, 2013. This ratio is a measure of the Company's long-term indebtedness and is an indicator of financial flexibility. Of the Company's total lines of credit, $4.0 billion support a commercial paper borrowing facility, against which there was no commercial paper outstanding at June 30, 2014.

As of June 30, 2014, the Company had $0.5 billion of cash held by foreign subsidiaries whose undistributed earnings are considered permanently reinvested. The Company has asserted that these funds are permanently reinvested outside the U.S. due to the Company's historical ability to generate sufficient cash flows from its U.S. operations, unused and available U.S. credit capacity of $4.0 billion, and domestic cash and cash equivalents at June 30, 2014 of $1.1 billion.

The Company has accounts receivable securitization programs (the "Programs") with certain commercial paper conduit purchasers and committed purchasers. The Programs provide the Company with up to $1.6 billion in funding against accounts receivable transferred into the Programs and expands the Company's access to liquidity through efficient use of its balance sheet assets (see Note 14 of "Notes to Consolidated Financial Statements" included in Item 1 herein, "Financial Statements" for more information and disclosures on the Programs). As of June 30, 2014, the Company utilized $0.4 billion of its facility under the Programs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The Company has a stock repurchase program and has acquired approximately 7.2 million shares and 11.5 million shares for the quarter and six months ended June 30, 2014, respectively. The Company has 54.1 million shares remaining that may be purchased under the program until December 31, 2014.
On July 7, 2014, the Company announced that it is acquiring WILD Flavors GmbH "WILD Flavors" in an all-cash transaction valued at approximately €2.3 billion enterprise value. The Company's cash payment obligation to WILD Flavors shareholders Dr. Hans-Peter Wild and funds affiliated with Kohlberg Kravis Roberts & Co. L.P. would be €2.2 billion, and the Company would assume approximately €0.1 billion of net debt. The transaction is contingent on regulatory approvals and is expected to close by December 31, 2014. After the Company's announcement of the pending acquisition, the three major credit rating agencies affirmed the Company's credit rating and kept their respective outlooks as stable. The Company plans to fund the acquisition using operating cash flows and some forms of debt.
After the announcement of the WILD Flavors acquisition agreement, the Company lowered its capital expenditures target for 2014 from $1.4 billion to $900 million.

Contractual Obligations and Commercial Commitments

The Company's purchase obligations as of June 30, 2014 and December 31, 2013 were $17.2 billion and $16.6 billion, respectively. As of June 30, 2014, the Company expects to make payments related to purchase obligations of $15.7 billion within the next twelve months.

Off Balance Sheet Arrangements

Accounts Receivable Securitization Programs

In March 2014, the Company entered into a second accounts receivable securitization program (the "Second Program") with certain commercial paper conduit purchasers and committed purchasers (collectively, the "Second Purchasers") in order to further diversify funding of the Company's global working capital requirements. Under the Second Program, certain non-U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Ireland Receivables Company ("ADM Ireland Receivables"). ADM Ireland Receivables in turn transfers such purchased accounts receivable in their entirety to the Second Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Ireland Receivables receives a cash payment of up to $0.4 billion and an additional amount upon the collection of the accounts receivable (deferred consideration). ADM Ireland Receivables uses the cash proceeds from the transfer of receivables to the Second Purchasers and other consideration to finance the purchase of receivables from the Company and the ADM subsidiaries originating the receivables. The Company accounts for these transfers as sales. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities and its right to the deferred consideration. As of June 30, 2014, the fair value of trade receivables transferred to the Second Purchasers under the Second Program and derecognized from the Company's consolidated balance sheet was $0.6 billion. At June 30, 2014, the related deferred consideration of $0.2 billion was recorded in other current assets. Additional details of the Second Program are disclosed in Note 14 of the notes to the consolidated financial statements.

In June 2014, the Company amended its accounts receivable securitization program (the "Program") with certain commercial paper conduit purchasers and committed purchasers (collectively, the "Purchasers") and increased its facility from $1.1 billion to $1.2 billion. The Program terminates on June 26, 2015 unless extended.

There were no other material changes in the Company’s off balance sheet arrangements during the six months ended June 30, 2014.

Critical Accounting Policies

There were no material changes in the Company’s critical accounting policies during the quarter ended June 30, 2014.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in: commodity market prices as they relate to the Company's net commodity position, foreign currency exchange rates, and interest rates. Significant changes in market risk sensitive instruments and positions for the quarter ended June 30, 2014 are described below. There were no material changes during the period in the Company's potential loss arising from changes in foreign currency exchange rates and interest rates.

For detailed information regarding the Company's market risk sensitive instruments and positions, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Commodities

The availability and prices of agricultural commodities are subject to wide fluctuations due to factors such as changes in weather conditions, crop disease, plantings, government programs and policies, competition, changes in global demand, changes in customer preferences and standards of living, and global production of similar and competitive crops.

The fair value of the Company's commodity position is a summation of the fair values calculated for each commodity by valuing all of the commodity positions at quoted market prices for the period, where available, or utilizing a close proxy. The Company has established metrics to monitor the amount of market risk exposure, which consist of volumetric limits and value-at-risk (VaR) limits. VaR measures the potential loss, at a 95% confidence level, that could be incurred over a one-year period. Volumetric limits are monitored daily and VaR calculations and sensitivity analysis are monitored weekly.

