News Release

27 August 2013

HALF YEARLY FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2013

Bunzl plc, the international distribution and outsourcing Group, today publishes its half yearly financial report for the six months ended 30 June 2013.

	H1 13	H1 12*	Growth as reported	Growth at constant exchange
Revenue	**£2,956.6m**	£2,612.2m	13%	11%
Operating profit†	**£188.8m**	£165.1m	14%	12%
Profit before tax†	**£167.6m**	£149.0m	12%	10%
Adjusted earnings per share†	**37.1p**	33.1p	12%	10%
Interim dividend	**10.0p**	8.8p	14%	

Operating profit	**£150.6m**	£134.6m	12%
Profit before tax	**£129.4m**	£118.5m	9%
Earnings per share	**27.8p**	25.9p	7%

Other highlights include:

- Revenue, profit before tax† and adjusted earnings per share† all increase by at least 10%
- Committed acquisition spend year to date of £203 million including the Espomega and TFS acquisitions announced today
- Group operating margin† up 10 basis points to 6.4%
- Rest of the World operating profit† up 48% at constant exchange rates
- Continued strong cash flow with operating cash flow** to operating profit† of 103%
- Strong track record of dividend growth continues with an increase of 14%

* Restated on adoption of IAS19 (revised 2011) 'Employee Benefits'
† Before intangible amortisation and acquisition related costs
**Before acquisition related costs

Commenting on today's results, Michael Roney, Chief Executive of Bunzl, said:

"These results once again demonstrate the resilience and reliability of our business model and strategy with double digit growth in revenue, earnings and dividends.

Looking forward, although the macroeconomic outlook remains challenging in some markets, we believe that our strong competitive position and the opportunities to consolidate our fragmented markets further should enable the Group to show continued growth during the rest of the year. We have a promising acquisition pipeline and have had an encouraging start to the second half of 2013 with the announcement today of two acquisitions, Espomega in Mexico and TFS in the UK."

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Notes:
A live webcast of today's presentation to analysts will be available on the Company's website at www.bunzl.com commencing at 9.30 am. If you require a hard copy of this report, a copy is available at www.bunzl.com or please contact the Company by email (investor@bunzl.com) or telephone (+44 (0)20 7725 5000).

CHAIRMAN'S STATEMENT

Although both the macroeconomic and market conditions remained challenging throughout the first half of 2013, particularly in Europe, I am pleased once again to report that Bunzl has produced another excellent set of results.

Group revenue rose to £2,956.6 million (2012: £2,612.2 million), an increase of 11% at constant exchange rates, which was driven by underlying growth of 1.9% together with the positive effect of acquisitions made in 2012 and 2013.

Operating profit before intangible amortisation and acquisition related costs was £188.8 million (2012: £165.1 million), up 12% at constant exchange rates, with the increase in the Group operating margin from 6.3% to 6.4% being driven by higher margins in UK & Ireland and Rest of the World. Profit before tax, intangible amortisation and acquisition related costs was £167.6 million (2012: £149.0 million), an increase of 10% at constant exchange rates, and adjusted earnings per share on the same basis were 37.1p (2012: 33.1p), a 10% increase at constant exchange rates. Most Group growth rates at actual exchange rates increased by around a further 2%.

Dividend

The Board has decided to increase the interim dividend by 14% to 10.0p. Shareholders will again be able to participate in the dividend reinvestment plan.

Strategy

For many years Bunzl has pursued a consistent and proven strategy of developing the business through organic growth, consolidating the markets in which we compete through focused acquisitions and improving the efficiency of our operations. Continually redefining and deepening our commitment to our customers, as well as extending our business into new geographies, remain important elements of our strategy. Acquisition activity has continued into 2013. In addition to completing in February the purchase of Vicsa Brasil, which we agreed to acquire in December 2012, we have acquired a further five businesses so far this year and agreed to purchase a sixth which is expected to be completed shortly. The committed spend in respect of these six acquisitions, excluding Vicsa Brasil, is £203 million adding total annualised revenue of £190 million.

Credit facilities

The Group's operating cash flow remains strong and we continue to have access to diverse sources of funding to achieve our strategic objectives. Our undrawn committed facilities' headroom at the end of June was more than £600 million.

Philip Rogerson
Chairman

CHIEF EXECUTIVE'S REVIEW

Operating performance

The overall translation effect of currency movements has increased the reported growth rates of revenue and operating profit by approximately 2%. The operations, including the relevant growth rates, are therefore reviewed below at constant exchange rates to remove the distorting impact of these currency movements. Changes in the level of revenue and profits at constant exchange rates have been calculated by retranslating the results for the first

half of 2012 at the average rates used for 2013. Unless otherwise stated, all references in this review to operating profit are to operating profit before intangible amortisation and acquisition related costs.

Revenue increased 11% (13% at actual exchange rates) to £2,956.6 million and operating profit was £188.8 million, an increase of 12% (14% at actual exchange rates). The percentage growth in operating profit was greater than that of revenue due to an increase in Group operating margin by 10 basis points to 6.4% as a result of improvements in the profitability of both UK & Ireland and Rest of the World.

In North America revenue rose 14% (17% at actual exchange rates) due to good organic growth and the impact of acquisitions completed last year, while operating profit increased 12% (15% at actual exchange rates). Revenue in Continental Europe rose 2.5% (6% at actual exchange rates) as a result of organic growth and the impact of acquisitions made last year and operating profit was up 1.5% (5% at actual exchange rates). In UK & Ireland revenue increased by 1% (1% at actual exchange rates) due to the impact of relatively small acquisitions. However, operating profit rose 8% (8% at actual exchange rates) as a result of an improvement in gross margins. In Rest of the World revenue increased 38% (36% at actual exchange rates) and operating profit was also up 48% (44% at actual exchange rates) due to both strong organic revenue growth and the effect of a number of acquisitions completed in 2012 and the first half of 2013.

Cash generated from operations before acquisition related costs of £207.0 million was partly used to finance a cash outflow for acquisitions of £150.0 million. Net debt at the end of June was £872.7 million compared to £738.1 million at the year end. Our net debt to EBITDA ratio was 2.0 times compared to 1.8 times at December 2012.

Acquisitions

Acquisition activity, which reached its highest level for eight years in 2012, has continued into this year. At the end of January we acquired McNeil Surgical in Australia. With revenue of A$16 million in the year ended 30 June 2012, the business is engaged in the sale of healthcare consumables and equipment to aged care facilities, hospitals and medical centres as well as to redistributors and increases our market presence in this growing sector. We completed the purchase of Vicsa Brasil in February, the proposed acquisition of which was agreed in December 2012, following clearance of the transaction from the Brazilian Competition Authority. Based in São Paulo, the business is engaged in the sale of personal protection equipment throughout Brazil and expands our growing safety business in Brazil. Revenue in the year ended 31 December 2012 was US$9 million. In March we purchased Labor Import, a business principally engaged in the supply and distribution of own label medical and healthcare consumable products to redistributors as well as to hospitals, clinics, laboratories and care homes throughout Brazil. Revenue in the year ended 31 December 2012 was R$50 million. This is another important step for Bunzl as it represents our first move into the healthcare sector in Brazil, having previously acquired businesses in the safety and cleaning & hygiene sectors. The acquisition of MDA in the UK was also completed in March. The business is involved in the procurement and fulfilment of promotional products and marketing point of sale materials for a variety of customers, principally in the food and drinks industries. Revenue in the year ended 31 December 2012 was £22 million. Our business in Australia was significantly expanded at the end of April with the purchase of three businesses which formed part of the Industrial & Safety division of Jeminex. The workwear and personal safety business distributes an extensive range of specialist personal protection equipment and workwear to the mining, resources, construction and general industrial sectors. The lifting, rigging and height safety business is principally engaged in the supply of lifting chains and ropes, slings and load restraints as well as the provision of accredited testing and repair services. The third business is involved in the supply of industrial packaging products

to a variety of customers in different market sectors. Revenue of the Jeminex businesses acquired in the year ending 31 December 2013 is expected to be approximately A$160 million.

