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BUNGE LTD
Form 6-K
April 30, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
The Securities Exchange Act of 1934

April 30, 2004

Commission File Number 001-16625

BUNGE LIMITED

(Translation of registrant's name into English)

50 Main Street
White Plains, New York 10606
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X Form 40-F
 --- ---

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):

Indicate by check mark whether by furnishing the information contained in this Form the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X
 --- ---

If "Yes" is marked, indicate below the file number assigned to the registrant with Rule 12g3-2(b): 82-_____

This report on Form 6-K shall be incorporated by reference into the Registration Statements on Form F-3 (Registration Nos. 333-104974, 333-106182, 333-107376, 333-108441-01, 333-109309, 333-110904, 333-113194-01 and 333-114973), as amended, and the Registration Statements on Form F-4 (Registration Statement Nos. 333-108462 and 333-113786), as amended, filed by Bunge Limited Finance Corp. and Bunge Limited under the Securities Act of 1933, as amended, and the

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Registration Statements on Form S-8 (Registration Nos. 333-66594, 333-75762, 333-76938 and 333-109446) filed by Bunge Limited under the Securities Act of 1933, to the extent not superseded by documents or reports subsequently filed under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended.

Cautionary Statement Concerning Forward-Looking Statements

This report contains both historical and forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not based on historical facts, but rather reflect our current expectations and projections about our future results, performance, prospects and opportunities. We have tried to identify these forward-looking statements by using words including "may," "will," "expect," "anticipate," "believe," "intend," "estimate," "continue" and similar expressions. These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these forward-looking statements. The following important factors, among others, could affect our business and financial performance: our ability to complete, integrate and benefit from acquisitions, divestitures, joint ventures and strategic alliances; estimated demand for the commodities and other products that we sell and use in our business; industry conditions, including the cyclical nature of the agribusiness industry and unpredictability of the weather; agricultural, economic and political conditions in the primary markets where we operate; and other economic, business, competitive and/or regulatory factors affecting our business generally. The forward-looking statements included in this report are made only as of the date of this release, and except as otherwise required by federal securities law, we do not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

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The following is a summary of the unaudited consolidated results of Bunge Limited for the first quarter of 2004.

> Financial Highlights

(In millions, except per share data and percentages)

	First Quarter Ended		Percent Change
	3/31/04	3/31/03	
Volumes (metric tons)	23.8	22.9	4%
Net sales	\$5,739	\$4,842	19%
Net income	\$70	\$40	75%
Earnings per share(1)	\$0.65	\$0.40	63%

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Bunge's results included certain gains and charges that may be of interest to investors. These items totaled \$3 million, or \$.03 per share, in the quarter ended March 31, 2004, and \$(1) million, or \$(.01) per share, in the quarter ended March 31, 2003. These gains and charges are detailed in the attached schedule titled "Additional Financial Information."

> 2004 First Quarter Results

Agribusiness

Agribusiness benefited from solid volume growth and improvements in margins, assisted by effective risk management. Efficiency improvements in logistics, favorable effects from freight risk management programs and better than expected margins in North America also contributed. Selling, general and administrative expenses (SG&A) increased compared to the first quarter of 2003 primarily due to increases in employee compensation and the appreciation of the Brazilian real. Interest expense increased, primarily due to an increase in inventory levels associated with higher commodity prices.

Fertilizer

Higher average selling prices for fertilizer offset weaker volumes. Volumes in the first quarter of 2003 benefited from farmers' accelerated purchases, which did not occur in 2004. Higher international prices for fertilizer raw materials boosted local selling prices and increased margins on local production, which is priced to import parity. SG&A increased, primarily due to the appreciation of the Brazilian real, increased labor and fiscal provisions and salary increases.

(1) Earnings per share numbers are reported on a fully diluted basis, which includes approximately 7.78 million common shares issuable upon conversion of Bunge's 3.75% convertible notes due 2022. The convertible notes became convertible as of March 31, 2004. See Note (2) of the footnotes to the "Consolidated Statements of Income" for more information.

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Edible Oil Products

For comparative purposes, the results of the edible oil segment are presented below for the first quarter of 2004 and for the first quarter of 2003 including the results of Lesieur, which was sold to our Saipol joint venture in July 2003, and the results of Lesieur for the first quarter ended March 31, 2003.

	----- First Quarter Ended -----		
		As Reported	Lesieur
(In millions, except volumes)	3/31/04	3/31/03	3/31/03

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Volumes (in thousands of metric tons)	714	859	157
Net sales	\$542	\$536	\$156
Segment operating profit	\$17	\$17	\$6

Edible oil results benefited from margin improvements in Bunge's Eastern European businesses. These improvements were partially offset by increases in raw material costs, primarily soybean oil.

