News Release

Tuesday 28 August 2012

HALF YEARLY FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2012

Bunzl plc, the international distribution and outsourcing Group, today publishes its half yearly financial report for the six months ended 30 June 2012.

	H1 12	H1 11	Growth as reported	Growth at constant exchange
Revenue	**£2,612.2m**	£2,442.0m	7%	7%
Operating profit*	**£165.1m**	£152.2m	8%	9%
Profit before tax†	**£151.7m**	£138.8m	9%	10%
Adjusted earnings per share†	**33.7p**	31.0p	9%	10%
Interim dividend	**8.80p**	8.05p	9%	

Operating profit	**£134.6m**	£125.5m	7%
Profit before tax	**£121.2m**	£112.1m	8%
Earnings per share	**26.5p**	24.9p	6%

Other highlights include:

- Earnings† rise 10% at constant exchange rates
- Continued good organic revenue growth of 4% led by North America and Rest of the World
- Return on average operating capital up 360 basis points to 58.4%
- Six acquisitions announced to date; annualised revenue from 2012 acquisitions of £157 million
- Further acquisitions in Switzerland and Israel following market entries in 2010
- Strong track record of dividend growth continues with an increase of 9%

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

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

"Even though we have continued to face a challenging marketplace, I am pleased to report another strong set of results. Once again our established strategy of developing the business both organically and through targeted acquisitions has delivered good growth in revenue, profits and earnings.

Looking forward, we believe that Bunzl's strong competitive position and resilient customer sectors, together with opportunities to consolidate further our markets as we expect to complete more acquisitions later this year, should enable the Group to show continued good growth and development."

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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

During the first half of 2012 the challenging macroeconomic conditions, which have persisted for the last few years across many of the international markets in which we compete, showed no signs of abating. Despite this I am delighted to report once again a strong set of results for the Group.

Group revenue rose to £2,612.2 million (2011: £2,442.0 million), an increase of 7% at constant exchange rates, which was driven by strong organic growth, particularly in North America and Rest of the World, together with the effect of acquisitions net of the disposal of the UK vending business in August last year.

Operating profit before intangible amortisation and acquisition related costs was £165.1 million (2011: £152.2 million), up 9% at constant exchange rates, with the improvement in the Group operating margin being driven by the impact of the acquisitions completed in 2011 and the sale of the UK vending business. Profit before tax, intangible amortisation and acquisition related costs and the loss on disposal of business was £151.7 million (2011: £138.8 million), an increase of 10% at constant exchange rates, and adjusted earnings per share on the same basis were 33.7p (2011: 31.0p), a 10% increase at constant exchange rates. Earnings per share were 26.5p (2011: 24.9p), up 7% at constant exchange rates. Overall adverse currency translation movements reduced most Group growth rates by around 1%.

Dividend

The Board has decided to increase the interim dividend by 9% to 8.8p. Shareholders will again be able to participate in the dividend reinvestment plan.

Strategy

We continue to pursue our proven strategy of developing the business through organic growth, consolidating the markets in which we compete through focused acquisitions and continuously improving the efficiency of our operations. Acquisition activity has continued into 2012 with six acquisitions announced so far this year and total spend of £77 million adding annualised revenue of £157 million.

Credit facilities

The Group remains highly cash generative 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 £624.2 million.

Philip Rogerson
Chairman

CHIEF EXECUTIVE'S REVIEW

Operating performance

The overall translation effect of currency movements has marginally reduced the reported growth rates of revenue and operating profit. 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 2011 at the average rates used for 2012. Unless otherwise stated, all references in this review to operating profit are to operating profit before intangible amortisation and acquisition related costs.

Revenue increased 7% (7% at actual exchange rates) to £2,612.2 million and operating profit was £165.1 million, an increase of 9% (8% at actual exchange rates). The percentage growth in operating profit was greater than that of revenue due to the improvement in Group operating margin by 10 basis points to 6.3% as a result of the impact of the acquisitions completed in 2011 and the sale of the UK vending business in August last year.

In North America revenue rose 7% (9% at actual exchange rates) due to strong organic growth and the impact of Netpak and Foodhandler, which we acquired in July 2011 and April 2012 respectively, while operating profit increased 7% (10% at actual exchange rates). Revenue in Continental Europe rose 10% (4% at actual exchange rates) as a result of organic growth and the impact of acquisitions and operating profit was up 8% (2% at actual exchange rates). In UK & Ireland revenue decreased by 1% at both constant and actual exchange rates primarily due to good organic revenue growth and the impact of relatively small acquisitions being more than offset by the impact of the sale of vending during the second half of last year. However operating profit rose 6% at constant exchange and actual exchange rates due to the impact of acquisitions completed in 2011. In Rest of the World revenue increased 29% (28% at actual exchange rates) and operating profit was also up 29% (25% at actual exchange rates) due to both excellent organic revenue growth and the effect of acquisitions.

Cash generated from operations of £133.4 million was partly used to finance a cash outflow for acquisitions of £77.2 million. Net debt at the end of June was £685.3 million compared to £652.9 million at the year end. Our net debt to EBITDA ratio was 1.8 times compared to 1.7 times at December 2011.

Acquisitions

So far this year we have announced six acquisitions. In February we acquired the business of CDW Merchants. Based in Chicago, the business is 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. Revenue in the year ended 31 December 2011 was $11.9 million. The business, which works closely with its customers to increase brand appeal and consumer loyalty through innovative gift packaging concepts and merchandising displays, complements our existing non-food retail supplies business in North America and extends our customer base, particularly in the specialty and online retail sector.