Today we are announcing the completion of the acquisition of TFS in the UK and the signing of an agreement to purchase Espomega in Mexico. TFS, which had revenue of £8 million in the year ended 31 December 2012, has further strengthened our business in the UK which is focused on marketing and point of sale materials. Espomega is expected to have revenue of approximately MXN550 million in the year ending 31 December 2013 and, as a result, will expand significantly our safety business in Mexico.

North America

In North America revenue increased by 14% to £1,645.5 million due to sales growth with existing customers, new business wins and the impact of a number of businesses acquired during the course of last year. This sales growth contributed to a 12% increase in operating profit to £98.6 million, with the slight reduction in operating profit margin resulting partly from the effect of lower margin acquisitions which we expect to improve over time due to the impact of synergies.

Once again we saw steady growth in grocery, our largest sector, as we maintained our strong position with many of North America's leading grocery chains and our customers continued to recognise the value which our programmes provide through our sourcing capabilities, high fill rates, short lead times and customised reporting capabilities. Our extensive branch network, transport fleet and IT platform provide the foundations to execute our direct store delivery, cross dock and warehouse replenishment programmes not only in this sector but in our other sectors as well.

Our committed sales teams and superior supply chain performance have helped us to maintain our strong position in the North American redistribution market. Our acquisition last year of FoodHandler, which is recognised in the marketplace for its innovation in product development and product quality, has strengthened and broadened our product offering in this sector, especially in disposable gloves and other food handling products.

Together with FoodHandler, we further expanded our private label product lines with the acquisition of McCordick Glove & Safety in Canada at the end of 2012 which has provided us with an entry into the Canadian personal protection equipment market. McCordick's in-house R&D function continually develops new products that broaden the company's product lines and allows its customers to select the products that best meet their needs.

In our food processor business, we delivered solid sales growth due to new customer wins and increased product penetration within existing accounts. We continue to service a broad range of customers in all areas of the food processor value chain, including international food and protein processors, fresh cut produce processors, bakeries, home meal processors and other specialty food processors. By doing so we help our customers manage our categories in a more cost effective and efficient manner and help them achieve their profitability objectives.

We have strengthened our geographical and market position in providing innovative design and manufacturing expertise and distribution of rigid packaging to produce growers, packers and shippers by the recent acquisition of Destiny Packaging which complements our produce packaging offering with its flexible packaging products. Destiny assists customers with manufacturing design and graphics expertise to create product packaging

alternatives and also has the supply chain capabilities and services needed to support its customers' distribution and marketing requirements.

Our non-food retail business continues to grow and has been further enhanced by the acquisitions of both Schwarz Paper Company and CDW Merchants. Schwarz, acquired in December 2012, offers extensive opportunities to drive our business forward in the non-food retail sector and provides new and innovative solutions for its customers through specialised sourcing and logistics offerings, making them a valued supply chain partner for store fixtures, store operating supplies and packaging. The addition of CDW Merchants in February 2012 has also broadened our non-food retail capabilities through the use of their creative expertise and their ability to design and source in-store visual displays and props for specialty retailers. CDW Merchants also develops innovative gift packaging concepts for its specialty and online retail customers. We are now able to extend our broadened product offering and expertise to the retailer customers serviced by our entire non-food retail organisation.

Continental Europe

Against the background of a weak macroeconomic environment, organic growth in Continental Europe was good and was complemented by the impact of the acquisitions made in 2012 of Zahav in Israel and Distrimondo in Switzerland. Revenue rose by 2.5% to £577.4 million and operating profit increased by 1.5% to £47.7 million.

In France, although sales declined in our cleaning and hygiene business due to continuing weakness in the market, especially with contract cleaners and in the public sector, a new significant customer win in the public sector should have a positive impact on sales development in the second half. However, price increases have improved gross margins and cost reduction measures have begun to deliver results such that the operating profit increased despite the lower sales with a significant improvement in operating margin. Our personal protection equipment business also achieved good growth in both sales and operating profit.

In the Netherlands, sales have increased in all sectors other than non-food retail, with above average growth in the healthcare and cleaning and hygiene sectors. Margins, however, remain under pressure, particularly in the horeca (hotel, restaurant and catering) sector, such that operating profit has declined slightly. We successfully implemented a new ERP (enterprise resource planning) system in two of our Dutch businesses. Majestic Products, our safety business, recorded strong sales growth, in particular from new products and its own brand range. Gross margins also improved as a result of which operating profit was well ahead of the same period last year.

In Belgium, sales grew well in the cleaning and hygiene sector, more than offsetting a slight decline in the retail sector. Gross margins have improved and operating costs have been tightly controlled leading to an increase in profit.

In Germany, sales were lower, in particular in the contract catering and bakery sectors which could not be fully offset by an improvement in sales to the hotel and butcher sectors. As a result, despite good margin management and lower costs, operating profit was slightly below last year's level.

In Switzerland, sales have grown well at Weita in the retail, medical and industrial sectors although margins remain under pressure due to the strength of the Swiss franc, leaving operating profit lower than last year. Distrimondo is integrating well into the Group and profit was ahead of our initial expectations.

In Denmark, sales and margins were lower in both the retail and horeca sectors due to pressure in each of these markets and from the restructuring of the Danish public sector into larger buying groups. Cost reductions could only partially offset the impact of lower sales. We successfully went live with a new ERP system in the retail business.

In Spain, the overall results improved. Economic conditions continue to be particularly difficult and sales declined in our cleaning and hygiene business. However gross margins improved although some one-off operating costs were incurred relating to restructuring initiatives. We have recently consolidated three warehouses into one larger facility in Barcelona which will lead to cost savings in the second half. Our personal protection equipment business delivered higher sales and profits due to strong growth in export sales.

In Central Europe, sales grew strongly, particularly in Romania and in the retail sector in Hungary, due to new business wins. Gross margin improved and, despite the higher volumes, operating cost increases were kept to a minimum, leading to a significant increase in operating profit.

In Israel, sales at Silco declined due to the loss of one larger customer. However, gross margin improved and operating costs were reduced such that profit was higher than last year. Zahav, acquired in April 2012, has now been integrated into the Group.

UK & Ireland

In UK & Ireland, where economic recovery continues to be slow, our business model has continued to be well suited to the diverse market sectors in which we operate where customers require both cost savings and high service levels. Our tight margin and cost management disciplines and the constant drive for efficiencies have enabled us to deliver these objectives for our customers while at the same time enhance our own operating margins. As a result, revenue for the business area increased 1% to £483.9 million with operating profit rising 8% to £29.7 million.

Input prices have been relatively constant so far this year and this stability has enabled a period of consolidation both for us and for our customers who require us to deliver a broad range of products from a large number of suppliers. We continue to rationalise our supplier base with our preferred suppliers and also to develop our private label programmes. This continued drive for optimisation allows us to offer value to our customers but also to maintain or improve our own margins.

The cleaning and safety supplies business has continued to be successful in a consolidating market and revenue and operating profit both increased. This is a result of competitive commercial offers backed up by good customer service and a strong focus on account management despite the relative weakness of the construction and government sectors which we serve.

Whilst the retail market, particularly on the high street, continues to be challenging, the continued consolidation of recent customer wins has been positive for us, leading to increases in both revenue and operating profit within our retail business.

The recent acquisition of MDA has brought us the experience and expertise required in the distribution and fulfilment of customers’ requirements for promotional products and marketing point of sale materials and services.

Alongside our existing businesses in retail and hospitality, this acquisition further enhances the products and services that Bunzl can offer. The business is integrating well and the acquisition of TFS, announced today, will further strengthen our business in this niche sector.

In hospitality our expanded own brand products programme has continued to have a favourable impact and helped to maintain profitability despite a reduction in sales. Our strategy of optimising the branch network as leases expire is ongoing and during the first half of this year we have closed two facilities.