Milling Products

Milling products results benefited from higher margins and sales volumes in Bunge's corn milling business and higher margins in Bunge's wheat milling business.

Financial Costs

Interest income decreased, primarily due to lower interest rates in Brazil. Interest expense declined despite increases in average borrowings for the first quarter of 2004, compared to the same period in 2003, primarily due to lower average interest rates on long-term borrowings. During 2003, the company replaced long-term debt assumed in the acquisition of Cereol in 2002 and long-term debt maturing in 2003 with lower interest rate debt.

Foreign exchange losses and related hedging costs, incurred primarily on the net U.S. dollar-denominated monetary liability position of Bunge's Brazilian subsidiaries, were \$16 million in the first quarter of 2004, compared to foreign exchange gains of \$7 million in the same period last year. The Brazilian real depreciated 1% in value against the U.S. dollar in the first quarter of 2004, as compared to a 5% appreciation in the same period last year.

Other Income (Expense) - net

In March 2004, Bunge exchanged its Brazilian domestic retail flour assets for J. Macedo's industrial flour assets and \$7 million in cash. The exchange resulted in a pre-tax gain of \$5 million, which is included in other income (expense) - net for the first quarter of 2004.

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Other income (expense) - net also benefited from increases in Bunge's share of earnings from its joint ventures in Argentina and Solae. Solae was formed in the second quarter of 2003.

Income Tax Expense

Bunge's effective tax rate for the first quarter of 2004 was 40%, compared to 38% in the first quarter of 2003. Our estimated effective tax rate for 2004 increased from 2003 due to reduced tax benefits on U.S. export sales and higher taxes payable in various tax jurisdictions.

Total Debt and Cash Flow

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Total debt, which includes short-term debt, current maturities of long-term debt and long-term debt, was \$4,215 million at March 31, 2004, an increase of \$821 million from December 31, 2003 primarily due to higher levels of inventory resulting from the increase in agricultural commodity prices. In addition, readily marketable inventories increased at March 31, 2004 by \$1,011 million from December 31, 2003. Higher product prices require more working capital for similar levels of business volume. Total debt is not reduced for the amount of readily marketable inventories we hold. Readily marketable inventories are agricultural inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

Cash flow from operations was negatively affected by higher levels of working capital caused by the 60% increase in soybean prices since mid-2003. This effect is likely to reverse when prices return to historical averages. Cash flow used for operations in the first quarter of 2004 was \$720 million, which included the effect of higher agricultural commodity prices of approximately \$793 million, as compared to cash flow used for operations for the first quarter of 2003 of \$3 million.

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Additional Financial Information

The following table provides a summary of certain gains and charges that may be of interest to investors. The table includes a description of these items and their effect on income from continuing operations before income taxes and minority interest, net income and earnings per share for the quarters ended March 31, 2004 and 2003.

(In millions, except per share data)	Income From Continuing Operations Before Income Taxes and Minority Interest		Net Income		Earnings Per Diluted	
	2004	2003	2004	2003	2004	2003
	----	----	----	----	----	----
Quarter Ended March 31:						
Gain on exchange of retail flour business	\$5	\$-	\$3	\$ -	\$0.03	\$ -
Discontinued operations, net of tax	-	-	-	(1)	-	(0.03)
Total	\$5	\$-	\$3	\$(1)	\$0.03	\$(0.03)

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CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data and percentages)
(Unaudited)

	Quarter Ended March 31,		Perce Chan
	2004	2003	
Net sales	\$5,739	\$4,842	1
Cost of goods sold	(5,374)	(4,569)	1
Gross profit	365	273	3
Selling, general and administrative expenses	(178)	(149)	1
Interest income	16	20	(2)
Interest expense	(40)	(47)	(1)
Interest expense on readily marketable inventories	(12)	(7)	7
Foreign exchange gains (losses)	(16)	7	
Other income (expense)-net	11	1	
Income from continuing operations before income tax and minority interest	146	98	4
Income tax expense	(58)	(37)	5
Income from continuing operations before minority interest	88	61	4
Minority interest	(18)	(20)	(1)
Income from continuing operations	70	41	7
Discontinued operations, net of tax (Note 1)	-	(1)	
Net income	\$ 70	\$ 40	7
Earnings per common share - basic (Note 2):			
Income from continuing operations	\$ 0.70	\$ 0.41	7
Discontinued operations	-	(0.01)	
Net income per share - basic	\$ 0.70	\$ 0.40	7
Earnings per common share - diluted (Note 2):			
Income from continuing operations	\$ 0.65	\$ 0.41	5

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Discontinued operations	-	(0.01)
	-----	-----
Net income per share - diluted	\$ 0.65	\$ 0.40
	=====	=====

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FOOTNOTES TO CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Note 1: In December 2003, Bunge sold its North American bakery business to a third party. Accordingly, the operating results for the disposed division have been reported as discontinued operations for the three months ended March 31, 2003.

