Bunge LTD
Form 10-Q
May 10, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2006

OR

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

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

BUNGE LIMITED

(Exact name of registrant as specified in its charter)

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

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

(Check one): Large accelerated filer ý Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes o No ý

As of May 2, 2006, the number of common shares issued and outstanding of the registrant was:

Common shares, par value $.01: 119,434,555

BUNGE LIMITED

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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(United States Dollars in Millions, except per share data)

	Three Months Ended March 31,	
	2006	**2005**
Net sales	$ 5,601	$ 5,451
Cost of goods sold	(5,317)	(5,066)
Gross profit	**284**	**385**
Selling, general and administrative expenses	(227)	(196)
Interest income	28	23
Interest expense	(61)	(57)
Foreign exchange gains (losses)	43	(16)
Other income (expense) net	1	8
Income from operations before income tax	**68**	**147**
Income tax expense	(11)	(44)
Income from operations after tax	**57**	**103**
Minority interest	(11)	(15)
Equity in earnings of affiliates	12	10
Net income	**$ 58**	**$ 98**
Earnings per common share basic (Note 15):		
Net income per share	$ 0.49	$ 0.88
Earnings per common share diluted (Note 15):		
Net income per share	$ 0.48	$ 0.82

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

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(United States Dollars in Millions, except share data)

	March 31, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 280	$ 354
Trade accounts receivable (less allowance of $201 and $180)	1,611	1,702
Inventories (Note 3)	2,698	2,769
Deferred income taxes	110	102
Other current assets (Note 5)	1,672	1,637
Total current assets	6,371	6,564
Property, plant and equipment, net	3,024	2,900
Goodwill (Note 6)	185	176
Other intangible assets	132	132
Investments in affiliates	613	585
Deferred income taxes	550	462
Other non-current assets	704	627
Total assets	$ 11,579	$ 11,446
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 555	$ 411
Current portion of long-term debt	175	178
Trade accounts payable	1,666	1,803
Deferred income taxes	34	38
Other current liabilities (Note 7)	1,053	1,187
Total current liabilities	3,483	3,617
Long-term debt	2,485	2,557
Deferred income taxes	151	145
Other non-current liabilities	607	576
Commitments and contingencies (Note 12)		
Minority interest in subsidiaries	351	325
Shareholders' equity:		
Common shares, par value $.01; authorized 240,000,000 shares; issued and outstanding: 2006 119,376,760 shares, 2005 119,184,696 shares	1	1
Additional paid-in capital	2,652	2,630
Retained earnings	1,947	1,907
Accumulated other comprehensive loss	(98)	(312)
Total shareholders' equity	4,502	4,226
Total liabilities and shareholders' equity	$ 11,579	$ 11,446

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

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BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(United States Dollars in Millions)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
OPERATING ACTIVITIES		
Net income	$ 58	$ 98
Adjustments to reconcile net income to cash used for operating activities:		
Foreign exchange (gain) loss on debt	(42)	13
Impairment of assets	20	
Bad debt expense	14	5
Depreciation, depletion and amortization	78	63
Decrease in allowance for recoverable taxes	(6)	(27)
Deferred income taxes	(32)	9
Minority interest	11	15
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Trade accounts receivable	144	92
Inventories	135	(267)
Prepaid commodity purchase contracts	(22)	(42)
Advances to suppliers	50	40
Trade accounts payable	(213)	(40)
Advances on sales	(49)	(57)
Unrealized (gain) loss on derivative contracts	(85)	76
Accrued liabilities	(36)	(71)
Other net	(79)	(133)
Net cash used for operating activities	(54)	(226)
INVESTING ACTIVITIES		
Payments made for capital expenditures	(70)	(94)
Investments in affiliates	(33)	
Business acquisitions (net of cash acquired) and intangible assets		(24)
Return of capital from affiliate	6	8
Related party repayments (loans)	1	(6)
Net cash used for investing activities	(96)	(116)
FINANCING ACTIVITIES		
Net change in short-term debt	145	120
Proceeds from long-term debt	16	241
Repayment of long-term debt	(66)	(86)
Proceeds from sale of common shares	2	3
Dividends paid to shareholders	(18)	(14)
Dividends paid to minority interest	(17)	(8)
Net cash provided by financing activities	62	256
Effect of exchange rate changes on cash and cash equivalents	14	(7)

