

BUNZL

ANNUAL RESULTS 2012

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Agenda

1. **Philip Rogerson, Chairman: Welcome**
2. Brian May, FD: Financial Results
3. Michael Roney, CEO: Business Review
4. Q&A

Highlights

Good set of results

Proven and consistent strategy

Significant year for acquisitions

Adjusted earnings per share up 7%*

Dividend up 7%

*At constant exchange, before intangible amortisation, acquisition related costs and disposal of business

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Income Statement

£m	2012	2011	Growth % Reported	Growth % Constant Exchange
Revenue	**5,359.2**	**5,109.5**	5	6
Operating profit*	**352.4**	**335.7**	5	7
Margin*†	**6.6%**	**6.5%**		

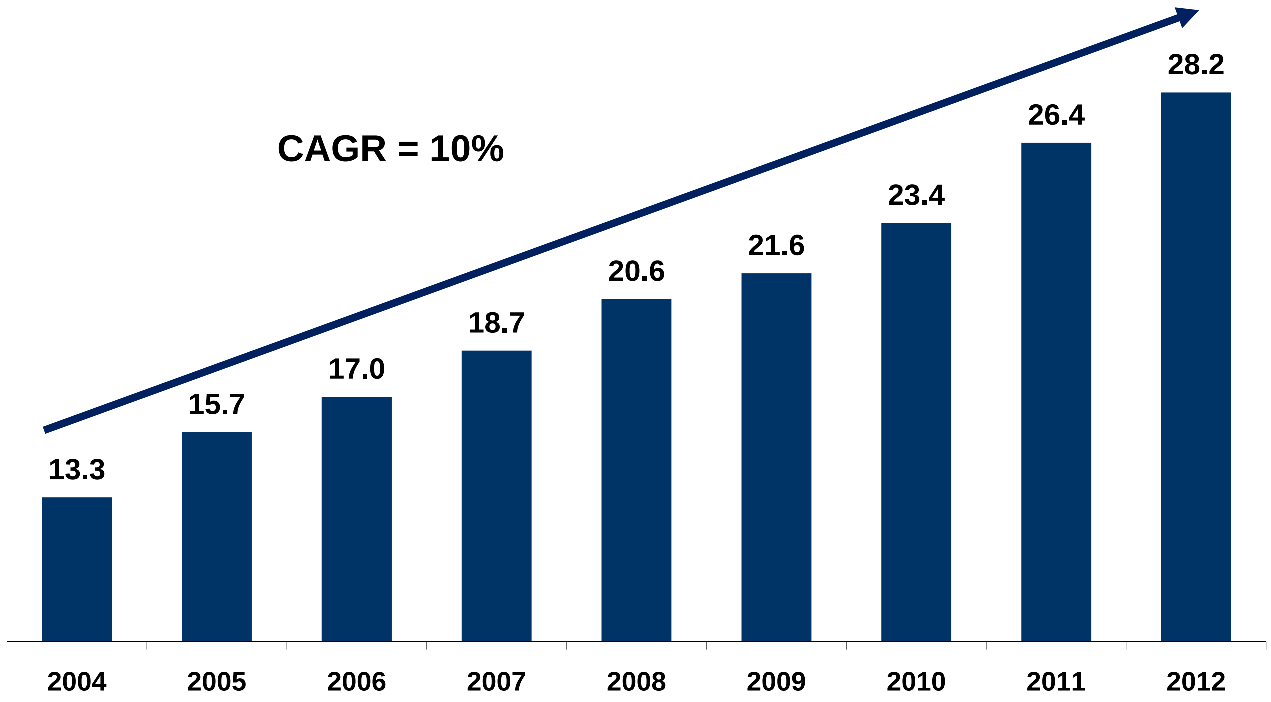
** Before intangible amortisation and acquisition related costs*
† At constant exchange rates

Income Statement

£m	2012	2011	Growth % Reported	Growth % Constant Exchange
Operating profit*	**352.4**	335.7	5	7
Net finance cost	**(28.5)**	(29.6)		
Profit before tax†	**323.9**	306.1	6	8
Interest cover (x)	**12.4**	11.3		
Effective tax rate (%)	**27.7**	27.5		
Adjusted earnings per share† (p)	**71.8**	68.5	5	7
Dividend per share (p)	**28.20**	26.35	7	

** Before intangible amortisation and acquisition related costs*
† Before intangible amortisation, acquisition related costs and disposal of business

Dividend per Share (p)



Consistently strong dividend growth

Balance Sheet

£m	2012	2011
Intangibles	1,322.9	1,256.8
Tangibles	111.4	109.0
Working capital	501.4	403.3
Other liabilities	(236.6)	(235.2)
	1,699.1	1,533.9
Pension deficit	(75.5)	(74.3)
Net debt*	(738.1)	(652.9)
Equity	885.5	806.7
Net debt/EBITDA (x)	1.8	1.7
Return on average operating capital (%)	56.4	57.4