Note 2: Earnings per share are calculated on the basis of the following number of common shares outstanding:

	Quarter Ended March 31,	
	2004	2003
	-----	-----
(In millions, except share data)		
Income from continuing operations - basic	\$70	
Interest on convertible notes, net of tax	1	
Income from continuing operations - diluted	\$71	
	=====	=====
Weighted average number of common shares outstanding:		
Basic	100,016,833	99,000,000
Effect of dilutive shares:		
-Stock options and awards	1,770,441	
-Convertible notes	7,778,425	
Diluted	109,565,699	100,000,000
	=====	=====
Income from continuing operations - per share:		
-Basic	\$0.70	
-Diluted	\$0.65	
	=====	=====

The calculation of diluted earnings per common share for the three months ended March 31, 2004 includes the 7,778,425 common shares that would be issuable upon conversion of our 3.75% convertible notes due

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2022. The convertible notes became convertible as of March 31, 2004. The convertible notes are convertible at the option of the holder into our common shares, among other circumstances, during any calendar quarter in which the closing price of our common shares for at least 20 of the last 30 trading days of the immediately preceding calendar quarter is more than 120% of the conversion price of \$32.1402, or approximately \$38.57 per share. The closing price condition was satisfied as of March 31, 2004 and the convertible notes may be converted at the option of the holder. The convertible notes will remain convertible until June 30, 2004, unless the closing price condition described above is satisfied again at June 30, 2004, at which point the convertible notes will remain convertible for another calendar quarter.

Note 3: Certain reclassifications were made to the prior period's consolidated financial statements to conform to the 2004 presentation.

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CONSOLIDATED SEGMENT INFORMATION SUMMARY TABLE
(In millions, except volumes and percentages)
(Unaudited)

Set forth below is a summary of certain items in our consolidated statements of income and volumes by reportable segment.

	Quarter Ended March 31,	
	2004	2003
Volumes (in thousands of metric tons):		
Agribusiness	20,393	19,232
Fertilizer	1,760	1,861
Edible oil products	714	859
Milling products	966	825
Other (soy ingredients)	-	132
Food products total	1,680	1,816
Total	23,833	22,909
Net sales:		
Agribusiness	\$4,631	\$3,802
Fertilizer	366	286
Edible oil products	542	536
Milling products	200	172
Other (soy ingredients)	-	46
Food products total	742	754
Total	\$5,739	\$4,842
Cost of goods sold:		

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Agribusiness	\$ (4,425)	\$ (3,685)
Fertilizer	(281)	(226)
Edible oil products	(486)	(472)
Milling products	(182)	(157)
Other (soy ingredients)	-	(29)
	-----	-----
Food products total	(668)	(658)
	-----	-----
Total	\$ (5,374)	\$ (4,569)
	=====	=====
Gross profit:		
Agribusiness	\$206	\$117
Fertilizer	85	60
Edible oil products	56	64
Milling products	18	15
Other (soy ingredients)	-	17
	-----	-----
Food products total	74	96
	-----	-----
Total	\$365	\$273
	=====	=====
Selling, general and administrative expenses:		
Agribusiness	\$ (101)	\$ (74)
Fertilizer	(31)	(19)
Edible oil products	(35)	(39)
Milling products	(11)	(10)
Other (soy ingredients)	-	(7)
	-----	-----
Food products total	(46)	(56)
	-----	-----
Total	\$ (178)	\$ (149)
	=====	=====
Foreign exchange gain (loss):		
Agribusiness	\$ (5)	\$11
Fertilizer	(11)	(2)
Edible oil products	-	-
Milling products	-	-
Other (soy ingredients)	-	1
	-----	-----

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	Quarter Ended March 31,	
	2004	2003
	-----	-----
Food products total	-	1
	-----	-----
Total	\$ (16)	\$10
	=====	=====

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Interest income:		
Agribusiness	\$2	\$3
Fertilizer	9	11
Edible oil products	3	1
Milling products	2	-
Other (soy ingredients)	-	-
	-----	-----
Food products total	5	1
	-----	-----
Total	\$16	\$15
	=====	=====
Interest expense:		
Agribusiness	\$ (30)	\$ (13)
Fertilizer	(11)	(12)
Edible oil products	(7)	(9)
Milling products	(3)	(2)
Other (soy ingredients)	-	(2)
	-----	-----
Food products total	(10)	(13)
	-----	-----
Total	\$ (51)	\$ (38)
	=====	=====