The healthcare market in the UK remains under cost pressures and continued controls on volumes of spend by our customers. Against this background revenue declined but we have made good progress in controlling our cost base in our healthcare business while at the same time delivering a leading level of service which has helped us to continue to improve our performance.

While still tough, the market in Ireland remains stable and the work we have done to reduce our cost base and reposition our sales proposition has continued to deliver improving results with operating profit ahead of the comparable period last year.

Rest of the World

In Rest of the World revenue increased 38% to £249.8 million and operating profit rose 48% to £22.0 million with the results benefitting significantly from the impact of recent acquisitions.

The Australian economy has been affected by a softening in demand from the major export markets in Asia. Our largest business, Outsourcing Services, which supplies the healthcare, cleaning, catering and retail sectors, has felt the impact which the economic slowdown has had on our customers supplying into the mining and resource sectors. However we have continued to grow in the healthcare sector, particularly the aged care and private hospital markets, where we supply a wide range of disposable and medical consumables.

In March we merged our catering equipment business with Outsourcing Services. This has created a national platform and simplified the sales process for our customers. Our catering equipment business is principally based in New South Wales and Queensland, whereas Outsourcing Services has an extensive national branch network. By combining the businesses we have been able to create greater cross selling opportunities for catering equipment products into new and existing customers.

Our food processor business has continued to improve its performance. We have made good progress with our strategy of increasing business into non-meat and other food processors. In addition we have continued to see good development with our major customers in our traditional markets across Australia and New Zealand.

At the end of January we acquired McNeil Surgical which supplies healthcare consumables and equipment to aged care facilities, hospitals and medical centres. The business, which is principally based in South Australia but also has a facility in the Northern Territory, provides our business supplying the healthcare sector with increased levels of expertise and a critical mass in the medical consumables and wound care categories.

In April we acquired three businesses which formed part of the Industrial & Safety division of Jeminex. Based in Sydney, the businesses operate nationally from a network of locations throughout Australia. Worksense, the

largest business, is a workwear and personal safety business which distributes an extensive range of specialist personal protection equipment and workwear to the mining, construction and general industrial sectors. Robertson's is a lifting, rigging and height safety business which is principally engaged in the supply of lifting chains and ropes, slings and load restraints as well as the provision of accredited testing and repair services. Network Packaging distributes industrial packaging products to a variety of customers in Western Australia and New South Wales. These businesses, which together comprise the new industrial & safety business in Australia, have significantly increased the size of our business in the region and extend our operations into the safety market which is already a successful sector for us in many countries.

Our operations in Latin America have performed very well in the first half of the year and have grown substantially. Despite slower economic growth during the period and currency devaluation in the second quarter in Brazil, the organic revenue growth throughout the region continued to be strong and was supplemented by a significant impact from acquisitions.

Our personal protection equipment businesses in Brazil have continued to develop positively. Prot Cap has gained several new key accounts and has successfully introduced new products and suppliers to its portfolio. This has resulted in a strong performance with increases in both revenue and operating profit. Danny, our own brand redistribution safety business, has been successfully integrated into the Group and continues to introduce new innovative solutions for our customers. Vicsa Brasil, which was acquired in February 2013, is meeting our expectations and is also benefitting from purchasing synergies. In particular the own label products they have developed have expanded the range of our product offering in the safety sector throughout Brazil.

Ideal, our cleaning and hygiene business in Brazil, has seen a slight reduction in sales. However, this has been partly offset by a new key account and by a strong improvement in gross margins which together have led to an increase in profitability.

In March we acquired Labor Import which is principally engaged in the distribution of own label medical and healthcare consumables and represents our first move into the healthcare sector in Brazil. It has a market leading position and an excellent customer base which should provide a platform for us to develop a strong presence in this sector going forward.

Vicsa Safety, our personal protection equipment business with operations in Chile, Argentina, Peru, Colombia and Mexico which was purchased in December 2012, is performing well. New product development and partnerships with our global suppliers are providing interesting opportunities in the region, particularly in the mining and retail sectors. The acquisition of Espomega, which we have announced today, will significantly expand our safety business in Mexico and will extend our product offering to customers in this large and important market.

Prospects

Although the macroeconomic outlook remains challenging in some markets, we believe that Bunzl's strong competitive position and the opportunities to consolidate our markets further should enable the Group to show continued growth during the second half of the year.

In North America, we should continue to see strong growth led by the impact of the acquisitions made towards the end of last year. We anticipate a better performance in Continental Europe compared to the second half of 2012,

principally as a result of improved profitability in our cleaning and hygiene business in France. In UK & Ireland we expect to see increased revenue and profit. Rest of the World is becoming an increasingly important part of the Group and will continue to develop strongly due to the significant impact of recent acquisitions combined with organic growth.

Growth through acquisition remains a key part of our strategy to develop the business. The pipeline of potential acquisition targets is promising and we are in discussions with a number of businesses.

The Board believes that the prospects of the Group are good due to our strong market position and our ability to grow the business both organically and through acquisition.

Michael Roney
Chief Executive

FINANCIAL REVIEW

Group performance

Revenue increased by 11% at constant exchange rates (13% at actual exchange rates) to £2,956.6 million reflecting organic growth of 1.9% and the benefit of acquisitions. Operating profit before intangible amortisation and acquisition related costs increased by 12% at constant exchange rates (14% at actual exchange rates) to £188.8 million as a result of both the revenue growth and an improvement in the operating profit margin on the same basis from 6.3% to 6.4%.

Intangible amortisation and acquisition related costs of £38.2 million comprised intangible amortisation of £28.5 million and acquisition related costs of £9.7 million, up 23% at constant exchange rates. This increase was due to an additional £4.2 million of intangible amortisation and an increase of £3.0 million in acquisition related costs.

The net finance charge increased to £21.2 million from £16.1 million last year (restated on adoption of IAS19 (revised 2011) 'Employees Benefits' - see Note 1), mainly due to a higher level of debt from the funding of acquisitions and the impact of new fixed interest rate US dollar bonds to replace floating rate debt, with interest cover at 8.9 times.

Profit before income tax, intangible amortisation and acquisition related costs was £167.6 million, up 10% at constant exchange rates (12% at actual exchange rates) due to the growth in operating profit before intangible amortisation and acquisition related costs partly offset by the higher net finance charge.

Tax

A tax charge at a rate of 27.9% (2012: 27.7%) has been provided on the profit before tax, intangible amortisation and acquisition related costs. Including the impact of intangible amortisation and acquisition related costs of £38.2 million and the associated deferred and current tax of £7.8 million, the overall tax rate is 30.1% (2012: 28.9%). The underlying tax rate of 27.9% is higher than the nominal UK rate of 23.3% for 2013 principally because many of the Group's operations are in countries with higher tax rates.

Profit for the period

Profit after tax increased 5% at constant exchange rates (7% at actual exchange rates) to £90.5 million.

Earnings

The weighted average number of shares in issue increased to 326.0 million from 325.5 million due to employee share option exercises largely offset by shares being purchased from the market into the Company's employee benefit trust. Earnings per share were 27.8p, up 5% at constant exchange rates (7% at actual exchange rates). After adjusting for intangible amortisation, acquisition related costs and the respective associated tax, earnings per share increased 10% at constant exchange rates (12% at actual exchange rates) to 37.1p. The intangible amortisation and associated tax are non-cash charges which are not taken into account by management when assessing the underlying performance of the business. Similarly, the acquisition related costs and associated tax do not relate to the underlying performance of the business. Accordingly, such charges are removed in calculating the adjusted earnings per share on which management assesses the performance of the Group.

Dividends

The interim dividend has increased 14% to 10.0p from 8.8p in 2012.