We acquired three further businesses at the end of April. FoodHandler, also based in Chicago, is a leading supplier of a broad range of disposable gloves and other foodhandling products to the foodservice sector throughout the US. Revenue in the year ended 31 December 2011 was $99.4 million. The business enhances our existing foodservice operations in North America and expands our product offering and import programme in this sector. Based near Tel Aviv, Zahav is a leading distributor of packaging supplies to the foodservice sector throughout Israel. Revenue in the year ended 31 December 2011 was ILS66.3 million. This is our second acquisition in Israel which is a market we entered in 2010 with the purchase of Silco. It has a strong and broad customer base, especially in the bakery sector, and significantly increases the size of our business in that country. The Group also purchased in April the Queensland based redistribution operations of Star Services International in Australia. Based in Brisbane and Cairns, the business is engaged in the supply of foodservice disposable products to wholesalers and redistributors throughout Queensland. Revenue for the year ended 30 June 2012 was A$12 million. The acquisition complements our existing foodservice supplies operations in Queensland and will allow us to penetrate further into the redistribution sector of this market.

Based near Seattle, Service Paper was purchased in June. The business is principally engaged in the distribution of disposable supplies to the grocery, foodservice, food processor and industrial packaging sectors throughout the Pacific Northwest. Revenue of the business acquired for the year ended 31 December 2011 was $61 million. The business, which has a reputation for providing high levels of customer service, will expand our existing business in the region.

Most recently at the end of June we acquired Distrimondo which is based near Zurich and is principally engaged in the distribution of foodservice disposables and cleaning and hygiene products throughout Switzerland. Revenue in the year ended 31 December 2011 was CHF17.3 million. The acquisition extends our operations in Switzerland which is a key market that we entered in 2010 with the purchase of Weita.

North America

In North America revenue increased by 7% to £1,403.4 million due to sales growth with existing customers and new business wins. This sales growth, together with a stable operating margin, contributed to a 7% increase in operating profit to £85.8 million.

We once again demonstrated strong growth in grocery, our largest sector, by increasing our business with existing accounts as well as adding new customers. Our excellent fill rates, sourcing capabilities, extensive geographical presence and our own delivery fleet are the cornerstones of our ability to execute the direct store delivery, cross dock and warehouse replenishment programmes that continue to provide us with new opportunities for growth in this sector as well as the other sectors we serve.

New imported and private label products and programmes expanded our business with several national foodservice customers as well as others operating in different sectors. Our recent acquisition of FoodHandler will further strengthen our competitive position in the foodservice redistribution sector and augment our sales force with extensive product expertise. Our one-stop shop approach, on-time delivery, breadth of product line and committed sales teams have all contributed to increased sales.

Our food processor business delivered excellent sales gains as the result of new customer wins, increased product penetration within existing accounts and innovative products that help our customers become more cost competitive and efficient. We service a broad range of customers including meat processors, fresh cut produce processors, bakeries, home meal processors and other specialty food processors in all areas of the food processor supply chain and our enhanced e-commerce solution helps drive sales in these markets.

Cool Pak's successful integration into our organisation following its acquisition in the second half of 2010 and its additional facilities in Northern California, Washington and Mexico has allowed us to broaden and strengthen our geographical presence which was required to improve our ability to support our food processor customer base. Leveraging the synergies of Cool Pak together with Netpak in British Columbia has provided us with a strong competitive position in the field pack produce market along the West Coast of the USA and Canada and has opened up new opportunities for our business. Our overall business in the Pacific Northwest was also boosted by the acquisition of Service Paper towards the end of the half year.

Our non-food retail business continues to develop despite weaker US retail sales growth. Along with Keenpac, the acquisition of CDW Merchants in April this year will further enhance our ability to introduce new and unique packaging designs and lead to incremental business with our existing customers as well as extend our customer base, particularly in the specialty and online retail sectors. Together with other Group companies in Europe and Australasia we are continually seeking packaging solutions that will help our customers market their own products, be innovative and address their environmental initiatives.

Despite higher fuel costs impacting consumers and increased competition from cross channel distributors, our convenience store sector saw continued sales growth. Our experienced sales force works closely with convenience store wholesalers to develop and tailor service programmes and products to meet their needs and those of the convenience store chains they serve. As these wholesalers extend their services into other channels, we have broadened our customer base as a result. Additionally, we continue to develop programmes with key suppliers to provide retail products to these chains.

Our strategic sourcing initiative has continued to strengthen our relationships with our preferred suppliers which allows us to establish unique programmes and products that result in competitive prices for our customers. We have also continued to expand our range of private label and imported products to provide a variety of options for our customers and meet the needs of all of the sectors we service. Our state-of-the-art Shanghai consolidation warehouse and comprehensive quality control services also provide us with the ability to market our import logistics capabilities and tailor import programmes that meet our customers' specific needs.

Despite continuing increases in fuel, freight and healthcare expenses, our operating costs decreased as a percentage of sales due to the revenue growth and several cost reduction initiatives. We continue to study how best to introduce new warehouse technology and systems that contribute to improving warehouse efficiencies and controlling our operating costs, such as our carousel picking system in R3 Safety that has improved the accuracy and handling of the small items.

Continental Europe

Revenue rose by 10% to £545.6 million and operating profit increased by 8% to £45.6 million. We have benefited from the impact of acquisitions made in 2011 and 2012, including from the synergies these have created with our existing businesses, and this has compensated for the expected lower levels of organic growth in the more difficult European economies. Margins remain under pressure and costs continue to be tightly managed.

In France, the cleaning and hygiene business saw a slight decline in sales, partly due to continued pressure in the public sector and contract cleaning markets, but will benefit in the second half from a significant new customer win. Our personal protection equipment business continued to achieve good sales growth leading to a significant increase in profits.