Segment operating profit:		
Agribusiness	\$72	\$44
Fertilizer	41	38
Edible oil products	17	17
Milling products	6	3
Other (soy ingredients)	-	9
	-----	-----
Total (1)	\$136	\$111
	=====	=====

Note 1: Total segment operating profit is Bunge's consolidated income from continuing operations before income taxes and minority interest that includes an allocated portion of the foreign exchange gains and losses relating to debt financing operating working capital, including readily marketable inventories. Also included in total segment operating profit is interest income and interest expense attributable to the financing of operating working capital. Total segment operating profit is a financial measure not calculated in accordance with generally accepted accounting principles in the United States, which we refer to as GAAP and is not intended to replace income from continuing operations before income taxes and minority interest, the most directly comparable GAAP measure. Total segment operating profit is a key performance measurement used by Bunge's management to evaluate whether its operating activities cover the financing costs of its business. Bunge believes total segment operating profit is a more complete measure of its operating profitability, since it allocates foreign exchange gains and losses and the cost of debt financing working capital to the appropriate operating segments. Total segment operating profit is not a measure of consolidated operating results under GAAP and should not be considered

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as an alternative to income from continuing operations before income taxes and minority interest or any other measure of consolidated operating results under GAAP.

Below is a reconciliation of income from continuing operations before income taxes and minority interest to total segment operating profit:

Income from continuing operations before income taxes and minority interest.....	-----
Plus (minus) unallocated expenses--net.....	-----
 Total segment operating profit.....	 =====

Unallocated expenses-net includes interest income, interest expense, foreign exchange gains and losses and other income and expense not directly attributable to our operating segments.

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	Quarter Ended March 31,	
	2004	2003
	-----	-----
Income from continuing operations before income tax and minority interest:		
Segment operating profit	\$136	\$111
Unallocated	10	(13)
Total	----- \$146	----- \$98
	=====	=====
Depreciation, depletion and amortization:		
Agribusiness	\$24	\$27
Fertilizer	17	12
Edible oil products	7	6
Milling products	3	4
Other (soy ingredients)	-	-
Food products total	----- 10	----- 10
Total	----- \$51	----- \$49
	=====	=====

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CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	March 31, 2004	December 31, 2003
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 523	\$ 489
Trade accounts receivable	1,587	1,495
Inventories	3,950	2,867
Other current assets	1,719	1,567
	-----	-----
Total current assets	7,779	6,418
Property, plant and equipment, net	2,066	2,090
Goodwill	145	148
Investments in affiliates	536	537
Other non-current assets	699	691
	-----	-----
Total assets	\$11,225	\$9,884
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	\$ 1,553	\$ 889
Current portion of long-term debt	331	128
Trade accounts payable	1,946	1,678
Other current liabilities	1,464	1,242
	-----	-----
Total current liabilities	5,294	3,937
Long-term debt	2,331	2,377
Other non-current liabilities	608	639
Minority interest in subsidiaries	564	554
Shareholders' equity	2,428	2,377
	-----	-----
Total liabilities and shareholders' equity	\$11,225	\$9,884
	=====	=====

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

Quarter Ended
March 31,

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	2004	2003
	-----	-----
OPERATING ACTIVITIES		
Net income	\$70	\$40
Adjustments to reconcile net income to cash used for operating activities:		
Minority interest	18	20
Depreciation, depletion and amortization	51	49
Other - net	13	(73)
Changes in operating assets and liabilities, excluding the effects of acquisitions	(872)	(39)
	-----	-----
Cash used for operating activities	(720)	(3)
INVESTING ACTIVITIES		
Payments made for capital expenditures	(52)	(53)
Business acquisitions, net of cash acquired	(3)	(5)
Proceeds from disposal of property, plant and equipment	8	9
	-----	-----
Cash used for investing activities	(47)	(49)
FINANCING ACTIVITIES		
Net change in short-term debt	655	(51)
Proceeds from long-term debt	315	99
Repayments of long-term debt	(160)	(53)
Proceeds from sale of common shares	5	6
Dividends paid to shareholders	(11)	(10)
Dividends paid to minority interest	(1)	(31)
	-----	-----
Cash provided by (used for) financing activities	803	(40)
Effect of exchange rate changes on cash and cash equivalents	(2)	18
	-----	-----
Net increase (decrease) in cash and cash equivalents	34	(74)
Cash and cash equivalents, beginning of period	489	470
	-----	-----
Cash and cash equivalents, end of period	\$523	\$396
	=====	=====

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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.

Date: April 30, 2004

BUNGE LIMITED

By: /s/ WILLIAM M. WELLS

William M. Wells
Chief Financial Officer