Acquisitions

In addition to completing the purchase of Vicsa Brasil in February, which the Company agreed to acquire in December 2012, the acquisitions made in the first half of 2013 were McNeil Surgical, Labor Import, MDA and three businesses which formed part of the Industrial & Safety division of Jeminex. The annualised revenue and operating profit before intangible amortisation and acquisition related costs of the businesses acquired (excluding Vicsa Brasil) were £154.1 million and £16.0 million respectively, with a total spend of £133.2 million, which includes £12.7 million in respect of earn outs in future years. A summary of the effect of acquisitions made in the six months to 30 June 2013 was as follows:

	£m
Fair value of assets acquired	75.0
Goodwill	48.1
Consideration	123.1
Satisfied by:	
cash consideration	122.6
deferred consideration	0.5
	123.1
Contingent payments to former owners including earn outs	17.2
Net cash acquired	(1.8)
Transaction costs and expenses	5.2
Total expected spend in respect of current year acquisitions	**143.7**
Spend on acquisitions committed as at 31 December 2012	(10.5)
Total committed spend in respect of acquisitions agreed in the current year	**133.2**

The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	122.6
Net cash acquired	(1.8)
Deferred consideration in respect of prior year acquisitions	17.8
Net cash outflow in respect of acquisitions	138.6
Acquisition related costs	11.4
Total cash outflow in respect of acquisitions	**150.0**

Cash flow

Cash generated from operations before acquisition related costs was £207.0 million, a £73.6 million increase from 2012. This was primarily due to a working capital inflow in 2013 of £5.1 million compared to an outflow of £41.7 million in 2012, which was attributable to the reversal of the particularly low working capital level at the end of 2011, augmented by the £23.7 million increase in operating profit before tax, intangible amortisation and acquisition

related costs. The Group's free cash flow of £138.9 million was £61.7 million higher than last year mainly due to the higher operating cash flow. After payment of the 2012 interim dividend of £28.8 million, an acquisition cash outflow of £150.0 million and a £54.5 million outflow on employee share schemes, there was a net cash outflow of £94.4 million. The summary cash flow for the period was as follows:

	Six months to 30.6.13 £m	Six months to 30.6.12 £m
Cash generated from operations*	207.0	133.4
Net capital expenditure	(13.1)	(11.1)
Operating cash flow*	193.9	122.3
Operating cash flow* to operating profit†	**103%**	74%
Interest	(17.1)	(15.3)
Tax	(37.9)	(29.8)
Free cash flow	**138.9**	77.2
Dividends	(28.8)	(26.1)
Acquisitions	(150.0)	(77.2)
Employee share schemes	(54.5)	(15.5)
Net cash outflow	**(94.4)**	(41.6)

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

Balance sheet

Return on average operating capital employed before intangible amortisation and acquisition related costs decreased to 55.1% from 56.5% at 31 December 2012 and return on invested capital decreased to 17.5% from 17.9%. These reductions are primarily due to the impact of recent acquisitions initially having a lower return on capital than the rest of the Group. Intangible assets have increased by £116.6 million since 31 December 2012 to £1,457.2 million, reflecting goodwill and customer relationships arising on acquisitions in the period of £103.7 million and a positive exchange impact of £41.4 million, offset by an amortisation charge of £28.5 million. The Group's pension deficit at 30 June 2013 of £59.6 million was £15.9 million lower than at 31 December 2012, mainly due to an actuarial gain of £17.4 million arising from higher discount rates partly offset by higher inflation rate assumptions. The movements in shareholders' equity and net debt during the period were as follows:

Shareholders' equity	**£m**
At 1 January 2013	885.5
Profit for the period	90.5
Dividends	(91.8)
Share purchases	(53.2)
Currency	19.0
Actuarial gain	17.4
Other	1.3
At 30 June 2013	**868.7**

Net debt	**£m**
At 1 January 2013	(738.1)
Net cash outflow	(94.4)
Currency	(40.2)
At 30 June 2013	**(872.7)**
Net debt to EBITDA (times)	**2.0**

The Group continually monitors net debt and forecast cash flows to ensure that sufficient facilities are in place to meet the Group's requirements in the short, medium and long term and, in order to do so, arranges borrowings from a variety of sources. Additionally, the Group monitors compliance with its debt covenants, principally net debt to

EBITDA of no more than 3.5 times and interest cover of no less than 3.0 times. For the six months ended 30 June 2013 all covenants have been complied with. The Group has substantial committed borrowing facilities available to it comprising multi-currency credit facilities from the Group's banks and US dollar and sterling bonds. As at 30 June 2013 the Group had undrawn committed facilities of £604.9 million. During the next 12 months £112.9 million of the committed facilities and bonds mature and thereafter they mature at various times over the period up to April 2024.

Based on the expected future profit generation, cash conversion and facilities' headroom over the next 12 months, the condensed set of financial statements for the six months ended 30 June 2013 has been prepared on the going concern basis.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group for the remaining six months of the financial year remain those detailed in the section entitled 'Principal risks and uncertainties' on pages 25 and 26 of the Annual Report for the year ended 31 December 2012. These include the impact of general economic conditions and the ongoing competitive pressures in the countries in which we operate, the impact of product price changes, the translation and transaction impacts of movements in exchange rates on the Group's results, the impact of a possible exit from the eurozone of countries where the Group has operations, the ability of the Group to complete and successfully integrate acquisitions and the availability of funding to enable the Group to meet its financial obligations as they fall due. A copy of the 2012 Annual Report is available on the Company's website at www.bunzl.com. Set out in the Chief Executive's Review is a commentary on the prospects for the Group for the second half of the financial year.

Consolidated income statement

	Notes	**Six months to 30.6.13 £m**	Six months to 30.6.12* £m	Growth: Actual exchange rates	Growth: Constant exchange rates	Year to 31.12.12* £m
Revenue	2	**2,956.6**	2,612.2	13%	11%	5,359.2
Operating profit before intangible amortisation and acquisition related costs		**188.8**	165.1	14%	12%	352.4
Intangible amortisation and acquisition related costs	2	**(38.2)**	(30.5)			(58.6)
Operating profit	2	**150.6**	134.6	12%	10%	293.8
Finance income	3	**1.2**	2.2			3.6
Finance cost	3	**(22.4)**	(18.3)			(37.6)
Disposal of business		**-**	-			4.0
Profit before income tax		**129.4**	118.5	9%	7%	263.8
Profit before income tax, intangible amortisation, acquisition related costs and disposal of business		**167.6**	149.0	12%	10%	318.4
Income tax	4	**(38.9)**	(34.2)			(72.5)
Profit for the period attributable to the Company's equity holders		**90.5**	84.3	7%	5%	191.3
Earnings per share attributable to the Company's equity holders						
Basic	6	**27.8p**	25.9p	7%	5%	58.7p
Diluted	6	**27.5p**	25.7p	7%	5%	58.3p

* Restated on adoption of IAS19 (revised 2011) 'Employee Benefits' (see Note 1).

Consolidated statement of comprehensive income

	Six months to 30.6.13 £m	Six months to 30.6.12* £m	Year to 31.12.12* £m
Profit for the period	**90.5**	84.3	191.3
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on pension schemes	**17.4**	5.5	(8.0)
Tax on items that will not be reclassified to profit or loss	**(7.6)**	(1.5)	2.9
Total items that will not be reclassified to profit or loss	**9.8**	4.0	(5.1)
Items that may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations	**36.2**	(29.4)	(47.5)
(Loss)/gain taken to equity as a result of designated effective net investment hedges	**(20.6)**	6.8	18.5
Gain/(loss) recognised in cash flow hedge reserve	**2.6**	0.5	(0.4)
Movement from cash flow hedge reserve to income statement	**0.8**	(1.0)	(1.0)
Tax on items that may be reclassified to profit or loss	**(0.4)**	-	(0.7)
Total items that may be reclassified to profit or loss	**18.6**	(23.1)	(31.1)
Other comprehensive income/(expense) for the period	**28.4**	(19.1)	(36.2)
Total comprehensive income attributable to the Company's equity holders	**118.9**	65.2	155.1

* Restated on adoption of IAS19 (revised 2011) 'Employee Benefits' (see Note 1).