In the Netherlands, our food retail business has continued to deliver good sales growth and margins have stabilised after experiencing some reduction last year. In the healthcare sector organic growth has been more modest as cost cutting measures continue to be taken by our customers but we have benefited from the successful integration of D-Care, acquired in September 2011, which is trading ahead of expectations. Revenue in the horeca business was stable despite the ongoing difficult conditions in the hotel, restaurant and catering sectors.

Majestic, our Dutch-based personal protection equipment business with operations in the Netherlands, Belgium, Germany and the USA which we acquired in September 2011, has integrated well into the Group. While growth has inevitably slowed in Europe, the US business has continued to deliver strong growth from new product launches and will relocate to larger premises later this year.

In Belgium, our cleaning and hygiene business has delivered good revenue and profit growth benefiting from winning additional business with existing customers and from some new customer wins. Our retail business, however, has seen a reduction in revenue due to the loss of a customer and to increasing competition between its customers in the retail sector.

In Germany, sales have grown well due to new business wins with operating margin at the same level as last year.

In Switzerland, the Weita business has seen a slight reduction in sales due to pricing pressure as a result of the continuing strength of the Swiss franc which is also adversely impacting economic growth in a number of sectors we serve, in particular tourism. We recently acquired Distrimondo which is principally engaged in the distribution of foodservice disposables and cleaning and hygiene products throughout Switzerland and which will strengthen our leading position in the Swiss market.

In Denmark, sales have been stable in both our retail and horeca businesses although margins remain under pressure, in particular from the larger retail chains and from public sector customers.

In Spain, economic conditions remain particularly challenging but our cleaning and hygiene business has improved its profitability despite lower sales due to synergies derived from the acquisition of King Espana in May 2011. Our personal protection equipment businesses have however suffered from the significant slowdown in industrial and construction activity in Spain.

In Central Europe, sales grew well in Romania but remain under pressure in other countries as retailers and contract cleaners in particular continue to seek cost reductions.

In Israel, sales have grown well at Silco following some customer wins during 2011. In April we acquired Zahav, a distributor of packaging supplies to the foodservice sector, which significantly increases our presence in the market.

UK & Ireland

Although the headline revenue fell 1% to £479.4 million due to the disposal of the vending business in the second half of last year, in the first six months of 2012 the performance of our businesses in UK & Ireland has continued to improve. While market conditions are still difficult, improved organic revenue growth and the impact from acquisitions made in 2011 together with continued focus on operating costs have resulted in a 6% increase in operating profit to £27.4 million.

Prices are proving to be more stable this year which has allowed us to stabilise margins and recover from the challenges last year of needing to pass supplier price increases on to customers who are very reluctant to accept them, particularly in the current economic environment.

In our cleaning and safety business demand for safety products has been weak, particularly in the construction and government sectors which we serve. However this has been more than compensated for by the growth in sales of cleaning and hygiene products to the facilities management sector which continues to be a very resilient market.

Results from this business have been enhanced by the synergies which have been achieved following our two acquisitions in 2011, SIG Safety and Workwear and Cannon Consumables, which have been successfully integrated into the Group.

Contract catering and quick service coffee shops have also proved to be markets that have shown good growth for our businesses in the catering and hospitality sector. The continued development and expansion of our range of own brand products has been very encouraging and complements our range of branded products.

In our food and non-food retail businesses, although like for like business has declined as a result of the difficult challenges which our high street customers are continuing to face, new customers have helped us to win market share and maintain profits at similar levels to last year. The success in winning significant additional business from a major UK grocery retailer has confirmed both our competence and reputation in this sector.

The healthcare market continues to feel the pressure of government spending constraints on volume demand as well as on selling prices. We have been able to stabilise our margins in this sector and the performance of our businesses serving this market continues to improve.

In Ireland the market has stabilised after a very difficult period and the benefits of the efficiency measures that we have made recently are helping to improve our business and our profits.

Rest of the World

In Rest of the World both revenue and operating profit increased 29% to £183.8 million and £15.3 million respectively due to the combination of excellent organic revenue growth and the impact from acquisitions.

In Australasia our largest business, Outsourcing Services, which supplies the healthcare, cleaning and catering sectors, continued to perform very strongly. The business grew its market share and benefited from the strong performance in the mining and resources regions and the customers who supply into this sector. The business also made continued progress in the resilient healthcare market, in particular the aged care and private hospital sectors, where we supply a wide range of disposable and medical consumables.

Our food processor business is also showing improved performance and has created some momentum with new business gains with non-meat food processors as well as good development with major customers in its more traditional markets. The business is also benefiting from working closer with our US food processor business on new product and customer development opportunities. We have continued to make improvements to the operational platform which has created increased capacity and the ability to capitalise on additional growth.

Our catering equipment businesses are continuing to be impacted by weakness in the traditional horeca sector and we are therefore refocusing our efforts to grow market share in the more resilient healthcare and fast growing resources sectors. The largest business has been successfully integrated onto the main IT platform which will improve our operational performance and this process will continue to be rolled out to the remaining branch network.

In April we made our first entry into the redistribution sector though the acquisition of the business of Star Services International in Queensland which will provide us with a platform for building a national network in this market sector.

In July we completed our new 20,000 sq.m distribution centre near Sydney. This facility will provide significant operational efficiencies to all of our businesses and represents a major investment to facilitate future growth in our most populated region.

In Brazil we saw substantial growth in both revenue and operating profit despite some slow down in the rate of economic growth during the first half of 2012 and the weakening of the Brazilian real. We achieved excellent organic growth as the business grew with both existing and new customers. The business also expanded significantly as a result of the acquisitions of Ideal and Danny which were purchased during the second half of last year. The introduction of new products in the personal protection equipment business has had a significant impact while the cleaning and hygiene business is focusing on market segmentation to improve its product portfolio and customer satisfaction.

