News Release

Monday 24 August 2009

HALF YEARLY FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2009

Bunzl plc, the international distribution and outsourcing Group, today publishes its half yearly financial report for the six months ended 30 June 2009.

	H1 09	H1 08	Growth as reported	Growth at constant exchange
Revenue	**£2,293.3m**	£1,964.2m	17%	-1%
Operating profit*	**£132.1m**	£128.6m	3%	-13%
Profit before tax*	**£115.5m**	£110.8m	4%	-11%
Adjusted earnings per share*	**25.1p**	23.7p	6%	-10%
Interim dividend	**6.65p**	6.45p	3%	

Operating profit	**£111.2m**	£111.6m	0%
Profit before tax	**£94.6m**	£93.8m	1%
Earnings per share	**20.4p**	19.8p	3%

Other highlights include:

- Underlying revenue growth of 2% in North America, the largest business area, at the same rate as the first halves of 2007 and 2008
- Operating margins in North America and Continental Europe (73% of Group revenue) have held up well
- Cost reduction initiatives implemented throughout the Group
- Continued strong cash flow with operating cash flow to operating profit* of 113% and funding headroom of £453 million
- Acquisition of W.K. Thomas and Industrial Supplies in the UK

* Before intangible amortisation

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

"Against the backdrop of difficult macroeconomic conditions, the Group has delivered largely robust results as we strengthened our position in the market due to new customer wins and additional business with existing customers. This, combined with the favourable impact of currency translation, the results of cost reduction initiatives across the world and our continued strong cash flow and balance sheet, should enable the Group to develop positively."

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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 8.30 am. A copy of the presentation will also be available on the website.

Changes to the Listing Rules of the United Kingdom Financial Services Authority have removed the requirement to issue a hard copy of the half yearly financial report to shareholders. Bunzl will therefore no longer be producing and distributing a half yearly financial report. 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

The positive impact of exchange and acquisitions, combined with new customer wins and additional business gained with existing customers which have strengthened our position in the market, resulted in Group revenue in the first half of 2009 increasing 17% to £2,293.3 million. However, at constant exchange rates revenue was marginally down due to the impact of more difficult macroeconomic conditions across the international markets in which we operate.

Operating profit before intangible amortisation increased 3% to £132.1 million but was down 13% at constant exchange rates as the more challenging economic environment put pressure on margins, particularly in the UK & Ireland and the Rest of the World due to reductions in revenue and the transactional effect of significantly weaker sterling and the Australian dollar. Margins in North America and Continental Europe, which represent 73% of the Group's revenue, have held up well. Profit before tax and intangible amortisation was up 4% to £115.5 million although down 11% at constant exchange rates. Earnings per share rose 3% to 20.4p, down 13% at constant exchange rates, and adjusted earnings per share, after eliminating intangible amortisation, increased 6% to 25.1p, down 10% at constant exchange rates. A number of cost reduction initiatives have been implemented throughout the business in order to respond to the current trading environment and we expect to realise further benefits from these during the second half of the year. Headcount reductions will result in estimated cost savings of £18 million in 2009 compared to 2008, some £8 million of which has already been realised in the first half.

Strategy

We continue to pursue our well defined strategy of organic growth, consolidating the markets in which we compete through acquisition and continuously improving the efficiency of our operations. Increasingly co-ordinating our procurement and international sourcing and continually redefining and deepening our commitment to our customers and markets, while looking to extend our business into new geographies, remain important ongoing elements of our strategy.

Dividend

The Board has decided to increase the interim dividend by 3% to 6.65p. Shareholders will again be able to participate in our scrip dividend scheme which we introduced earlier this year to replace the dividend reinvestment plan.

Board

After nearly 18 years with the Group, Anthony Habgood retired from the Board at the end of June following his appointment as Chairman of Reed Elsevier PLC and Reed Elsevier NV. Initially as Chief Executive and subsequently as Chairman, Tony was instrumental in redefining the Group's strategy and overseeing Bunzl's development into the focused and successful business that it is today. We thank Tony for his tremendous contribution over many years and wish him well for the future. The Board has begun the process, which is being overseen by the Nomination Committee, of appointing a successor and pending such appointment I have been appointed as Interim Chairman.

Credit facilities

The Group remains highly cash generative and we will continue to use diverse sources of funding to achieve our objectives. During the first half we raised a further £200 million from the US private placement market, with maturities ranging from five to ten years, resulting in total funding from this market of over £500 million and we have also recently renewed some £140 million of our banking facilities. Our undrawn committed facilities' headroom at the end of the period was £453 million.