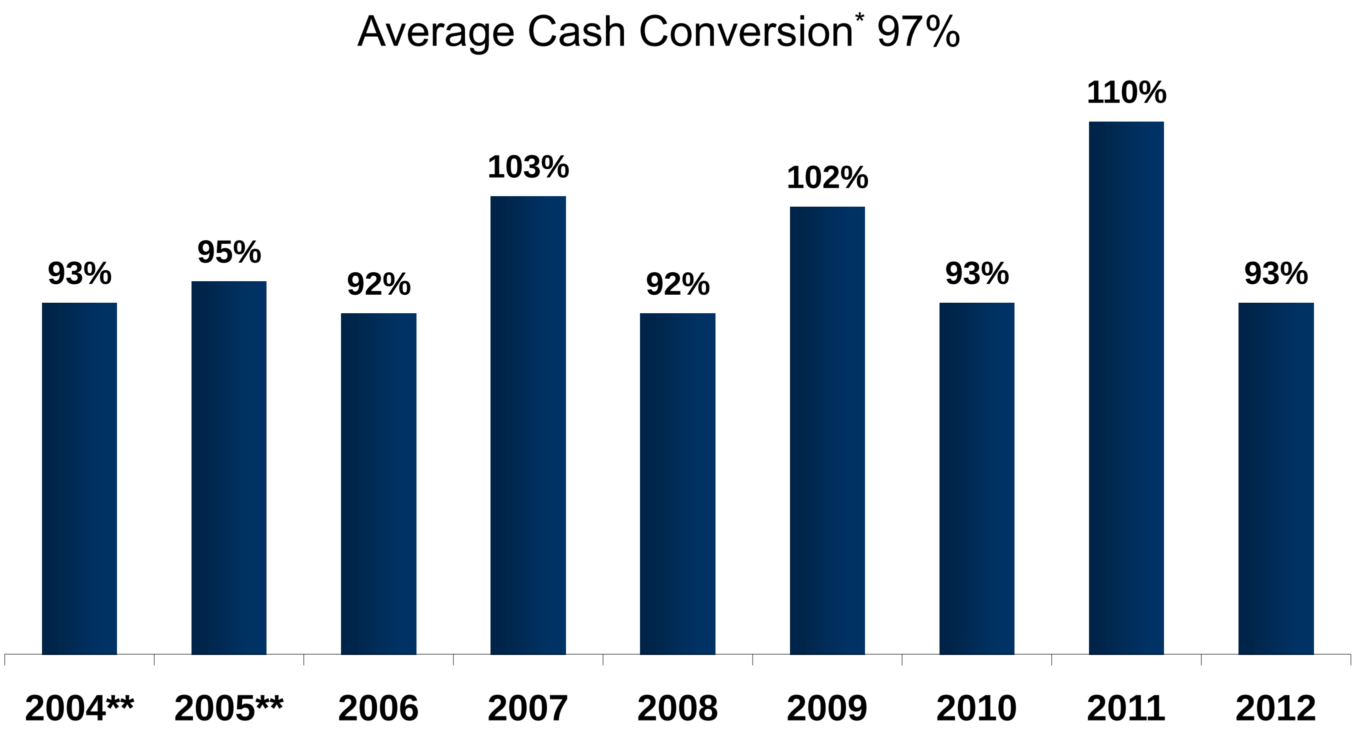
** See Appendix 1*

Cash Flow

£m	**2012**	2011
Operating cash flow*	**328.9**	369.2
Interest	**(30.6)**	(30.6)
Tax	**(63.6)**	(63.4)
Free cash flow	**234.7**	275.2
Dividends	**(85.7)**	(68.9)
Acquisitions	**(254.7)**	(161.3)
Disposal	**-**	30.6
Employee share schemes	**(3.7)**	(12.6)
Net cash flow	**(109.4)**	63.0
Operating cash flow* to operating profit†	**93%**	110%

** See Appendix 2*
† Before intangible amortisation and acquisition related costs

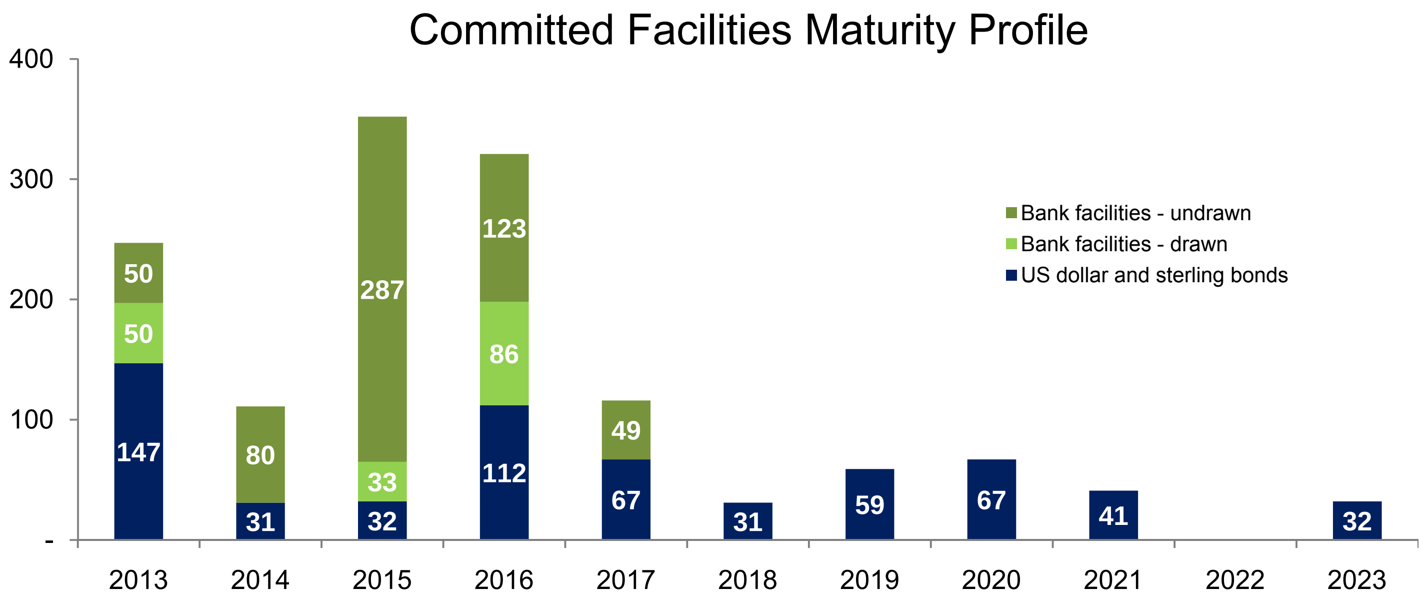
Cash Generation



Strong cash flow = Growing dividend + Acquisitions

** Operating cash flow before acquisition related costs to operating profit before intangible amortisation and acquisition related costs*
*** 04-05 continuing operations only*