Prospects

During the second half of the year, even though growth across the economies where we compete is uncertain, especially in Europe, we believe that Bunzl's strong competitive position and resilient customer sectors, together with opportunities to consolidate further our markets, should enable the Group to show continued growth.

In North America we should continue to see good growth and a stable operating margin. In Continental Europe, in spite of the difficult market conditions, we expect revenue growth at constant exchange rates driven principally by the impact from recent acquisitions. We anticipate an improved performance in UK & Ireland despite the sluggish economy. Rest of the World should experience continued strong results through a combination of organic growth and the positive impact from acquisitions.

Acquisitions remain an important part of our strategy to develop the business, the pipeline is promising and we expect to complete more transactions across the Group.

The Board believes that our strong market position and balance sheet together with continuing good cash flow should enable the Group to take advantage of opportunities to grow the business and further enhance our global competitive position.

Michael Roney
Chief Executive

FINANCIAL REVIEW

Group performance

Revenue increased by 7% at constant exchange rates (7% at actual exchange rates) to £2,612.2 million reflecting organic growth of 4% and the benefit of acquisitions. Operating profit before intangible amortisation and acquisition related costs increased by 9% at constant exchange rates (8% at actual exchange rates) to £165.1 million as a result of both the revenue growth and an improvement in the operating profit margin on the same basis from 6.2% to 6.3%.

Intangible amortisation and acquisition related costs of £30.5 million were up 18% at constant exchange rates (£3.8m or 14% at actual exchange rates due to a £1.2 million increase in intangible amortisation and a £2.6 million increase in acquisition related costs).

The net finance charge was unchanged from last year at £13.4 million, with interest cover improving to 12.3 times compared to 11.4 times in the first half of 2011.

Profit before income tax, intangible amortisation, acquisition related costs and disposal of business was £151.7 million, up 10% at constant exchange rates (9% at actual exchange rates) due to the growth in operating profit before intangible amortisation and acquisition related costs and the unchanged interest charge.

Tax

A tax charge at a rate of 27.7% (2011: 27.7%) has been provided on the profit before tax, intangible amortisation and acquisition related costs. Including the impact of intangible amortisation of £23.8 million, acquisition related costs of £6.7 million and the associated deferred and current tax of £7.1 million, the overall tax rate is 28.8% (2011: 28.1%). The tax rate of 27.7% is higher than the nominal UK rate of 24.5% for 2012 principally because many of the Group's operations are in countries with higher tax rates.

Profit for the period

Profit after tax increased 7% at constant exchange rates (7% at actual exchange rates) to £86.3 million.

Earnings

The weighted average number of shares increased to 325.5 million from 323.8 million due to employee share option exercises partially offset by shares being purchased from the market into the Company's employee benefit trust. Earnings per share were 26.5p, up 7% at constant exchange rates (6% 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 (9% at actual exchange rates) to 33.7p. 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 9% to 8.80p from 8.05p in 2011.

Acquisitions

The principal acquisitions made in 2012 were CDW Merchants, the redistribution business of Star Services International, Foodhandler, Zahav, Service Paper and Distrimondo. Annualised revenue and operating profit before intangible amortisation and acquisition related costs of the businesses acquired were £156.9 million and £11.7 million respectively. A summary of the effect of acquisitions is as follows:

	£m
Fair value of assets acquired	50.7
Goodwill	16.5
Consideration	67.2
Satisfied by:	
cash consideration	63.8
deferred and other consideration	3.4
	67.2
Contingent payments to former owners	3.1
Net bank overdrafts acquired	4.6
Transaction costs and expenses	2.5
Total expected spend in respect of current year acquisitions	**77.4**

The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	63.8
Net bank overdrafts acquired	4.6
Deferred consideration in respect of prior year acquisitions	4.9
Net cash outflow in respect of acquisitions	**73.3**
Acquisition related costs	3.9
Total cash outflow in respect of acquisitions	**77.2**

Cash flow

Cash generated from operations was £133.4 million, an £8.2 million decrease from 2011. This was primarily due to a working capital outflow in 2012 of £41.7 million compared to £19.6 million in 2011, which was attributable to the reversal of the particularly low working capital level at the end of 2011, partly offset by the £12.9 million increase in profit before tax, intangible amortisation, acquisition related costs and disposal of business. The Group's free cash flow of £77.2 million was £10.2 million lower than last year mainly due to the lower operating cash flow. After payment of the 2011 interim dividend of £26.1 million, an acquisition cash outflow of £77.2 million and a £15.5 million outflow on employee share schemes, the net cash outflow of £41.6 million increased net debt to £685.3 million. The summary cash flow for the period was as follows:

	Six months to 30.6.12 £m	Six months to 30.6.11 £m
Cash generated from operations	133.4	141.6
Net capital expenditure	(11.1)	(11.0)
Operating cash flow	122.3	130.6
Net interest	(15.3)	(14.1)
Tax	(29.8)	(29.1)
Free cash flow	**77.2**	**87.4**
Dividends	(26.1)	(16.6)
Acquisitions	(77.2)	(56.0)
Net purchase of employees shares	(15.5)	(24.4)
Net cash outflow	**(41.6)**	**(9.6)**

Balance sheet

Return on average operating capital employed before intangible amortisation and acquisition related costs increased to 58.4% from 57.4% at 31 December 2011 and return on invested capital increased to 18.0% from 17.3%. Intangible assets have decreased by £4.5 million since 31 December 2011 to £1,252.3 million, reflecting goodwill and customer relationships arising on acquisitions in the period of £49.7 million offset by an amortisation charge of £23.8 million and a negative exchange impact of £30.4 million. The Group's pension deficit at 30 June 2012 of £66.0 million was £8.3 million lower than at 31 December 2011, mainly due to pension contributions of £6.4 million exceeding the service cost of £2.8 million and an actuarial gain of £2.8 million. The movements in shareholders' equity and net debt during the period were as follows:

Shareholders' equity	**£m**
At 1 January 2012	806.7
Profit for the period	86.3
Dividends	(85.7)
Share issuance	(14.8)
Currency	(22.6)
Actuarial gain	2.8
Other	3.3
At 30 June 2012	**776.0**

Net debt	**£m**
At 1 January 2012	(652.9)
Net cash outflow	(41.6)
Currency	9.2
At 30 June 2012	**(685.3)**

Net debt to EBITDA (times)	**1.8**

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 2012 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 2012 the Group had undrawn committed facilities of £624.2 million. During the next 12 months £430.3 million of the committed facilities and bonds mature and thereafter they mature at various times over the period up to April 2023. Since 30 June 2012 the Group has entered into new facilities totalling approximately £150 million.

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 2012 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 31 and 32 of the Annual Report for the year ended 31 December 2011. 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 2011 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 remaining six months of the financial year.

Consolidated income statement

	Notes	**Six months to 30.6.12 £m**	Six months to 30.6.11 £m	Growth Actual exchange rates	Growth Constant exchange rates	Year to 31.12.11 £m
Revenue	2	**2,612.2**	2,442.0	7%	7%	5,109.5
Operating profit before intangible amortisation and acquisition related costs		**165.1**	152.2	8%	9%	335.7
Intangible amortisation and acquisition related costs	2	**(30.5)**	(26.7)			(56.4)
Operating profit	2	**134.6**	125.5	7%	7%	279.3
Finance income	3	**11.5**	10.9			21.8
Finance cost	3	**(24.9)**	(24.3)			(51.4)
Disposal of business		**-**	-			(56.0)
Profit before income tax		**121.2**	112.1	8%	8%	193.7
Profit before income tax, intangible amortisation, acquisition related costs and disposal of business		**151.7**	138.8	9%	10%	306.1
Income tax	4	**(34.9)**	(31.5)			(69.9)
Profit for the period attributable to the Company's equity holders		**86.3**	80.6	7%	7%	123.8
Earnings per share attributable to the Company's equity holders						
Basic	6	**26.5p**	24.9p	6%	7%	38.2p
Diluted	6	**26.3p**	24.8p	6%	6%	38.0p

Consolidated statement of comprehensive income

	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Profit for the period	**86.3**	80.6	123.8
Other comprehensive income			
Actuarial gain/(loss) on pension schemes	**2.8**	(3.8)	(35.5)
Foreign currency translation differences for foreign operations	**(29.4)**	40.6	(10.7)
Gain/(loss) taken to equity as a result of designated effective net investment hedges	**6.8**	(9.2)	(9.5)
Gain recognised in cash flow hedge reserve	**0.5**	0.5	0.8
Movement from cash flow hedge reserve to income statement	**(1.0)**	(0.6)	0.6
Income tax (charge)/credit on other comprehensive income	**(0.8)**	1.8	11.0
Other comprehensive (expense)/income for the period	**(21.1)**	29.3	(43.3)
Total comprehensive income attributable to the Company's equity holders	**65.2**	109.9	80.5

Consolidated balance sheet

	Notes	**30.6.12 £m**	30.6.11 £m	31.12.11 £m
Assets				
Property, plant and equipment		**112.5**	120.6	109.0
Intangible assets	7	**1,252.3**	1,291.7	1,256.8
Investment in associates		**-**	0.5	0.5
Derivative assets		**14.6**	22.1	18.4
Deferred tax assets		**9.9**	10.5	13.2
Total non-current assets		**1,389.3**	1,445.4	1,397.9
Inventories		**522.3**	478.9	528.6
Income tax receivable		**0.7**	10.1	0.6
Trade and other receivables		**763.7**	744.0	738.6
Derivative assets		**0.5**	-	1.5
Cash and deposits	8	**79.4**	91.2	74.2
Total current assets		**1,366.6**	1,324.2	1,343.5
Total assets		**2,755.9**	2,769.6	2,741.4
Equity				
Share capital		**114.0**	113.7	113.8
Share premium		**139.6**	134.9	136.4
Translation reserve		**14.7**	89.7	37.3
Other reserves		**10.3**	9.7	10.8
Retained earnings		**497.4**	469.1	508.4
Total equity attributable to the Company's equity holders		**776.0**	817.1	806.7
Liabilities				
Interest bearing loans and borrowings	8	**464.3**	771.1	678.8
Retirement benefit obligations		**66.0**	52.1	74.3
Other payables		**20.6**	11.7	17.9
Derivative liabilities		**1.4**	1.4	2.3
Provisions		**34.9**	31.7	39.2
Deferred tax liabilities		**118.3**	121.8	126.7
Total non-current liabilities		**705.5**	989.8	939.2
Bank overdrafts	8	**38.3**	24.6	29.2
Interest bearing loans and borrowings	8	**276.6**	43.5	37.5
Income tax payable		**56.2**	55.7	44.9
Trade and other payables		**893.3**	827.4	874.4
Derivative liabilities		**0.1**	0.5	0.3
Provisions		**9.9**	11.0	9.2
Total current liabilities		**1,274.4**	962.7	995.5
Total liabilities		**1,979.9**	1,952.5	1,934.7
Total equity and liabilities		**2,755.9**	2,769.6	2,741.4