	Three Months Ended March 31,	
Net decrease in cash and cash equivalents	(74)	(93)
Cash and cash equivalents, beginning of period	354	432
Cash and cash equivalents, end of period	$ 280	$ 339

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

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Bunge Limited and its subsidiaries (Bunge) have been prepared in accordance with United States of America generally accepted accounting principles (U.S. GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934, as amended (Exchange Act). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included. The consolidated balance sheet at December 31, 2005 has been derived from Bunge's audited financial statements at that date. Operating results for the three months ended March 31, 2006 are not necessarily indicative of the results to be expected for the year ending December 31, 2006. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2005 included in Bunge's 2005 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC).

Effective January 1, 2006, Bunge adopted the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment* (SFAS No. 123R). See Note 14 of the notes to the condensed consolidated financial statements.

Reclassifications Certain reclassifications were made to the prior period condensed consolidated financial statements to conform to the current period presentation.

2. NEW ACCOUNTING STANDARDS

In March 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 156, *Accounting for Servicing of Financial Assets an amendment of FASB Statement No. 140,* which is effective for fiscal years beginning after September 15, 2006. This statement was issued to simplify the accounting for servicing rights and to reduce the volatility that results from using different measurement attributes. Bunge is currently evaluating the new statement to determine the potential impact, if any, this would have on its financial results.

In February 2006, the FASB issued SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments an amendment of FASB Statements No. 133 and 140*, which is effective for fiscal years beginning after September 15, 2006. The statement was issued to clarify the application of FASB Statement No. 133 to beneficial interests in securitized financial assets and to improve the consistency of accounting for similar financial instruments, regardless of the form of the instruments. Bunge is currently evaluating the new statement to determine the potential impact, if any, this would have on its financial results.

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

3. INVENTORIES

Inventories consist of the following:

(US$ in millions)	March 31, 2006	December 31, 2005
Agribusiness-Readily marketable inventories at market value[1]	$ 1,513	$ 1,534
Fertilizer	445	421
Edible oils	250	233
Milling	76	73
Other[2]	414	508
Total	$ 2,698	$ 2,769

(1) Readily marketable inventories are agricultural commodities inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

(2) Other consists of agribusiness inventories, other than readily marketable inventories, carried at lower of cost or market.

4. INVESTMENT IN AFFILIATES

In the three months ended March 31, 2006, Bunge made investments in its unconsolidated affiliates which consisted primarily of a $16 million cash acquisition of 25% of the outstanding shares of a company engaged in the production of edible oil products in Russia and a $16 million investment in Bunge's existing Brazilian port terminal joint ventures. Bunge accounts for these investments under the equity method.

5. OTHER CURRENT ASSETS

Other current assets consist of the following:

(US$ in millions)	March 31, 2006	December 31, 2005
Prepaid commodity purchase contracts	$ 121	$ 93
Secured advances to suppliers	632	635
Unrealized gain on derivative contracts	236	196
Recoverable taxes	206	216
Marketable securities	11	9
Other	466	488
Total	$ 1,672	$ 1,637

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

6. GOODWILL

At March 31, 2006, the changes in the carrying value of goodwill by segment are as follows:

(US$ in millions)	Agribusiness	Edible Oil Products	Milling Products	Total
Balance, December 31, 2005	$ 155	$ 13	$ 8	$ 176
Foreign exchange translation	12	1		13
Tax benefit on goodwill amortization[1]	(4)			(4)
Balance, March 31, 2006	$ 163	$ 14	$ 8	$ 185

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

7. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(US$ in millions)	March 31, 2006	December 31, 2005
Accrued liabilities	$ 615	$ 669
Unrealized loss on derivative contracts	185	264
Advances on sales	153	202
Other	100	52
Total	$ 1,053	$ 1,187

8. IMPAIRMENT AND RESTRUCTURING CHARGES

Impairment In the three months ended March 31, 2006, Bunge recorded a pretax non-cash impairment charge of $18 million and $2 million in its agribusiness and edible oil products segments, respectively, relating to write-downs of three small, older and less efficient oilseed processing, refining and bottling facilities in Brazil. Declining results of operations at these facilities, which resulted from adverse operating conditions in the Brazilian agribusiness industry, competition from Argentina and the strength of the Brazilian currency, led management to permanently close these three facilities. The fair values of land, and equipment of these three facilities were determined with the assistance of a third-party valuation.