Financing



- Agreed £150m of bank facilities
- USPP $350m (7 - 11 years, 3.4% fixed)

Significant financial capacity

Financial Summary

Revenue and Profit

- Revenue growth 6%†
- Operating profit* up 7%†
- Operating margin* up 10 bp†

Capital management and Cash flow

- ROACE of 56.4%
- Cash conversion at 93%
- Net debt to EBITDA 1.8x, with £255m of acquisitions

EPS and Dividend

- Adjusted EPS** growth 7%
- Dividend per share increases 7%

† At constant exchange rates
** Before intangible amortisation and acquisition related costs*
*** Before intangible amortisation, acquisition related costs and disposal of business*

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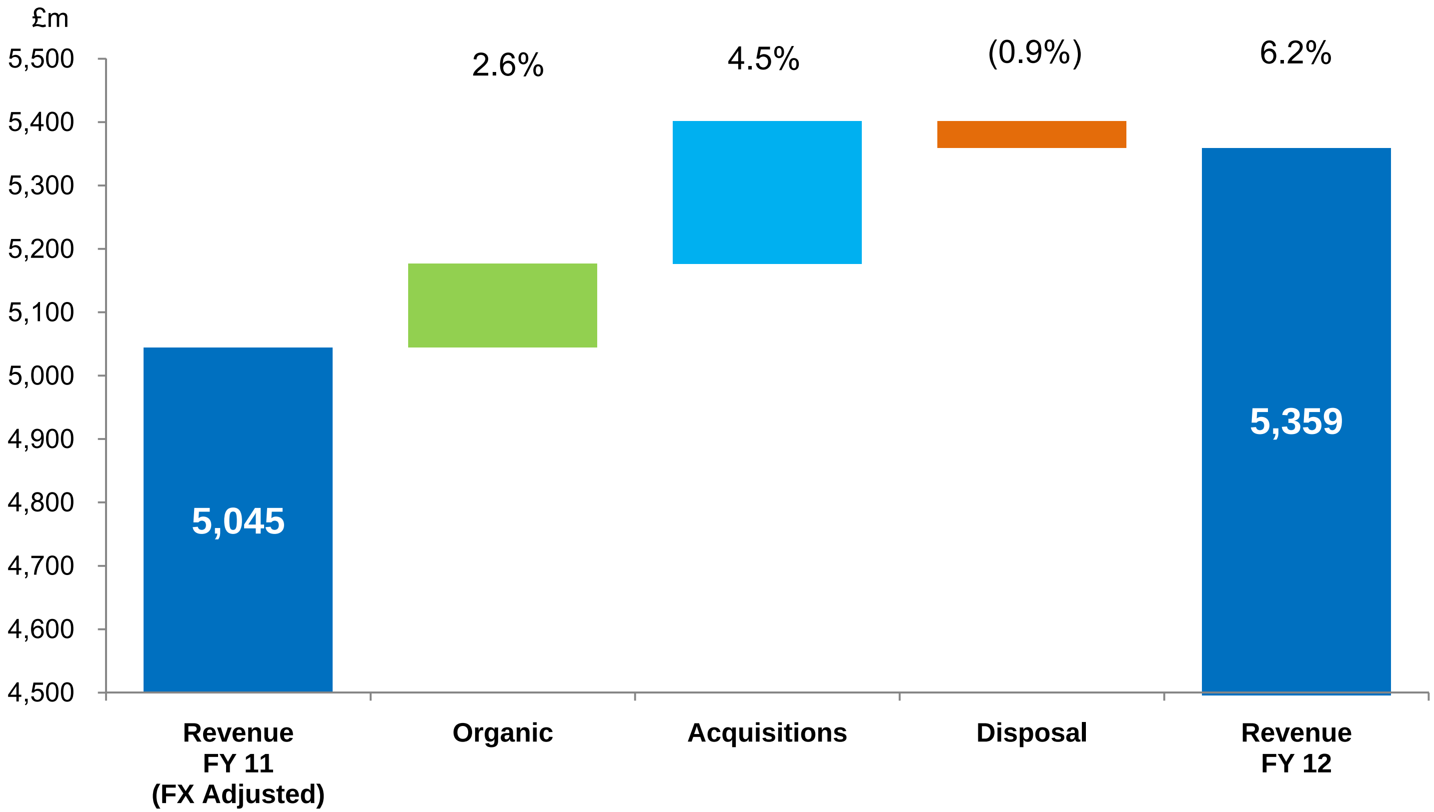
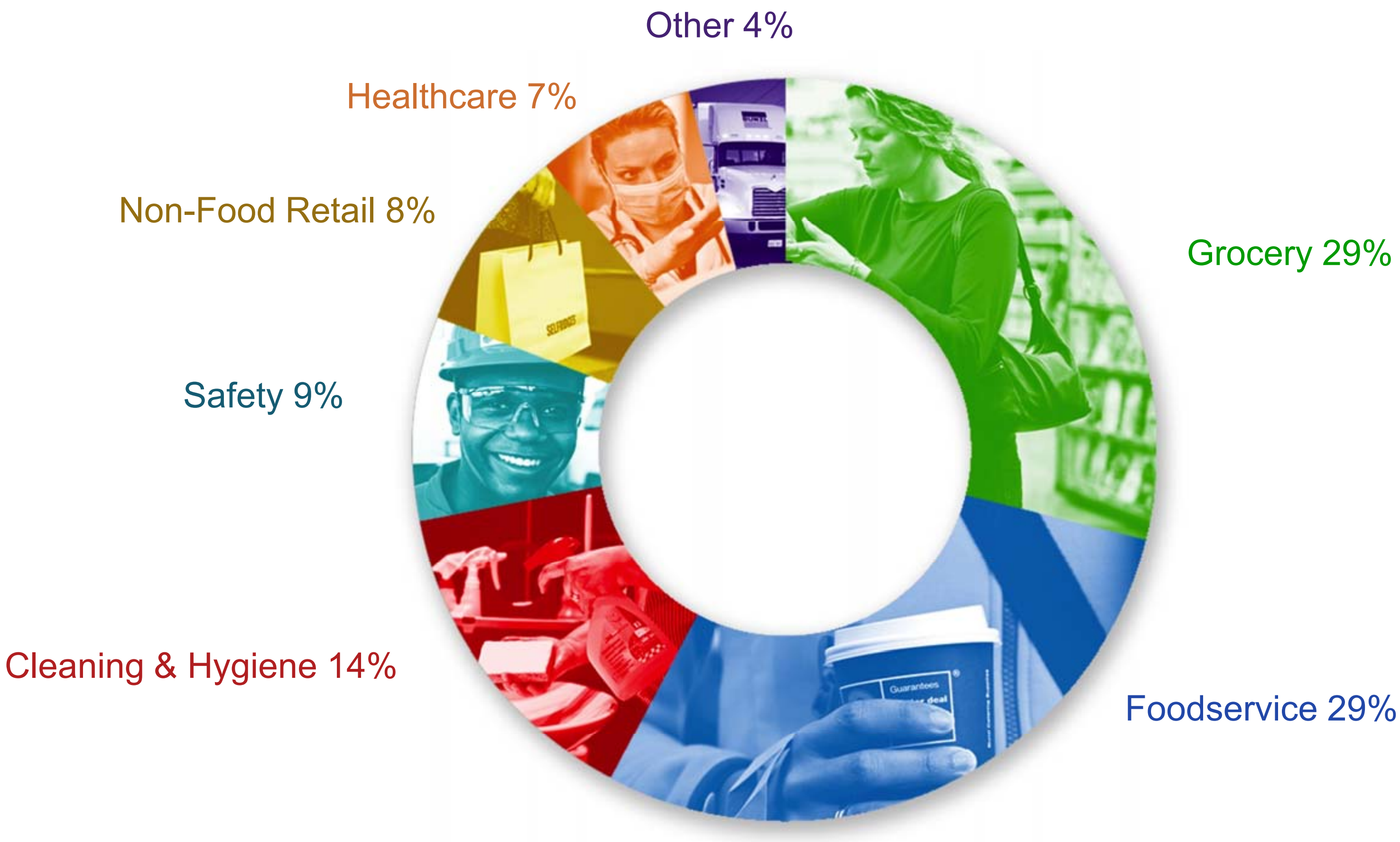
Business Review