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 2012	113.8	136.4	37.3	10.8	508.4	806.7
Profit for the period					86.3	86.3
Actuarial gain on pension schemes					2.8	2.8
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					(0.8)	(0.8)
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**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves* £m	Retained earnings £m	Total equity £m
At 1 January 2011	113.3	133.9	57.5	9.8	481.9	796.4
Profit for the period					80.6	80.6
Actuarial loss on pension schemes					(3.8)	(3.8)
Foreign currency translation differences for foreign operations			40.6			40.6
Loss taken to equity as a result of designated effective net investment hedges			(9.2)			(9.2)
Gain recognised in cash flow hedge reserve				0.5		0.5
Movement from cash flow hedge reserve to income statement				(0.6)		(0.6)
Income tax credit on other comprehensive income			0.8		1.0	1.8
Total comprehensive income/(expense)			32.2	(0.1)	77.8	109.9
2010 interim dividend					(16.6)	(16.6)
2010 final dividend					(52.3)	(52.3)
Issue of share capital	0.4	1.0				1.4
Employee trust shares					(24.8)	(24.8)
Share based payments					3.1	3.1
At 30 June 2011	113.7	134.9	89.7	9.7	469.1	817.1

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 2011	113.3	133.9	57.5	9.8	481.9	796.4
Profit for the year					123.8	123.8
Actuarial loss on pension schemes					(35.5)	(35.5)
Foreign currency translation differences for foreign operations			(10.7)			(10.7)
Loss taken to equity as a result of designated effective net investment hedges			(9.5)			(9.5)
Gain recognised in cash flow hedge reserve				0.8		0.8
Movement from cash flow hedge reserve to income statement				0.6		0.6
Income tax (charge)/credit on other comprehensive income				(0.4)	11.4	11.0
Total comprehensive income			(20.2)	1.0	99.7	80.5
2010 interim dividend					(16.6)	(16.6)
2010 final dividend					(52.3)	(52.3)
Issue of share capital	0.5	2.5				3.0
Employee trust shares					(14.3)	(14.3)
Share based payments					10.0	10.0
At 31 December 2011	113.8	136.4	37.3	10.8	508.4	806.7

* Other reserves comprise merger reserve £2.5m (31 December 2011: £2.5m; 30 June 2011: £2.5m), capital redemption reserve £8.6m (31 December 2011: £8.6m; 30 June 2011: £8.6m) and cash flow hedge reserve £(0.8)m (31 December 2011: £(0.3)m; 30 June 2011: £(1.4)m).

Consolidated cash flow statement

	Notes	**Six months to 30.6.12 £m**	Six months to 30.6.11 £m	Year to 31.12.11 £m
Cash flow from operating activities				
Profit before income tax		**121.2**	112.1	193.7
Adjustments:				
depreciation		**11.4**	13.2	25.4
intangible amortisation and acquisition related costs		**30.5**	26.7	56.4
share based payments		**3.0**	2.2	5.3
disposal of business		**-**	-	56.0
Working capital movement		**(41.7)**	(19.6)	31.4
Finance income		**(11.5)**	(10.9)	(21.8)
Finance cost		**24.9**	24.3	51.4
Provisions		**(4.4)**	(3.4)	1.7
Pensions		**(3.6)**	(3.2)	(12.1)
Other		**3.6**	0.2	2.7
Cash generated from operations		**133.4**	141.6	390.1
Cash outflow from acquisition related costs	9	**(3.9)**	(3.8)	(12.1)
Income tax paid		**(29.8)**	(29.1)	(63.4)
Cash inflow from operating activities		**99.7**	108.7	314.6
Cash flow from investing activities				
Interest received		**1.2**	1.6	2.9
Purchase of property, plant and equipment		**(11.8)**	(11.9)	(22.6)
Sale of property, plant and equipment		**0.7**	0.9	1.7
Purchase of businesses	9	**(73.3)**	(52.2)	(149.2)
Disposal of business		**-**	-	30.6
Cash outflow from investing activities		**(83.2)**	(61.6)	(136.6)
Cash flow from financing activities				
Interest paid		**(16.5)**	(15.7)	(33.5)
Dividends paid		**(26.1)**	(16.6)	(68.9)
Increase/(decrease) in loans		**41.6**	12.3	(90.3)
Realised losses on foreign exchange contracts		**(2.3)**	(13.1)	(0.2)
Net purchase of employee shares		**(15.5)**	(24.4)	(12.6)
Cash outflow from financing activities		**(18.8)**	(57.5)	(205.5)
Exchange (loss)/gain on cash and cash equivalents		**(1.6)**	2.1	(2.4)
Decrease in cash and cash equivalents		**(3.9)**	(8.3)	(29.9)
Cash and cash equivalents at start of the period		**45.0**	74.9	74.9
Decrease in cash and cash equivalents		**(3.9)**	(8.3)	(29.9)
Cash and cash equivalents at end of the period	8	**41.1**	66.6	45.0

Notes

1. Basis of preparation

The condensed set of financial statements for the six months to 30 June 2012, with comparative figures for the six months to 30 June 2011, 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 2012 is set out in the Independent review report. The comparative figures for the year to 31 December 2011 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 on the basis of the accounting policies set out in the Group's 2011 statutory accounts which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS'), International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the EU and the Disclosure and Transparency Rules of the UK's Financial Services Authority.