Consolidated balance sheet

	Notes	**30.6.13 £m**	30.6.12 £m	31.12.12[†] £m
Assets				
Property, plant and equipment		**123.7**	112.5	111.1
Intangible assets	7	**1,457.2**	1,252.3	1,340.6
Derivative financial assets		**7.7**	14.6	8.2
Deferred tax assets		**5.4**	9.9	7.9
Total non-current assets		**1,594.0**	1,389.3	1,467.8
Inventories		**622.9**	522.3	581.5
Income tax receivable		**0.5**	0.7	0.3
Trade and other receivables		**873.1**	763.7	818.7
Derivative financial assets		**2.5**	0.5	2.2
Cash and deposits	8	**93.1**	79.4	81.2
Total current assets		**1,592.1**	1,366.6	1,483.9
Total assets		**3,186.1**	2,755.9	2,951.7
Equity				
Share capital		**114.4**	114.0	114.2
Share premium		**147.0**	139.6	143.9
Translation reserve		**23.3**	14.7	7.3
Other reserves		**12.3**	10.3	9.7
Retained earnings		**571.7**	497.4	610.4
Total equity attributable to the Company's equity holders		**868.7**	776.0	885.5
Liabilities				
Interest bearing loans and borrowings	8	**894.6**	464.3	599.2
Retirement benefit obligations		**59.6**	66.0	75.5
Other payables		**20.8**	20.6	28.7
Derivative financial liabilities		**1.4**	1.4	1.2
Provisions		**25.3**	34.9	21.3
Deferred tax liabilities		**144.9**	118.3	124.6
Total non-current liabilities		**1,146.6**	705.5	850.5
Bank overdrafts	8	**24.7**	38.3	25.4
Interest bearing loans and borrowings	8	**54.2**	276.6	204.9
Income tax payable		**56.1**	56.2	53.9
Trade and other payables		**1,020.5**	893.3	909.3
Derivative financial liabilities		**-**	0.1	0.9
Provisions		**15.3**	9.9	21.3
Total current liabilities		**1,170.8**	1,274.4	1,215.7
Total liabilities		**2,317.4**	1,979.9	2,066.2
Total equity and liabilities		**3,186.1**	2,755.9	2,951.7

[†] Revised on adjustment to provisional fair values on acquisitions made in 2012 (see Note 9).

Consolidated statement of changes in equity

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings £m	Total equity £m
At 1 January 2013	114.2	143.9	7.3	9.7	610.4	885.5
Profit for the period					90.5	90.5
Actuarial gain on pension schemes					17.4	17.4
Foreign currency translation differences for foreign operations			36.2			36.2
Loss taken to equity as a result of designated effective net investment hedges			(20.6)			(20.6)
Gain recognised in cash flow hedge reserve				2.6		2.6
Movement from cash flow hedge reserve to income statement				0.8		0.8
Income tax credit/(charge) on other comprehensive income			0.4	(0.8)	(7.6)	(8.0)
Total comprehensive income			16.0	2.6	100.3	118.9
2012 interim dividend					(28.8)	(28.8)
2012 final dividend					(63.0)	(63.0)
Issue of share capital	0.2	3.1				3.3
Employee trust shares					(56.5)	(56.5)
Share based payments					9.3	9.3
At 30 June 2013	**114.4**	**147.0**	**23.3**	**12.3**	**571.7**	**868.7**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings* £m	Total equity* £m
At 1 January 2012	113.8	136.4	37.3	10.8	508.4	806.7
Profit for the period					84.3	84.3
Actuarial gain on pension schemes					5.5	5.5
Foreign currency translation differences for foreign operations			(29.4)			(29.4)
Gain taken to equity as a result of designated effective net investment hedges			6.8			6.8
Gain recognised in cash flow hedge reserve				0.5		0.5
Movement from cash flow hedge reserve to income statement				(1.0)		(1.0)
Income tax charge on other comprehensive income					(1.5)	(1.5)
Total comprehensive (expense)/income			(22.6)	(0.5)	88.3	65.2
2011 interim dividend					(26.1)	(26.1)
2011 final dividend					(59.6)	(59.6)
Issue of share capital	0.2	3.2				3.4
Employee trust shares					(18.2)	(18.2)
Share based payments					4.6	4.6
At 30 June 2012	114.0	139.6	14.7	10.3	497.4	776.0

Consolidated statement of changes in equity (continued)

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves[◊] £m	Retained earnings* £m	Total equity* £m
At 1 January 2012	113.8	136.4	37.3	10.8	508.4	806.7
Profit for the year					191.3	191.3
Actuarial loss on pension schemes					(8.0)	(8.0)
Foreign currency translation differences for foreign operations			(47.5)			(47.5)
Gain taken to equity as a result of designated effective net investment hedges			18.5			18.5
Loss recognised in cash flow hedge reserve				(0.4)		(0.4)
Movement from cash flow hedge reserve to income statement				(1.0)		(1.0)
Income tax (charge)/credit on other comprehensive income			(1.0)	0.3	2.9	2.2
Total comprehensive (expense)/income			(30.0)	(1.1)	186.2	155.1
2011 interim dividend					(26.1)	(26.1)
2011 final dividend					(59.6)	(59.6)
Issue of share capital	0.4	7.5				7.9
Employee trust shares					(9.6)	(9.6)
Share based payments					11.1	11.1
At 31 December 2012	114.2	143.9	7.3	9.7	610.4	885.5

[◊] Other reserves comprise merger reserve £2.5m (31 December 2012: £2.5m; 30 June 2012: £2.5m), capital redemption reserve £8.6m (31 December 2012: £8.6m; 30 June 2012: £8.6m) and cash flow hedge reserve £1.2m (31 December 2012: £(1.4)m; 30 June 2012: £(0.8)m).

* Restated on adoption of IAS19 (revised 2011) ‘Employee Benefits’ (See note 1).

Consolidated cash flow statement

	Notes	**Six months to 30.6.13 £m**	Six months to 30.6.12* £m	Year to 31.12.12* £m
Cash flow from operating activities				
Profit before income tax		**129.4**	118.5	263.8
Adjustments:				
depreciation		**12.9**	11.4	23.0
intangible amortisation and acquisition related costs		**38.2**	30.5	58.6
share based payments		**3.2**	3.0	5.7
disposal of business		**-**	-	(4.0)
Working capital movement		**5.1**	(41.7)	(22.4)
Finance income		**(1.2)**	(2.2)	(3.6)
Finance cost		**22.4**	18.3	37.6
Provisions		**(2.1)**	(4.4)	(6.4)
Pensions		**(3.5)**	(3.6)	(7.8)
Other		**2.6**	3.6	4.6
Cash generated from operations before acquisition related costs		**207.0**	133.4	349.1
Cash outflow from acquisition related costs	9	**(11.4)**	(3.9)	(20.2)
Income tax paid		**(37.9)**	(29.8)	(63.6)
Cash inflow from operating activities		**157.7**	99.7	265.3
Cash flow from investing activities				
Interest received		**0.5**	1.2	2.2
Purchase of property, plant and equipment		**(13.4)**	(11.8)	(23.0)
Sale of property, plant and equipment		**0.3**	0.7	2.8
Purchase of businesses	9	**(138.6)**	(73.3)	(234.5)
Cash outflow from investing activities		**(151.2)**	(83.2)	(252.5)
Cash flow from financing activities				
Interest paid		**(17.6)**	(16.5)	(32.8)
Dividends paid		**(28.8)**	(26.1)	(85.7)
Increase in loans		**118.0**	41.6	123.8
Realised losses on foreign exchange contracts		**(11.9)**	(2.3)	(0.9)
Net purchase of employee shares		**(54.5)**	(15.5)	(3.7)
Cash inflow/(outflow) from financing activities		**5.2**	(18.8)	0.7
Exchange gain/(loss) on cash and cash equivalents		**0.9**	(1.6)	(2.7)
Increase/(decrease) in cash and cash equivalents		**12.6**	(3.9)	10.8
Cash and cash equivalents at start of the period		**55.8**	45.0	45.0
Increase/(decrease) in cash and cash equivalents		**12.6**	(3.9)	10.8
Cash and cash equivalents at end of the period	8	**68.4**	41.1	55.8

* Restated on adoption of IAS19 (revised 2011) ‘Employee Benefits’ (See note 1).