Bunge has recorded these impairment charges in cost of goods sold in the condensed consolidated statements of income for the three months ended March 31, 2006.

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

8. IMPAIRMENT AND RESTRUCTURING CHARGES (continued)

Restructuring In the three months ended March 31, 2006, Bunge recorded restructuring charges of $4 million related to its South American agribusiness and fertilizer operations. These charges consisted of termination benefit costs of $1 million and $2 million in the agribusiness and fertilizer segments, respectively, and environmental costs of $1 million in the agribusiness segment. In the agribusiness segment, termination costs for the three months ended March 31, 2006 related to termination benefit obligations of approximately 400 terminated plant employees and the environmental expense related to the closure of the three oilseed processing, refining and bottling facilities noted above. In the fertilizer segment, termination costs for the three months ended March 31, 2006 related to the termination of approximately 100 administrative employees in connection with Bunge's cost reduction programs. These restructuring costs are associated with Bunge's 2005 corporate restructuring program which was designed to streamline costs and rationalize the corporate structure in these segments. Funding for these costs is provided by cash flows from operations. All termination benefit obligations were paid prior to March 31, 2006. The environmental costs are accrued in other non-current liabilities in the condensed consolidated balance sheet at March 31, 2006. These restructuring and environmental costs for the agribusiness segment were recorded in costs of good sold and the restructuring charges for the fertilizer segment were recorded in selling, general and administrative expense in the condensed consolidated statement of income for the three months ended March 31, 2006.

9. LONG-TERM DEBT AND FINANCIAL INSTRUMENTS

The interest rate swaps used by Bunge as derivative hedging instruments have been recorded at fair value in other liabilities in the condensed consolidated balance sheets with changes in fair value recorded currently in earnings. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value due to changes in interest rates. Ineffectiveness, as defined in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS No. 133), is recognized to the extent that these two adjustments do not offset. As of March 31, 2006, Bunge recognized no ineffectiveness related to its interest rate swap hedging instruments. The derivatives Bunge entered into for hedge purposes are assumed to be perfectly effective under the shortcut method of SFAS No. 133. The differential to be paid or received on changes in interest rates is recorded as an adjustment to interest expense. The interest rate differential on the swaps settles in cash every six months until expiration.

The following table summarizes Bunge's outstanding interest rate swap agreements accounted for as fair value hedges as of March 31, 2006.

	Maturity				
(US$ in millions)	**2008**	**2014**	**2015**	**Total**	**Fair Value Loss March 31, 2006**
Receive fixed/pay variable notional amount	$ 500	$ 500	$ 400	$ 1,400	$ (64)
Weighted average variable rate payable[(1)]	5.894%	5.981%	5.618%		
Weighted average fixed rate receivable	4.375%	5.35%	5.10%		

(1) Interest is payable in arrears based on a forecasted rate of six-month LIBOR plus a spread.

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

9. LONG-TERM DEBT AND FINANCIAL INSTRUMENTS (continued)

Bunge recognized approximately $4 million of interest expense in the condensed consolidated statement of income in the three months ended March 31, 2006, relating to its outstanding swap agreements.

In April 2006, Bunge entered into various interest rate swap agreements with a notional value amount of $100 million maturing in 2013 for the purpose of managing its interest rate exposure associated with the $100 million aggregate principal amount of 5.875% senior notes due 2013. Under the terms of the interest rate swap agreements, Bunge will make payments based on six-month LIBOR, and will receive payments based on fixed interest rates. Bunge will account for these interest rate swap agreements as fair value hedges in accordance with SFAS No. 133.