1. Operations Review
2. Strategy
3. Market Development Examples
4. Prospects

Revenue Growth Bridge

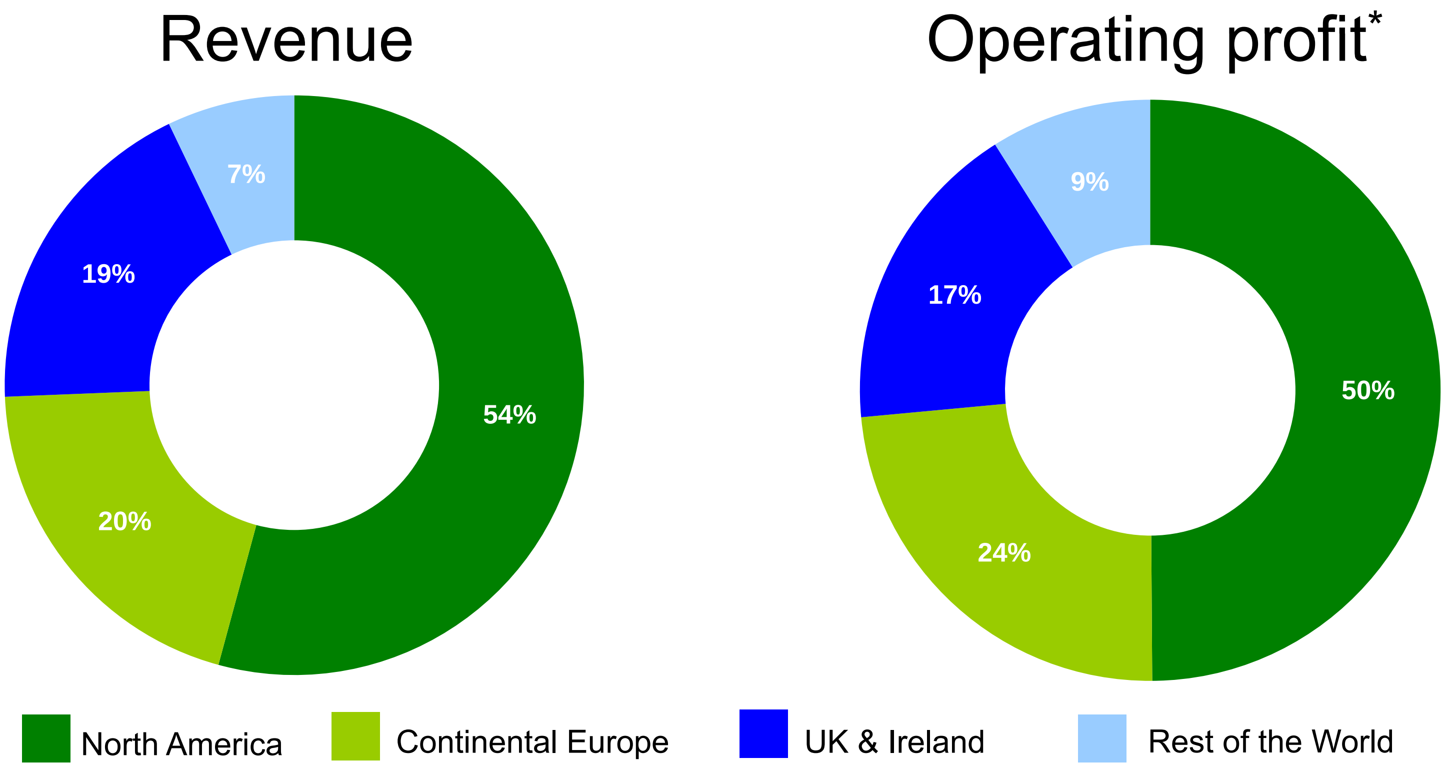


Customer Markets



c.80% resilient – Grocery, Foodservice, C&H, Healthcare

Business Area Analysis



Diversified by geography

**Before intangible amortisation and acquisition related and corporate costs*

Strong management focus

- GDP+ organic growth
- 13 high quality acquisitions
- Cost reduction and efficiency initiatives

Strong overall performance

- North America – six acquisitions / operating margin improvement
- Continental Europe – steps to reduce cost base / second move into Switzerland and Israel
- UK & Ireland – highest organic growth rate since 2007 / operating margin improvement / ROACE of 86%
- Rest of the World – strong performance / entered four new countries

North America

£m	**2012**	2011	Growth % Reported	Growth % Constant Exchange
Revenue	**2,905.8**	2,727.9	7	6
Operating profit*	**184.6**	169.2	9	8
Margin*	**6.4%**	6.2%		
Return on operating capital	**64.3%**	65.0%		

- **Improvement of 20bp in operating margin**
- **Good growth in grocery – significant Q3 2011 customer win**
- **Further development of redistribution and food processor businesses**
- **Major expansion in non-food retail – Schwarz and CDW**
- **FoodHandler and McCordick acquisitions substantially increase own brand offering**
- **Six acquisitions with annualised revenue of >£400 million**

** Before intangible amortisation and acquisition related costs*

Continental Europe

			Growth %	
£m	**2012**	2011	Reported	Constant Exchange
Revenue	**1,079.4**	1,067.1	1	8
Operating profit*	**87.5**	95.6	(8)	(2)
Margin*	**8.1%**	9.0%		
Return on operating capital	**42.4%**	48.0%		

- **Revenue growth bolstered by acquisitions**
- **Lower margins due to pricing pressure and weaker euro impacting imports**
- **France**
  - **Pressure in the cleaning and hygiene sector**
  - **Good sales and profit growth in the PPE business**
- **Continued good growth in Benelux with Majestic integrated well**
- **Expansion in Switzerland and Israel through acquisitions of Distrimondo and Zahav**

** Before intangible amortisation and acquisition related costs*

UK & Ireland

£m	2012	2011	Growth % Reported	Growth % Constant Exchange
Revenue	**992.1**	996.6	0	0
Operating profit*	**65.2**	60.2	8	8
Margin*	**6.6%**	6.0%		
Return on operating capital	**86.5%**	66.4%		

- **Higher organic growth and operating margin up strongly**
- **Continued focus on operating efficiency and own brand development**
- **Safety market remained subdued**
- **Good growth in cleaning and hygiene**
- **Strong sales in retail with new customer wins**
- **Improved profitability in hospitality, healthcare and Ireland**