Notes

1. Basis of preparation

The condensed set of financial statements for the six months to 30 June 2013, with comparative figures for the six months to 30 June 2012, is unaudited and does not constitute statutory accounts. However the auditors have carried out a review of the condensed set of financial statements and their report in respect of the six months to 30 June 2013 is set out in the Independent review report. The comparative figures for the year to 31 December 2012 do not constitute the Company's statutory accounts for the year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498(2)(3) of the Companies Act 2006.

The directors continue to believe that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, that it is appropriate to continue to adopt the going concern basis in the preparation of the condensed set of financial statements. The condensed set of financial statements has been prepared in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the EU and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority. Except as described below, the condensed set of financial statements has been prepared on the basis of the accounting policies set out in the Group's 2012 statutory accounts which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS').

Some of the prior year numbers have been restated following the adoption of IAS19 (revised 2011) 'Employee Benefits', which is effective for the 2013 financial year, as a result of which the expected return on assets and the interest charge on pension scheme liabilities have been replaced with a net finance cost based on the discount rate. For the six months to 30 June 2012, the impact of this change has been to increase the net finance cost by £2.7m, reduce profit before income tax by £2.7m and reduce profit after tax by £2.0m. The actuarial gain on pension schemes has been increased by £2.7m and the income tax charge on other comprehensive income has been increased by £0.7m. For the year to 31 December 2012 the impact has been to increase the net finance cost by £5.5m, to reduce profit before income tax by £5.5m and reduce profit after tax by £4.0m. The actuarial loss on pension schemes has been reduced by £5.5m and the income tax credit on other comprehensive income has been reduced by £1.5m.

The Group has adopted the amendment to IAS1 'Presentation of Items of Other Comprehensive Income' which is effective for the first time in the current financial year. The adoption of this amendment has no impact on the Group's consolidated results or financial position.

The Group has also adopted IFRS13 'Fair Value Measurement' which is effective for the first time in the current financial year. IFRS13 specifically requires additional disclosures in interim financial statements for financial instruments which the Group has provided in Note 10. In accordance with the transitional provision of IFRS13, the Group has not provided any comparative information for the additional disclosures. The change has no impact on the measurements of the Group's assets and liabilities.

There are no other new standards or amendments to existing standards that are effective that have had an impact on the Group.

2. Segment analysis

	Revenue			Operating profit		
	Six months to 30.6.13 £m	Six months to 30.6.12 £m	Year to 31.12.12 £m	**Six months to 30.6.13 £m**	Six months to 30.6.12 £m	Year to 31.12.12 £m
North America	**1,645.5**	1,403.4	2,905.8	**98.6**	85.8	184.6
Continental Europe	**577.4**	545.6	1,079.4	**47.7**	45.6	87.5
UK & Ireland	**483.9**	479.4	992.1	**29.7**	27.4	65.2
Rest of the World	**249.8**	183.8	381.9	**22.0**	15.3	33.2
	2,956.6	2,612.2	5,359.2	**198.0**	174.1	370.5
Corporate				**(9.2)**	(9.0)	(18.1)
Intangible amortisation and acquisition related costs				**(38.2)**	(30.5)	(58.6)
	2,956.6	2,612.2	5,359.2	**150.6**	134.6	293.8

The amounts of intangible amortisation and acquisition related costs were as follows:

	Intangible amortisation			Acquisition related costs		
	Six months to 30.6.13 £m	Six months to 30.6.12 £m	Year to 31.12.12 £m	**Six months to 30.6.13 £m**	Six months to 30.6.12 £m	Year to 31.12.12 £m
North America	**6.4**	3.9	8.1	**3.1**	2.2	4.4
Continental Europe	**14.5**	13.9	27.7	**2.0**	3.5	3.5
UK & Ireland	**3.4**	3.2	6.5	**1.0**	-	0.4
Rest of the World	**4.2**	2.8	5.4	**3.6**	1.0	2.6
	28.5	23.8	47.7	**9.7**	6.7	10.9

Acquisition related costs for the six months to 30 June 2013 include transaction costs and expenses of £5.2m (31 December 2012: £6.9m; 30 June 2012: £2.5m) and deferred consideration payments which are contingent on the continued employment of former owners of businesses acquired of £4.5m (31 December 2012: £4.0m; 30 June 2012: £4.2m).

The Group's financial results have not historically been subject to significant seasonal trends.

3. Finance income/(cost)

	Six months to 30.6.13 £m	Six months to 30.6.12* £m	Year to 31.12.12* £m
Interest on deposits	**0.2**	0.5	0.8
Interest income from foreign exchange contracts	**0.9**	0.9	1.8
Other finance income	**0.1**	0.8	1.0
Finance income	**1.2**	2.2	3.6
Interest on loans and overdrafts	**(19.6)**	(16.3)	(33.2)
Interest expense from foreign exchange contracts	**(0.8)**	(0.6)	(1.0)
Interest charge on pension scheme liabilities	**(1.5)**	(1.5)	(3.3)
Fair value gain on US dollar bonds in a hedge relationship	**2.0**	4.0	5.7
Fair value loss on interest rate swaps in a hedge relationship	**(2.0)**	(3.9)	(5.7)
Foreign exchange gain/(loss) on intercompany funding	**23.6**	(5.3)	(8.7)
Foreign exchange (loss)/gain on external debt not in a hedge relationship	**(23.5)**	5.3	8.9
Other finance expense	**(0.6)**	-	(0.3)
Finance cost	**(22.4)**	(18.3)	(37.6)

The foreign exchange gain/(loss) on intercompany funding arises as a result of foreign currency intercompany loans and deposits. This is substantially matched by external debt to minimise this foreign currency exposure in the income statement.

* Restated on adoption of IAS19 (revised 2011) 'Employee Benefits' (See note 1).

4. Income tax

In assessing the underlying performance of the Group, management uses adjusted profit which excludes intangible amortisation, acquisition related costs and the profit on disposal of business. Similarly the tax effect of these items are excluded in monitoring the tax rate on the adjusted profit of the Group which is shown in the table below:

	Six months to 30.6.13 £m	Six months to 30.6.12* £m	Year to 31.12.12* £m
Income tax on profit	**38.9**	34.2	72.5
Tax associated with intangible amortisation, acquisition related costs and disposal of business	**7.8**	7.1	15.7
Tax on adjusted profit	**46.7**	41.3	88.2
Profit before income tax	**129.4**	118.5	263.8
Intangible amortisation, acquisition related costs and disposal of business	**38.2**	30.5	54.6
Adjusted profit before income tax	**167.6**	149.0	318.4
Reported tax rate	**30.1%**	28.9%	27.5%
Tax rate on adjusted profit	**27.9%**	27.7%	27.7%

* Restated on adoption of IAS19 (revised 2011) ‘Employee Benefits’ (See note 1).

5. Dividends

	Six months to 30.6.13 £m	Six months to 30.6.12 £m	Year to 31.12.12 £m
2011 interim		26.1	26.1
2011 final		59.6	59.6
2012 interim	**28.8**		
2012 final	**63.0**		
	91.8	85.7	85.7

Dividends per share for the periods to which they relate are:

		Per share	
	Six months to 30.6.13	Six months to 30.6.12	Year to 31.12.12
2012 interim		8.8p	8.8p
2012 final			19.4p
2013 interim	**10.0p**		
	10.0p	8.8p	28.2p

The 2013 interim dividend of 10.0p will be paid on 2 January 2014 to shareholders on the register on 8 November 2013.