Certain of Bunge's operations are subject to risk from exchange rate fluctuations in connection with anticipated sales in foreign currencies. To minimize this risk, during the first quarter of 2006, a combination of foreign exchange contracts and zero cost collars were purchased and designated as cash flow hedges in accordance with SFAS No. 133. Accordingly, changes in fair values of outstanding cash flow hedge derivatives that are highly effective are recorded in other comprehensive income, until net income is affected by the variability of cash flows of the hedged transaction. In most cases, amounts recorded in other comprehensive income will be released to net income some time after the maturity of the related derivative. Results of hedges related to sales in foreign currencies are recorded in net sales.

As of March 31, 2006, approximately $136 million of anticipated foreign currency denominated sales have been hedged with the underlying derivative contracts settling at various dates beginning in April 2006 through December 2006. At March 31, 2006, the fair value of contracts expected to settle within the next nine months, which is recorded in other current assets, approximated $2 million. The change in the fair value of the contracts designated as cash flow hedges is recorded as a component of other comprehensive income and was approximately $1 million, net of income taxes, as of March 31, 2006. The change in the fair value will be reclassified into earnings when the anticipated sales occur with approximately $1 million expected to be released to earnings in 2006. The ineffective portion of these hedges was not material. Bunge assesses, both at the inception of the hedge and on an on-going basis, whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in cash flow hedged items.

10. RELATED PARTY TRANSACTIONS

Bunge purchased soybeans, related soybean commodity products and other commodity products from its unconsolidated joint ventures (primarily The Solae Company and its other North American joint ventures), which totaled $70 million and $79 million for the three months ended March 31, 2006 and 2005, respectively. Bunge also sold soybean commodity products and other commodity products to these joint ventures, which totaled $32 million and $11 million for the three months ended March 31, 2006 and 2005, respectively. Bunge believes these transactions were recorded at values similar to those with third parties.

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

11. EMPLOYEE BENEFIT PLANS

	Pension Benefits Three Months Ended March 31,	
(US$ in millions)	**2006**	**2005**
Service cost	$ 3	$ 2
Interest cost	5	4
Expected return on plan assets	(5)	(4)
Recognized net loss	1	1
Net periodic benefit cost	$ 4	$ 3

	Postretirement Benefits Three Months Ended March 31,	
(US$ in millions)	**2006**	**2005**
Service cost	$	$
Interest cost		
Expected return on plan assets		
Recognized net loss		
Net periodic benefit cost[1]	$	$

(1) The net periodic benefit cost for the postretirement benefit plans was not significant in the three months ended March 31, 2006.

During the three months ended March 31, 2006, Bunge made contributions to its defined benefit pension plans totaling approximately $1 million. During the three months ended March 31, 2006, Bunge made nominal payments to its postretirement benefit plans.

12. COMMITMENTS AND CONTINGENCIES

Bunge is party to a number of claims and lawsuits, primarily tax and labor claims in Brazil, arising out of the normal course of business. After taking into account liabilities recorded for all of the foregoing matters, management believes that the ultimate resolution of such matters will not have a material adverse effect on Bunge's financial condition, results of operations or liquidity. Included in other non-current liabilities as of March 31, 2006 and December 31, 2005 are the following accrued liabilities:

(US$ in millions)	**March 31, 2006**	**December 31, 2005**
Tax claims	$ 181	$ 173
Labor claims	79	95
Civil and other claims	74	70
Total	$ 334	$ 338

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BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

12. COMMITMENTS AND CONTINGENCIES (continued)

Tax Claims The tax claims relate principally to claims against Bunge's Brazilian subsidiaries, including primarily value added tax claims (ICMS and IPI) and sales tax claims (PIS and COFINS). The determination of the manner in which various Brazilian federal, state and municipal taxes apply to the operations of Bunge is subject to varying interpretations arising from the complex nature of Brazilian tax law.

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

Civil and Other The civil and other claims relate to various disputes with suppliers and customers.