2. Segment analysis

	Revenue			Operating profit		
	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m	**Six months to 30.6.12 £m**	Six months to 30.6.11 £m	Year to 31.12.11 £m
North America	**1,403.4**	1,286.7	2,727.9	**85.8**	78.2	169.2
Continental Europe	**545.6**	526.1	1,067.1	**45.6**	44.8	95.6
UK & Ireland	**479.4**	485.6	996.6	**27.4**	25.8	60.2
Rest of the World	**183.8**	143.6	317.9	**15.3**	12.2	28.4
	2,612.2	2,442.0	5,109.5	**174.1**	161.0	353.4
Corporate				**(9.0)**	(8.8)	(17.7)
Intangible amortisation and acquisition related costs				**(30.5)**	(26.7)	(56.4)
	2,612.2	2,442.0	5,109.5	**134.6**	125.5	279.3

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

	Intangible amortisation			Acquisition related costs		
	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m	**Six months to 30.6.12 £m**	Six months to 30.6.11 £m	Year to 31.12.11 £m
North America	**3.9**	3.4	6.9	**2.2**	0.4	1.2
Continental Europe	**13.9**	13.0	27.1	**3.5**	2.5	5.2
UK & Ireland	**3.2**	4.0	7.8	**-**	0.7	0.7
Rest of the World	**2.8**	2.2	4.7	**1.0**	0.5	2.8
	23.8	22.6	46.5	**6.7**	4.1	9.9

Acquisition related costs for the six months to 30 June 2012 include transaction costs and expenses of £2.5m (31 December 2011: £4.6m; 30 June 2011: £2.2m) and deferred consideration payments which are contingent on the continued employment of former owners of businesses acquired of £4.2m (31 December 2011: £5.3m; 30 June 2011: £1.9m).

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

3. Finance income/(cost)

	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Interest on deposits	**0.5**	1.0	1.8
Interest income from foreign exchange contracts	**0.9**	0.5	1.0
Expected return on pension scheme assets	**9.3**	9.0	18.3
Other finance income	**0.8**	0.4	0.7
Finance income	**11.5**	10.9	21.8
Interest on loans and overdrafts	**(16.3)**	(15.3)	(32.6)
Interest expense from foreign exchange contracts	**(0.6)**	(0.8)	(1.4)
Interest charge on pension scheme liabilities	**(8.1)**	(8.2)	(16.4)
Fair value gain on US dollar bonds in a hedge relationship	**4.0**	3.2	5.9
Fair value loss on interest rate swaps in a hedge relationship	**(3.9)**	(3.2)	(5.9)
Foreign exchange loss on intercompany funding	**(5.3)**	(6.5)	(12.9)
Foreign exchange gain on external debt not in a hedge relationship	**5.3**	6.6	12.7
Other finance expense	**-**	(0.1)	(0.8)
Finance cost	**(24.9)**	(24.3)	(51.4)

The foreign exchange 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.

4. Income tax

In assessing the underlying performance of the Group, management uses adjusted profit which excludes intangible amortisation, acquisition related costs and the loss 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 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Income tax on profit	**34.9**	31.5	69.9
Tax associated with intangible amortisation, acquisition related costs and disposal of business	**7.1**	6.9	14.3
Tax on adjusted profit	**42.0**	38.4	84.2
Profit before income tax	**121.2**	112.1	193.7
Intangible amortisation, acquisition related costs and disposal of business	**30.5**	26.7	112.4
Adjusted profit before income tax	**151.7**	138.8	306.1
Reported tax rate	**28.8%**	28.1%	36.1%
Tax rate on adjusted profit	**27.7%**	27.7%	27.5%

5. Dividends

	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
2010 interim		23.2	23.2
2010 final		52.3	52.3
2011 interim	**26.1**		
2011 final	**59.6**		
	85.7	75.5	75.5

5. Dividends (continued)

Total dividends per share for the period to which they relate are:

	Per share		
	Six months to 30.6.12	Six months to 30.6.11	Year to 31.12.11
2011 interim		8.05p	8.05p
2011 final			18.30p
2012 interim	**8.80p**		
	8.80p	8.05p	26.35p

The 2012 interim dividend of 8.80p will be paid on 2 January 2013 to shareholders on the register on 9 November 2012.

6. Earnings per share

	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Profit for the period	**86.3**	80.6	123.8
Adjustment	**23.4**	19.8	98.1
Adjusted profit*	**109.7**	100.4	221.9
Basic weighted average ordinary shares in issue (million)	**325.5**	323.8	324.0
Dilutive effect of employee share plans (million)	**3.1**	1.3	1.9
Diluted weighted average ordinary shares (million)	**328.6**	325.1	325.9
Basic earnings per share	**26.5p**	24.9p	38.2p
Adjustment	**7.2p**	6.1p	30.3p
Adjusted basic earnings per share*	**33.7p**	31.0p	68.5p
Diluted earnings per share	**26.3p**	24.8p	38.0p
Adjustment	**7.1p**	6.1p	30.1p
Adjusted diluted earnings per share*	**33.4p**	30.9p	68.1p

* Adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share exclude the charge for intangible amortisation, acquisition related costs and the respective associated tax and the loss on disposal of business. The intangible amortisation and associated tax and the loss 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.

7. Intangible assets

Goodwill	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Beginning of the period	**784.6**	789.0	789.0
Acquisitions	**16.5**	14.2	50.4
Disposal of business	**-**	-	(44.8)
Currency translation	**(16.9)**	14.1	(10.0)
End of the period	**784.2**	817.3	784.6

Customer relationships	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Cost			
Beginning of the period	**707.9**	661.0	661.0
Acquisitions	**33.2**	27.0	100.4
Disposal of business	**-**	-	(35.7)
Currency translation	**(20.0)**	21.5	(17.8)
End of the period	**721.1**	709.5	707.9
Amortisation			
Beginning of the period	**235.7**	205.4	205.4
Charge in the period	**23.8**	22.6	46.5
Disposal of business	**-**	-	(9.3)
Currency translation	**(6.5)**	7.1	(6.9)
End of the period	**253.0**	235.1	235.7
Net book value at end of the period	**468.1**	474.4	472.2
Total net book value of intangible assets at end of the period	**1,252.3**	1,291.7	1,256.8

Both 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.