6. Earnings per share

	Six months to 30.6.13 £m	Six months to 30.6.12* £m	Year to 31.12.12* £m
Profit for the period	**90.5**	84.3	191.3
Adjustment	**30.4**	23.4	38.9
Adjusted profit#	**120.9**	107.7	230.2
Basic weighted average ordinary shares in issue (million)	**326.0**	325.5	326.1
Dilutive effect of employee share plans (million)	**3.4**	3.1	1.9
Diluted weighted average ordinary shares (million)	**329.4**	328.6	328.0
Basic earnings per share	**27.8p**	25.9p	58.7p
Adjustment	**9.3p**	7.2p	11.9p
Adjusted basic earnings per share#	**37.1p**	33.1p	70.6p
Diluted earnings per share	**27.5p**	25.7p	58.3p
Adjustment	**9.2p**	7.1p	11.9p
Adjusted diluted earnings per share#	**36.7p**	32.8p	70.2p

Adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share exclude the charges for intangible amortisation, acquisition related costs and the respective associated tax and the profit on disposal of business. The intangible amortisation and associated tax and the profit on disposal of business are non-cash charges which are not taken into account by management when assessing the underlying performance of the business. Similarly, the acquisition related costs and associated tax do not relate to the underlying performance of the business. Accordingly, such charges are removed in calculating the adjusted earnings per share on which management assess the performance of the Group.

* Restated on adoption of IAS19 (revised 2011) 'Employee Benefits' (See note 1).

7. Intangible assets

Goodwill	Six months to 30.6.13 £m	Six months to 30.6.12 £m	Year to 31.12.12† £m
Beginning of the period	**823.2**	784.6	784.6
Acquisitions	**48.1**	16.5	64.5
Currency translation	**24.3**	(16.9)	(25.9)
End of the period	**895.6**	784.2	823.2
Customer relationships			
Cost			
Beginning of the period	**793.1**	707.9	707.9
Acquisitions	**55.6**	33.2	111.5
Currency translation	**28.6**	(20.0)	(26.3)
End of the period	**877.3**	721.1	793.1
Amortisation			
Beginning of the period	**275.7**	235.7	235.7
Charge in the period	**28.5**	23.8	47.7
Currency translation	**11.5**	(6.5)	(7.7)
End of the period	**315.7**	253.0	275.7
Net book value at end of the period	**561.6**	468.1	517.4
Total net book value of intangible assets at end of the period	**1,457.2**	1,252.3	1,340.6

Goodwill and customer relationships have been acquired as part of business combinations. Customer relationships are amortised over their estimated useful lives which range from 10 to 19 years. Further details of acquisitions made in the period are set out in Note 9.

† Revised on adjustment to provisional fair values on acquisitions made in 2012 (see Note 9).

8. Cash and cash equivalents and net debt

	30.6.13	30.6.12	31.12.12
	£m	£m	£m
Cash at bank and in hand	**84.3**	72.1	77.0
Short term deposits repayable in less than three months	**8.8**	7.3	4.2
Cash and deposits	**93.1**	79.4	81.2
Bank overdrafts	**(24.7)**	(38.3)	(25.4)
Cash and cash equivalents	**68.4**	41.1	55.8
Current liabilities	**(54.2)**	(276.6)	(204.9)
Non-current liabilities	**(894.6)**	(464.3)	(599.2)
Derivative assets – fair value of interest rate swaps on fixed interest rate borrowings	**7.7**	14.5	10.2
Interest bearing loans and borrowings	**(941.1)**	(726.4)	(793.9)
Net debt	**(872.7)**	(685.3)	(738.1)

	Six months to	Six months to	Year to
	30.6.13	30.6.12	31.12.12
Movement in net debt	**£m**	£m	£m
Beginning of the period	**(738.1)**	(652.9)	(652.9)
Net cash outflow	**(94.4)**	(41.6)	(109.4)
Realised losses on foreign exchange contracts	**(11.9)**	(2.3)	(0.9)
Currency translation	**(28.3)**	11.5	25.1
End of the period	**(872.7)**	(685.3)	(738.1)

9. Acquisitions

2013
The acquisitions made in the six months to 30 June 2013 were McNeil Surgical, Visca Brasil, Labor Import, MDA and most of the Industrial & Safety division of Jeminex.

McNeil Surgical, a business principally engaged in the sale of healthcare consumables and equipment to aged care facilities, hospitals and medical centres as well as to redistributors throughout South Australia, was acquired on 31 January 2013. Visca Brasil, the proposed acquisition of which was agreed in December 2012, was acquired on 19 February 2013. The business is engaged in the sale of personal protection equipment throughout Brazil. Labor Import, which is principally engaged in the supply and distribution of own label medical and healthcare consumable products to redistributors as well as to hospitals, clinics, laboratories and care homes throughout Brazil, was acquired on 1 March 2013. MDA, which is engaged in the procurement and fulfilment of promotional products and marketing point of sale materials for a variety of customers in the UK, principally in the food and drinks industries, was acquired on 15 March 2013. Three businesses which formed part of the Industrial & Safety division of Jeminex in Australia were acquired on 30 April 2013. The workwear and personal safety business distributes an extensive range of specialist personal protection equipment and workwear to the mining, resources, construction and general industrial sectors. The lifting, rigging and height safety business is principally engaged in the supply of lifting chains and ropes, slings and load restraints as well as the provision of accredited testing and repair services. The third business is involved in the supply of industrial packaging products to a variety of customers in different market sectors.

Acquisitions involving the purchase of the acquiree's share capital or, as the case may be, the relevant assets of the businesses acquired, have been accounted for under the acquisition method of accounting. Part of the Group's strategy is to grow through acquisition. The Group has developed a process to assist with the identification of the fair values of the assets acquired and liabilities assumed, including the separate identification of intangible assets in accordance with IFRS 3 'Business Combinations'. This formal process is applied to each acquisition and involves an assessment of the assets acquired and liabilities assumed with assistance provided by external valuation specialists where appropriate. Until this assessment is complete, the allocation period remains open up to a maximum of 12 months from the relevant acquisition date. At 30 June 2013 the allocation period for all acquisitions completed since 1 January 2013 remained open and accordingly the fair values presented are provisional.

Adjustments are made to the assets acquired and liabilities assumed during the allocation period to the extent that further information and knowledge come to light that more accurately reflect conditions at the acquisition date. To date the adjustments made have impacted assets acquired to reflect more accurately the estimated realisable or settlement value. Similarly, adjustments have been made to acquired liabilities to record onerous commitments or other commitments existing at the acquisition date but not recognised by the acquiree. Adjustments have also been made to reflect the associated tax effects.

9. Acquisitions (continued)

The consideration paid or payable in respect of acquisitions comprises amounts paid on completion, deferred consideration and payments which are contingent on the continued employment of former owners of businesses acquired. IFRS 3 requires that any payments that are contingent on future employment are charged to the income statement. All other consideration has been allocated against the identified net assets, with the balance recorded as goodwill. Transaction costs and expenses such as professional fees are charged to the income statement. The acquisitions provide opportunities for further development of the Group's activities and create enhanced returns. Such opportunities and the workforces inherent in each of the acquired businesses do not translate to separately identifiable intangible assets but do represent much of the assessed value that supports the recognised goodwill.

A summary of the effect of acquisitions made in the six months to 30 June 2013 is detailed below:

	Book value at acquisition £m	Provisional fair value adjustments £m	Fair value of assets acquired £m
Intangible assets		**55.6**	**55.6**
Property, plant and equipment	**10.8**	**(2.0)**	**8.8**
Inventories	**30.0**	**(3.4)**	**26.6**
Trade and other receivables	**28.0**	**(0.3)**	**27.7**
Trade and other payables	**(25.1)**	**(1.6)**	**(26.7)**
Net cash	**1.8**	**-**	**1.8**
Provisions for liabilities and charges	**(0.3)**	**(3.8)**	**(4.1)**
Tax and deferred tax	**(0.9)**	**(13.8)**	**(14.7)**
	44.3	**30.7**	**75.0**
Goodwill			**48.1**
Consideration			**123.1**
Satisfied by:			
cash consideration			**122.6**
deferred consideration			**0.5**
			123.1
Contingent payments to former owners			**17.2**
Net cash acquired			**(1.8)**
Transaction costs and expenses			**5.2**
Total expected spend in respect of current year acquisitions			**143.7**
Spend on acquisitions committed as at 31 December 2012			**(10.5)**
Total committed spend in respect of acquisitions agreed in the current year			**133.2**

The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	**122.6**
Net cash acquired	**(1.8)**
Deferred consideration in respect of prior year acquisitions	**17.8**
Net cash outflow in respect of acquisitions	**138.6**
Acquisition related costs	**11.4**
Total cash outflow in respect of acquisitions	**150.0**

Acquisitions made during the six months to 30 June 2013 contributed £34.5m to the Group's revenue and £3.7m to the Group's operating profit before intangible amortisation and acquisition related costs.