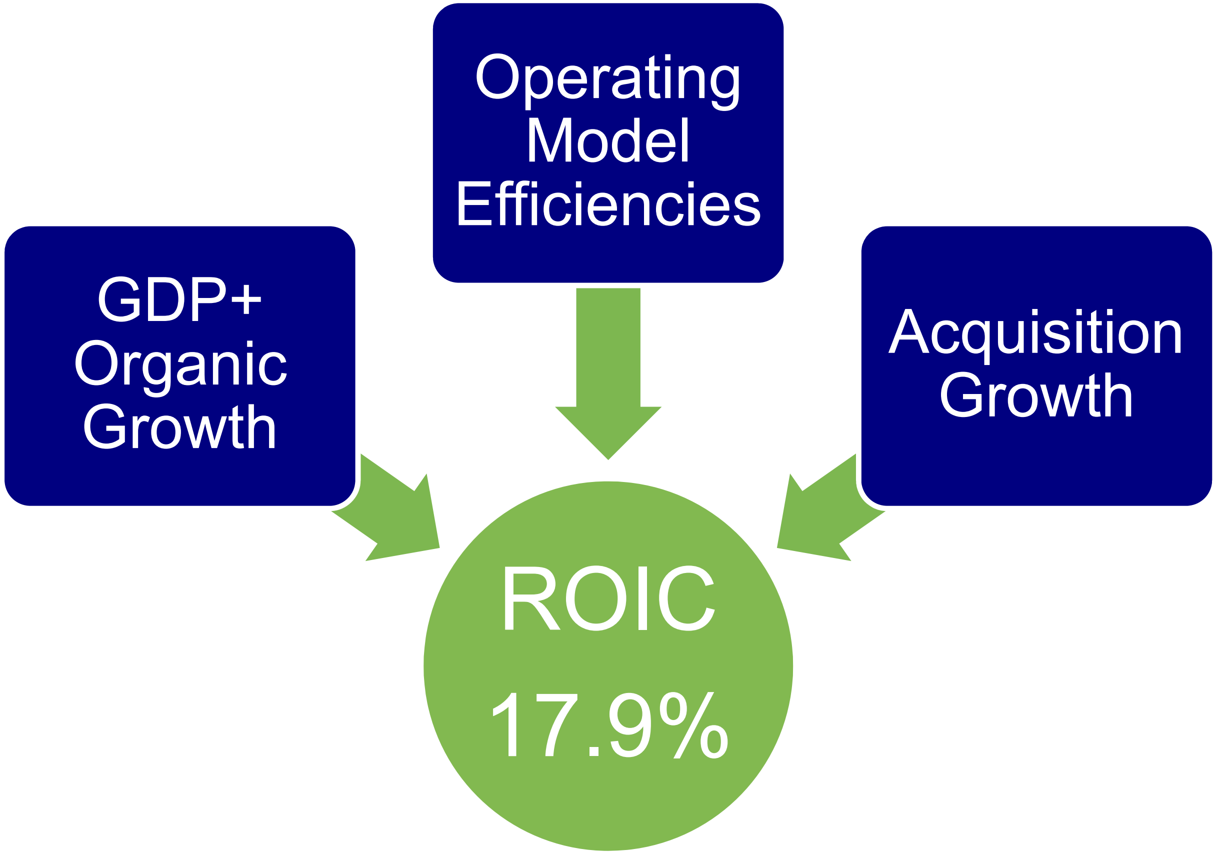
** Before intangible amortisation and acquisition related costs*

Rest of the World

£m	2012	2011	Growth % Reported	Growth % Constant Exchange
Revenue	**381.9**	317.9	20	23
Operating profit*	**33.2**	28.4	17	22
Margin*	**8.7%**	8.9%		
Return on operating capital	**54.2%**	60.3%		

- **Strong organic growth**
- **Australasia**
  - **Strong performance in largest business**
  - **Star Services, Atlas Healthcare and McNeil Surgical acquisitions**
- **South America**
  - **Brazil PPE businesses performed well**
  - **Danny and Ideal integrated well**
  - **Expansion outside Brazil with acquisition of Vicsa**