In addition to measuring the hypothetical loss resulting from an adverse two standard deviation move in market prices (assuming no correlations) over a one-year period using VaR, sensitivity analysis is performed measuring the potential loss in fair value resulting from a hypothetical 10% adverse change in market prices. The highest, lowest, and average weekly position together with the market risk from a hypothetical 10% adverse price change is as follows:

	Six months ended June 30, 2014		Year ended December 31, 2013	
Long/(Short)	Fair Value	Market Risk	Fair Value	Market Risk
	(In millions)			
Highest position	$(125)	$(13)	$660	$66
Lowest position	(964)	(96)	(1,833)	(183)
Average position	(600)	(60)	(959)	(96)

The decrease in fair value of the average position was principally the result of decrease in commodity prices and decrease in average quantities underlying the weekly commodity position.

ITEM 4. CONTROLS AND PROCEDURES

As of June 30, 2014, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rules 13a – 15(e) and 15d – 15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded the Company's disclosure controls and

procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (b) accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. There was no change in the Company's internal controls over financial reporting during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is routinely involved in a number of actual or threatened legal actions, including those involving alleged personal injuries, employment law, product liability, intellectual property, environmental issues, alleged tax liability (see Note 9 for information on income tax matters), and class actions. The Company also routinely receives inquiries from regulators and other government authorities relating to various aspects of our business, including with respect to our compliance with laws and regulations relating to the environment, and at any given time, the Company has matters at various stages of resolution with the applicable government authorities. The outcomes of these matters are not within our complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenues. In accordance with applicable accounting standards, the Company records a liability in its consolidated financial statements for material loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss contingency is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, disgorgement, or punitive damages; or could result in a change in business practice.

On April 22, 2011, certain manufacturers and distributors of sugar cane and beet sugar products filed suit in the U.S. District Court for the Central District of California against the Company, other manufacturers and marketers of high-fructose corn syrup (HFCS), and the Corn Refiners Association, alleging that the defendants falsely claimed that HFCS is “natural” and nutritionally equivalent to sugar. The defendants have filed counterclaims against the plaintiffs. The parties are currently engaged in a pretrial discovery.

The Company is not currently a party to any legal proceeding or environmental claim that it believes would have a material adverse effect on its financial position, results of operations, or liquidity.

ITEM 1A. RISK FACTORS

There were no significant changes in the Company’s risk factors during the quarter ended June 30, 2014. For further information about the Company’s risk factors, refer to Part I, “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program (2)	Number of Shares Remaining that May be Purchased Under the Program (2)
April 1, 2014 to April 30, 2014	747,203	$43.454	685,100	60,601,756
May 1, 2014 to May 31, 2014	3,155,097	43.804	3,155,097	57,446,659
June 1, 2014 to June 30, 2014	3,360,119	44.588	3,360,119	54,086,540
Total	7,262,419	$44.131	7,200,316	54,086,540

(1) Total shares purchased represents those shares purchased in the open market as part of the Company’s publicly announced share repurchase program described below, shares received as payment for the exercise price of stock option exercises, and shares received as payment for the withholding taxes on vested restricted stock awards. During the three-month period ended June 30, 2014, there were 62,103 shares received as payment for the minimum withholding taxes on vested restricted stock awards. During the three-month period ended June 30, 2014, there were no shares received as payment for the exercise price of stock option exercises.

(2) On November 5, 2009, the Company’s Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company’s common stock during the period commencing January 1, 2010 and ending December 31, 2014.

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ITEM 6. EXHIBITS

(2)	Sale and Purchase Agreement, dated July 5, 2014, by and among Acher-Daniels-Midland Europe B.V., Archer Daniels Midland Europoort B.V., ADM Worldwide Holdings L.P., Dr. Hans-Peter Wild and KKR Columba Four S.a.r.l., filed on July 8, 2014 as Exhibit 2.1 to Form 8-K (File No. 1-44), is incorporated herein by reference.
(3)(i)	Composite Certificate of Incorporation, as amended, filed on November 13, 2001 as Exhibit 3(i) to Form 10-Q for the quarter ended September 30, 2001 (File No. 1-44), is incorporated herein by reference.
(3)(ii)	Bylaws, as amended, filed on February 11, 2013 as Exhibit 3(ii) to Form 8-K (File No. 1-44), are incorporated herein by reference.
(12)	Calculation of Ratio of Earnings to Fixed Charges
(31.1)	Certification of Chief Executive Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act, as amended.
(31.2)	Certification of Chief Financial Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act, as amended.
(32.1)	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101)	Interactive Data File

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 thereunto duly authorized.

ARCHER-DANIELS-MIDLAND COMPANY

/s/ R. G. Young
R. G. Young
Senior Vice President and Chief Financial Officer

/s/ D. C. Findlay
D. C. Findlay
Senior Vice President, General Counsel, and Secretary

Dated: August 5, 2014

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