The estimated contributions of acquired businesses to the results of the Group for the period, as if the acquisitions had been made at the beginning of the year, are as follows:

	£m
Revenue	**77.1**
Operating profit before intangible amortisation and acquisition related costs	**8.0**

9. Acquisitions (continued)

2012

The principal acquisitions made in the year to 31 December 2012 were CDW Merchants, the redistribution business of Star Services International, FoodHandler, Zahav, Service Paper, Distrimondo, Indigo Concept Packaging, Atlas Health Care, McCordick Glove & Safety, Destiny Packaging, Vicsa Safety, and Schwarz Paper Company.

CDW Merchants, a business principally engaged in the sale of retail gift packaging and visual merchandising solutions and products to the specialty retail and online retailing sectors throughout the US, was acquired on 21 February 2012. The Star Services International redistribution business, which is principally engaged in the supply of foodservice disposable products to wholesalers and redistributors throughout Queensland, Australia, was acquired on 27 April 2012. FoodHandler, a leading supplier of a variety of disposable gloves and other foodhandling products to the foodservice sector throughout the US, was acquired on 30 April 2012. Zahav, a leading distributor of packaging supplies to the foodservice sector throughout Israel was acquired on 30 April 2012. Service Paper, a business principally engaged in the distribution of disposable supplies to the grocery, foodservice, food processor and industrial packaging sectors throughout the Pacific Northwest in the US, was acquired on 11 June 2012. Distrimondo, a business principally engaged in the distribution of foodservice disposables and cleaning and hygiene products throughout Switzerland, was acquired on 29 June 2012. Indigo Concept Packaging, a business based in the UK and principally engaged in the sale of quality retail packaging products, was acquired on 3 October 2012. Atlas Health Care, a business principally engaged in the supply of medical consumables to the healthcare sector in South Australia, was acquired on 31 October 2012. McCordick Glove & Safety, a distributor of gloves and other personal protection equipment to a variety of industrial and retail customers as well as to redistributors, was acquired on 14 December 2012. Destiny Packaging, a leading distributor of flexible packaging supplies to fruit and vegetable growers in the US, was acquired on 20 December 2012. Vicsa Safety, a business specialising in the sourcing and sale of a variety of personal protection equipment throughout Chile, Peru, Argentina, Colombia and Mexico, was acquired on 21 December 2012. Schwarz Paper Company, a business based in Chicago and principally engaged in the provision of consumables and supply chain solutions for the non-food retail and grocery sectors, was acquired on 28 December 2012.

The Company also entered into an agreement on 21 December 2012 to acquire Vicsa Brasil which distributes personal protection equipment throughout Brazil. Following clearance from the Brazilian Competition Authority, the acquisition was completed on 19 February 2013.

For the acquisitions made in 2012, the fair value reallocation period remained opened during the first half of 2013. In accordance with IFRS3 'Business Combinations' the Group has adjusted in 2013 the fair values attributable to some of these acquisitions. As a result, customer relationships have been increased by £16.8m, goodwill has been increased by £0.9m, other assets and liabilities have been decreased by £16.0m and deferred consideration has been increased by £1.7m. The balance sheet at 31 December 2012 has been revised accordingly. The fair value reallocation period for acquisitions made in the second half of 2012 remains open.

9. Acquisitions (continued)

A summary of the effect of the 2012 acquisitions, revised following the adjustment to provisional fair values as described above, is detailed below:

	Book value at acquisition £m	Provisional fair value adjustments £m	Provisional fair value of assets acquired £m
Intangible assets	-	111.5	111.5
Property, plant and equipment	9.3	(1.5)	7.8
Inventories	81.0	(7.3)	73.7
Trade and other receivables	72.0	(1.0)	71.0
Trade and other payables	(54.3)	(5.8)	(60.1)
Net bank overdrafts	(21.8)	-	(21.8)
Provisions for liabilities and charges	-	(5.4)	(5.4)
Tax and deferred tax	(0.2)	(19.2)	(19.4)
	86.0	71.3	157.3
Goodwill			64.5
Consideration			221.8
Satisfied by:			
cash consideration			206.0
deferred consideration			14.8
other consideration			1.0
			221.8
Contingent payments to former owners			16.3
Net bank overdrafts acquired			21.8
Transaction costs and expenses			6.9
Total expected spend in respect of acquisitions			266.8
Committed spend in respect of acquisitions not completed by 31 December 2012			10.5
Total committed spend in respect of acquisitions			277.3

The net cash outflow in the year of acquisitions comprised:	
Cash consideration	206.0
Net bank overdrafts acquired	21.8
Deferred consideration in respect of prior year acquisitions	6.7
Net cash outflow in respect of acquisitions	234.5
Acquisition related costs	20.2
Total cash outflow in respect of acquisitions	254.7

Acquisitions made in the period to 31 December 2012 contributed £111.3m to the Group's revenue and £8.7m to the Group's operating profit before intangible amortisation and acquisition related costs.

The estimated contributions of acquired businesses to the results of the Group, as if the acquisitions had been made at the beginning of the year, are as follows:

	£m
Revenue	518.4
Operating profit before intangible amortisation and acquisition related costs	36.1

10. Financial instruments

The following financial assets and liabilities are held at fair value:

	30.6.13 £m
Derivative financial assets	
Interest rate swaps	7.7
Foreign exchange contracts for cash flow hedging	2.5
Foreign exchange contracts for net investment hedging	3.7
	13.9
Derivative financial liabilities	
Cross currency interest rate swaps	(6.7)
	(6.7)

All financial assets and liabilities in the table above have carrying amounts where the fair value component is a level two fair value measurement. Level two fair value measurements use inputs other than quoted prices that are observable for the relevant asset or liability, either directly or indirectly.

The fair value of all financial instruments equate to their book values, with the exception of the US dollar and sterling bonds. The fair value of US dollar and sterling bonds using market prices at 30 June 2013 was £711.2m, compared to a carrying value of £659.5m.

11. Related party transactions

As disclosed in the Annual Report for the year to 31 December 2012, the Group has identified the directors of the Company, its key management and the Group pension schemes as related parties for the purpose of IAS24 'Related Party Disclosure'. There have been no significant changes in those related parties identified at the year end and there have been no transactions with those related parties during the six months to 30 June 2013 that have materially affected or are expected to materially affect the financial position or performance of the Group during this period. Details of the relevant relationships with those related parties will be disclosed in the Annual Report for the year ending 31 December 2013. All transactions with subsidiaries are eliminated on consolidation.

Responsibility statement of the directors in respect of the half yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS34 'Interim Financial Reporting' as adopted by the EU;
- the half yearly financial report includes a fair review of the important events during the first six months of the year, and their impact on the condensed set of financial statements, and a description of principal risks and uncertainties for the remaining six months of the year as required by Disclosure and Transparency Rule ('DTR') 4.2.7R; and
- the half yearly financial report includes a fair review of the disclosure of related party transactions and changes therein as required by DTR4.2.8R.

For and on behalf of the Board

Michael Roney	**Brian May**
Chief Executive	Finance Director
27 August 2013	

Independent review report
by KPMG Audit Plc to Bunzl plc

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the half yearly financial report for the six months to 30 June 2013 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The half yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ as adopted by the EU.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the UK. A review of half yearly financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months to 30 June 2013 is not prepared, in all material respects, in accordance with IAS34 as adopted by the EU and the DTR of the UK FCA.

Michael Maloney
for and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square
London
E14 5GL
27 August 2013