** Before intangible amortisation and acquisition related costs*



ROIC remains high – increased in 2012

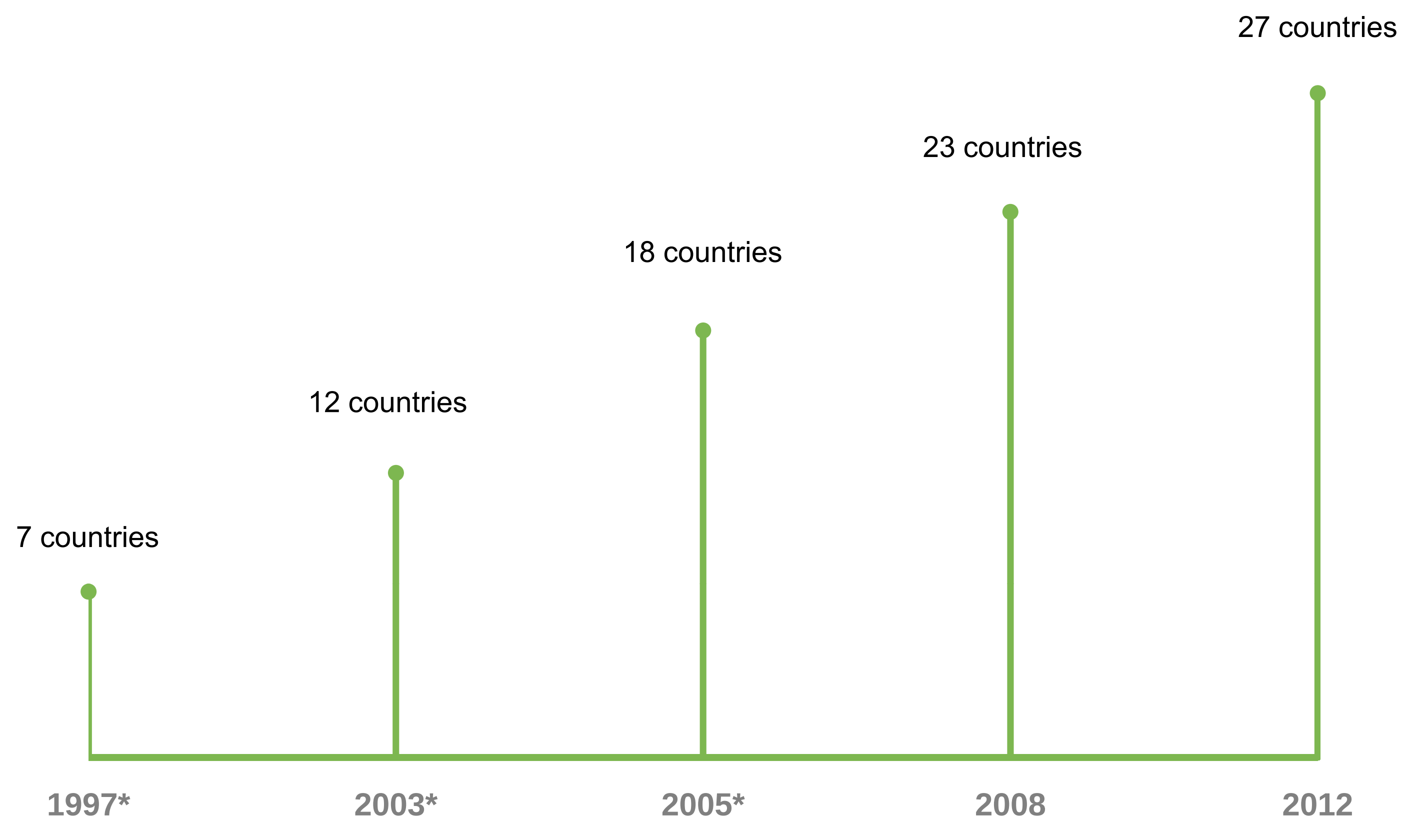
Acquisition Growth - 2012

Business	Acquired	Country	Sector	Revenue*
CDW Merchants	February	USA	Non-food retail	£10m
Star Services	April	Australia	Foodservice	£8m
FoodHandler	April	USA	Foodservice	£66m
Zahav	April	Israel	Foodservice	£12m
Service Paper	June	USA	Grocery / Foodservice	£39m
Distrimondo	June	Switzerland	Foodservice / C&H	£11m
Indigo	October	UK	Non-food retail	£7m
Atlas	October	Australia	Healthcare	£15m
Vicsa Safety & Vicsa Brasil†	December	South America	Safety	£46m
McCordick	December	Canada	Safety	£34m
Destiny	December	USA	Food Processor	£33m
Schwarz	December	USA	Non-food retail / Grocery	£228m

Annualised revenue > £500m

** Annualised and converted at average exchange rates*
† Signed December 2012, completed February 2013

Acquisition Growth Model



Continuing geographic expansion

** Continuing operations*

Acquisition Growth - Track Record

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of acquisitions	7	7	9	8	7	2	9	10	13
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	272
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518

04-05 continuing operations only

Average acquisition spend £167m p.a.

Annualised Acquisition Revenue

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012
North America	115	198	103	15	-	-	35	7	410
Continental Europe	301	61	7	100	52	-	115	96	23
UK & Ireland	-	2	267	110	39	27	-	39	16
Rest of the World	14	9	9	-	60	-	4	62	69
Group	430	270	386	225	151	27	154	204	518

04-05 continuing operations only

Leading spend in year

Acquisitions across all business areas

Acquisition Growth - Brazil

2008 – Market Entry

- Acquisition of Protcap
- Entry into safety sector

2010 – AM Supply

- Expansion in safety sector

2011 – Ideal

- Entry into cleaning and hygiene sector

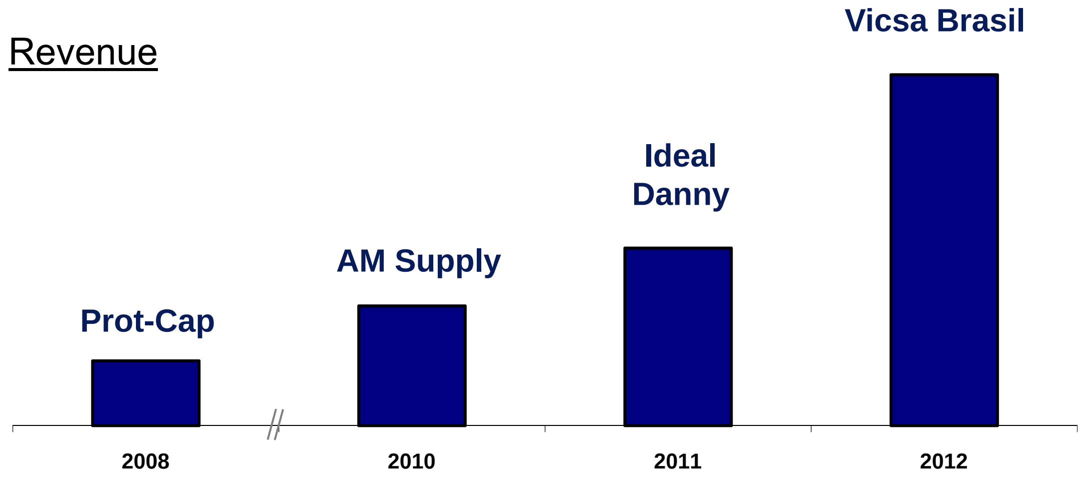
2011 – Danny

- Expansion in safety sector / own label

2012 – Vicsa Brasil

- Further expansion in safety sector / own label

Acquisition Growth - Brazil



	2008	2010	2011	2012
Safety	✓	✓	✓	✓
Cleaning & Hygiene			✓	✓
Foodservice				
Healthcare				
Retail				