8. Cash and cash equivalents and net debt

	30.6.12 £m	30.6.11 £m	31.12.11 £m
Cash at bank and in hand	**72.1**	71.5	63.6
Short term deposits repayable in less than three months	**7.3**	19.7	10.6
Cash and deposits	**79.4**	91.2	74.2
Bank overdrafts	**(38.3)**	(24.6)	(29.2)
Cash and cash equivalents	**41.1**	66.6	45.0
Current liabilities	**(276.6)**	(43.5)	(37.5)
Non-current liabilities	**(464.3)**	(771.1)	(678.8)
Derivative assets – fair value of interest rate swaps on fixed interest rate borrowings	**14.5**	21.5	18.4
Interest bearing loans and borrowings	**(726.4)**	(793.1)	(697.9)
Net debt	**(685.3)**	(726.5)	(652.9)

Movement in net debt	Six months to 30.6.12 £m	Six months to 30.6.11 £m	Year to 31.12.11 £m
Beginning of the period	**(652.9)**	(716.8)	(716.8)
Net cash (outflow)/inflow	**(41.6)**	(9.6)	63.0
Realised (losses) on foreign exchange contracts	**(2.3)**	(13.1)	(0.2)
Currency translation	**11.5**	13.0	1.1
End of the period	**(685.3)**	(726.5)	(652.9)

9. Acquisitions

2012

The principal acquisitions made in the six months ended 30 June 2012 were CDW Merchants, the redistribution business of Star Services International, FoodHandler, Zahav, Service Paper and Distrimondo.

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 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.

Acquisitions have been accounted for under the acquisition method of accounting, involving the purchase of the acquiree's share capital or, as the case may be, the relevant assets of the businesses acquired. 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 2012 the allocation period for all acquisitions completed since 1 January 2012 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.

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 such 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.

9. Acquisitions (continued)

A summary of the effect of acquisitions is detailed below:

	Book value at acquisition £m	Provisional fair value adjustments £m	Fair value of assets acquired £m
Intangible assets	**-**	**33.2**	**33.2**
Property, plant and equipment	**5.5**	**-**	**5.5**
Inventories	**29.9**	**(0.6)**	**29.3**
Trade and other receivables	**14.6**	**(0.1)**	**14.5**
Trade and other payables	**(18.2)**	**(0.2)**	**(18.4)**
Net bank overdrafts	**(4.6)**	**-**	**(4.6)**
Provisions for liabilities and charges	**-**	**(1.7)**	**(1.7)**
Tax and deferred tax	**(0.1)**	**(7.0)**	**(7.1)**
	27.1	**23.6**	**50.7**
Goodwill			**16.5**
Consideration			**67.2**
Satisfied by:			
cash consideration			**63.8**
deferred consideration			**2.4**
other consideration			**1.0**
			67.2
Contingent payments to former owners			**3.1**
Net bank overdrafts acquired			**4.6**
Transaction costs and expenses			**2.5**
Total expected spend in respect of current year acquisitions			**77.4**

The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	**63.8**
Net bank overdrafts acquired	**4.6**
Deferred consideration in respect of prior year acquisitions	**4.9**
Net cash outflow in respect of acquisitions	**73.3**
Acquisition related costs	**3.9**
Total cash outflow in respect of acquisitions	**77.2**

Acquisitions made during the six months to 30 June 2012 contributed £21.6m to the Group's revenue and £1.2m 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	**78.5**
Operating profit before intangible amortisation and acquisition related costs	**4.3**

2011

The principal acquisitions made in the year ended 31 December 2011 were Omega, Cannon Consumables, Hospitality Depot, King Espana, SIG Safety and Workwear, Netpak, D-Care, Majestic, Ideal and Danny.

Omega, a business principally engaged in the supply of catering equipment and disposables to contract caterers, hotels and other foodservice customers in New South Wales, Australia, was acquired on 4 March 2011. Cannon Consumables, a business principally engaged in the supply of cleaning and hygiene consumable products, was acquired on 31 March 2011. Hospitality Depot, a business principally engaged in the distribution of catering equipment and supplies to hotels, restaurants and caterers as well as to aged care facilities and education establishments in New South Wales, Australia, was acquired on 6 May 2011. King Espana, a leading distributor of foodservice disposables and cleaning and hygiene supplies to the catering and cleaning sectors in Spain, was acquired on 26 May 2011. SIG Safety and Workwear, a leading distributor of personal protection equipment and workwear to a variety of market sectors throughout the UK, was acquired on 31 May 2011. Netpak, a business principally engaged in the supply of packaging supplies and equipment to a variety of sectors throughout Canada, was acquired with effect from 1 July 2011. D-Care, a business principally engaged in the distribution of medical disposable products to hospitals and other healthcare customers throughout the Netherlands, was acquired on 2 September 2011. Majestic and its associated companies, which supply personal protection equipment and safety products to customers in the Benelux, Germany and the US, was acquired on 23 September 2011. Ideal, a leading supplier of cleaning and hygiene consumable products to facilities management companies, contract cleaners and other customers in the industrial, healthcare and education sectors in Brazil, was acquired on 22 September 2011. Danny, a leading supplier of personal protection equipment throughout Brazil, specialising in the sourcing and sale of gloves and safety glasses for a variety of industrial uses including the automotive, consumer goods, food processing, petrochemical and mining sectors, was acquired on 3 November 2011.

10. Related party transactions

As disclosed in the Annual Report for the year to 31 December 2011, the Group has identified the directors of the Company, its key management and the Group pension schemes as related parties for the purpose of IAS 24 '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 2012 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 2012. 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 IAS 34 '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 DTR 4.2.8R.

For and on behalf of the Board

Michael Roney
Chief Executive
28 August 2012

Brian May
Finance Director

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 2012 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 Services Authority ('the UK FSA'). 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 FSA.

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 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

M V Maloney
for and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square
London
E14 5GL
28 August 2012