Guarantees Bunge has issued or was a party to the following guarantees at March 31, 2006:

(US$ in millions)	**Maximum Potential Future Payments**
Operating lease residual values[(1)]	$ 59
Unconsolidated affiliates financing[(2)]	24
Customer financing[(3)]	202
Total	$ 285

(1) Prior to January 1, 2003, Bunge entered into synthetic lease agreements for barges and railcars originally owned by Bunge and subsequently sold to third parties. The leases are classified as operating leases in accordance with SFAS No. 13, *Accounting for Leases.* Any gains on the sales were deferred and recognized ratably over the initial lease terms. Bunge has the option under each lease to purchase the barges or railcars at fixed amounts, based on estimated fair values or to sell the assets. If Bunge elects to sell, it will receive proceeds up to fixed amounts specified in the agreements. If the proceeds of such sales are less than the specified fixed amounts, Bunge would be obligated under a guarantee to pay supplemental rent for the deficiency in proceeds up to a maximum of approximately $59 million at March 31, 2006. The operating leases expire through 2010. There are no recourse provisions or collateral that would enable Bunge to recover any amounts paid under this guarantee.

(2) Prior to January 1, 2003, Bunge issued a guarantee to a financial institution related to debt of its joint ventures in Argentina, its unconsolidated affiliates. The term of the guarantee is equal to the term of the related financing, which matures in 2009. There are no recourse provisions or collateral that would enable Bunge to recover any amounts it may be required to pay under this guarantee.

(3) Bunge issued guarantees to financial institutions in Brazil related to amounts owed the institutions by certain of Bunge's customers. The terms of the guarantees are equal to the terms of the related financing arrangements, which can be as short as 120 days or as long as 360 days. In the event that the customers default on their payments to the institutions Bunge would be required to perform under the guarantees. At March 31, 2006, $99 million of these financing arrangements were collateralized by tangible property. Bunge has determined the fair value of these guarantees to be immaterial at March 31, 2006.

BUNGE LIMITED AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

12. COMMITMENTS AND CONTINGENCIES (continued)

Several of Bunge's Brazilian subsidiaries have litigation pending in Brazil against Centrais Elétricas Brasileiras S.A. (Eletrobrás), a publicly-traded, government controlled holding company for Brazilian electric companies. The litigation is seeking interest, including adjustments for inflation, on amounts deposited with Eletrobrás that were required by law from 1977 to 1993. In 2005, the Brazilian supreme court issued a judgment in favor of a Brazilian subsidiary of Bunge in respect of its claim against Eletrobrás. The judgment did not specify the amount which Bunge can recover from Eletrobrás. Bunge is currently negotiating the final settlement amount with Eletrobrás and expects to complete the negotiations during 2006. The negotiated settlement requires court approval. As of March 31, 2006, Bunge has not recognized any amounts related to this claim in the condensed consolidated financial statements pending the outcome of the negotiations with Eletrobrás and the court approval. Although Bunge expects to receive up to $45 million upon final settlement based on its subsidiary's claims against Eletrobrás for which a judgment has been issued, amounts ultimately negotiated and approved by the Brazilian court could be substantially less. Bunge's other Brazilian subsidiaries' claims are pending in the Brazilian courts.

In addition, Bunge has provided parent level guarantees of the indebtedness outstanding under certain senior credit facilities and senior notes, which were entered into by its wholly owned subsidiaries. The debt under these guarantees had a carrying amount of $2,386 million at March 31, 2006. Debt related to these guarantees is included in the condensed consolidated balance sheet at March 31, 2006. There are no significant restrictions on the ability of any of Bunge's subsidiaries to transfer funds to Bunge.

Also, certain of Bunge's subsidiaries have provided guarantees of indebtedness of certain of their subsidiaries under certain lines of credit with various institutions. The total borrowing capacity under these lines of credit was $62 million as of March 31, 2006, of which there was approximately $4 million outstanding as of such date.

13. COMPREHENSIVE INCOME (LOSS)

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

	Three Months Ended March 31,	
(US$ in millions)	**2006**	**2005**
Net income	$ 58	$ 98
Other comprehensive income (loss):		