Revenue CAGR of 21% since market entry in 2008

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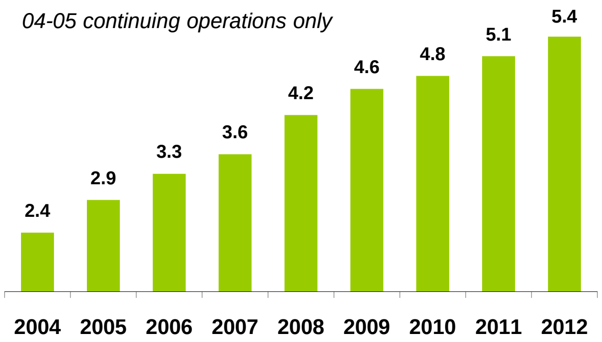
Acquisition Growth – Switzerland and Israel

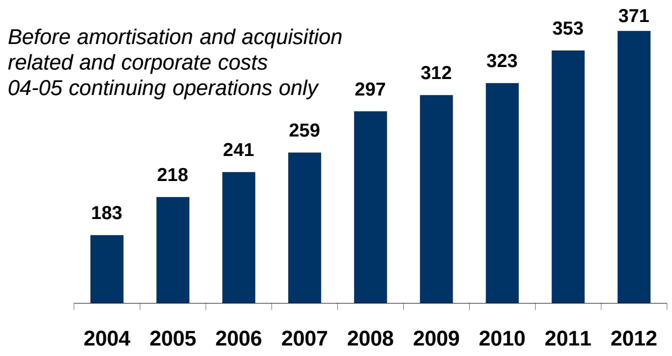
	Switzerland	Israel
2010 Entry	weita	Silco
2012 Expansion	DISTRIMONDO	Zahav

Financial Track Record

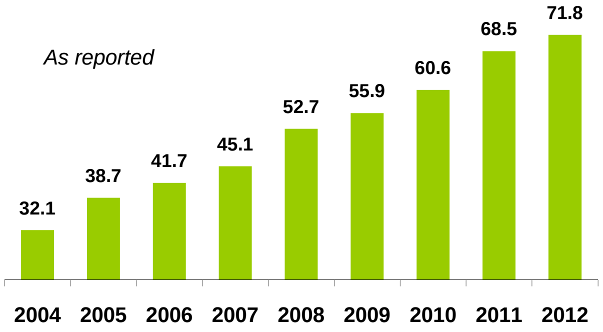
Revenue (£bn)



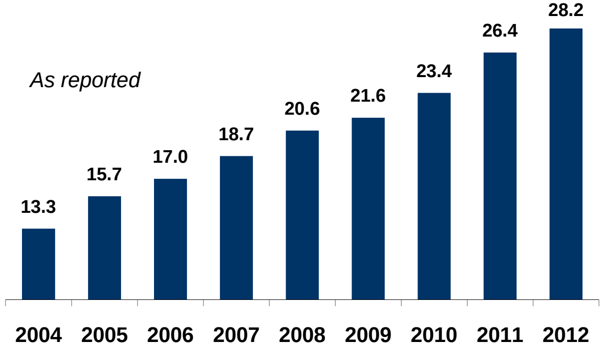
Operating profit (£m)



Adjusted eps (p)



Dividend per share (p)



CAGRs 9% to 11%

Prospects

North America	• Impact from six acquisitions in 2012 • Improved organic growth v H2 2012
Continental Europe	• Some growth • Stable operating margin
UK & Ireland	• Continued improvement • Organic growth and cost reduction initiatives
Rest of the World	• Good organic growth • Impact of recent significant acquisition activity
Acquisitions	• Promising pipeline
Overall	• Strong market position • Good opportunities for further consolidation

ANNUAL RESULTS 2012

Appendix 1 - Net Debt

£m	**2012**	2011
Opening net debt	**(652.9)**	(716.8)
Net cash (outflow)/inflow	**(109.4)**	63.0
Currency	**24.2**	0.9
Closing net debt	**(738.1)**	(652.9)

Appendix 2 - Cash Flow

£m	**2012**	2011
Operating profit*	**352.4**	335.7
Depreciation	**23.0**	25.4
Working capital movement	**(22.4)**	31.4
Other	**(3.9)**	(2.4)
Cash flow from operations†	**349.1**	390.1
Net capital expenditure	**(20.2)**	(20.9)
Operating cash flow†	**328.9**	369.2
Operating cash flow† to operating profit*	**93%**	110%

** Before intangible amortisation and acquisition related costs*
† Before acquisition related costs

Appendix 3 – Impact of Change to IAS 19

	£m
2012 net finance cost	**28.5**
Net financial return (IAS 19)	**2.2**
2012 net finance cost ex pensions	**30.7**
Pensions interest charge (IAS 19 revised)	**3.3**
Restated 2012 net finance cost	**34.0**
Restated 2012 profit before tax*	**318.4**
Restated 2012 adjusted EPS*	**70.6p**

** Before intangible amortisation and acquisition related costs*

Appendix 4 - Historical Data

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue (£m)	1,783	2,129	2,231	2,276	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359
Operating profit* (£m)	117	147	152	158	169	203	226	243	281	296	307	336	352
Margin* (%)	6.6	6.9	6.8	6.9	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6	6.6

** Before intangible amortisation and acquisition related costs*
00–03 UK GAAP; 04 onwards IFRS
00–05 continuing operations only

Appendix 5 - Exchange Rates

	2012	2011
Average rate		
US$	**1.59**	1.60
€	**1.23**	1.15
Closing rate		
US$	**1.63**	1.55
€	**1.23**	1.20

Appendix 6 - Key Acquisition Parameters

B2B	Goods not for resale	Consolidated product offering ("one stop shop")
Sectors with growth	Fragmented customer base	Further market consolidation and synergies
Small % of total customer spend	Opportunity for "own label" products	Attractive financial returns (ROIC, ROACE)

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