Jeff Harris

Interim Chairman

CHIEF EXECUTIVE'S REVIEW

Revenue increased 17% to £2,293.3 million and operating profit before intangible amortisation rose 3% to £132.1 million. Currency translation had a significant positive impact while profits were held back by pressure on margins resulting from the challenging market conditions, particularly in the UK & Ireland and in the Rest of the World which saw reductions in revenue and some transactional impact of the significant weakening against the US dollar of sterling and the Australian dollar in the latter part of 2008. We estimate that this transactional impact has reduced profits in the first half by some £6 million. Unless otherwise stated, all references in this review to operating profit are to operating profit before intangible amortisation.

In North America revenue rose 31%, primarily due to the stronger US dollar with underlying growth at the same rate as the first halves of 2007 and 2008, and operating profit increased 27% as a result of the positive impact of currency translation. In the UK & Ireland revenue and operating profit decreased 3% and 36% respectively due to weaker performances in our less resilient businesses, especially vending and Ireland, and the transactional impact of weaker sterling. Revenue and operating profit in Continental Europe rose 12% and 11% respectively due to the stronger euro and the impact from prior year acquisitions. In the Rest of the World revenue grew by 6%, due to the positive impact of currency translation and prior year acquisitions, while operating profit fell 24% largely as a result of the transactional impact of the weaker Australian dollar.

Cash flow during the first half was particularly strong, with cash generated from operations of £157.9 million up from £124.4 million in the previous year largely due to good working capital management. This, combined with lower acquisition spend and the translation effect of our borrowings in foreign currencies following the strengthening of sterling in 2009, caused net debt to decrease from £870.7 million at the year end to £754.3 million resulting in a net debt to EBITDA ratio of 2.4 times.

Acquisitions

Since mid 2008 acquisition activity has slowed markedly due largely to the difficulties of valuing businesses in the current economic climate and the resulting differences in our price expectations and those of prospective sellers. The fragmented markets in which we operate, combined with our strong cash flow and balance sheet, should however give us opportunities to grow as we seek to consolidate these markets further.

In March we acquired the businesses of two companies in administration, W.K. Thomas and Industrial Supplies, which were part of a group including King UK which was also in administration. W.K. Thomas is a distributor throughout the UK of foodservice products, particularly to customers in the catering and airline sectors. Industrial Supplies is engaged in the distribution of cleaning and hygiene products throughout the East of England. The aggregate revenue of these businesses is expected to be some £25 million per annum. These acquisitions demonstrate our ability to take advantage of appropriate opportunities as they arise in the current tough economic environment and the Group's strong financial position will enable us to continue to do so in the future.

Prospects

The challenging economic environment will continue to put pressure on underlying sales and profitability although management initiatives implemented to reduce costs will help to mitigate the impact on profits. In North America new business wins and additional business with existing customers should enable growth to continue with the cost reductions already implemented supporting the operating margins. In the UK & Ireland the difficult economic conditions will continue to affect revenue but the positive impact of margin management, major cost reductions and some benefit from stronger sterling relative to the US dollar will improve margins. Pressure on underlying revenue in Continental Europe will continue but we expect margins to hold up well. In the Rest of the World we expect the cost reduction measures implemented in Australasia in the first half of 2009 and the stronger Australian dollar to help margins as the year progresses.

Acquisition growth, through consolidation of the fragmented markets in which we operate, remains a key element of our strategy. Although the number of transactions has reduced, due principally to differences in price expectations between the Company and prospective sellers, we are well positioned to increase acquisition activity as market conditions improve.

Although it is difficult to be precise about the future development of economies worldwide, the Board believes that our market leading positions combined with the positive impact of currency, the results of cost reduction initiatives and our continued strong cash flow and balance sheet should enable the Group to develop positively.

Operating performance

Since there has been a significant translation impact from strengthening foreign currencies, principally the US dollar and the euro, the operations, including the relevant growth rates, are reviewed below at constant exchange rates to remove the impact of these currency movements although no adjustment has been made for the transactional impact of foreign exchange referred to above. Changes in the level of revenue and profits at constant exchange rates have been calculated by retranslating the results for 2008 at the average rates used for 2009.

North America

In North America revenue rose 1% at constant exchange rates (with underlying growth of 2%) against the background of a difficult economic climate. Rising unemployment, negative economic growth and a change in consumers' spending habits have contributed to a decrease in sales for many of our customers which has had a consequential effect on our activity levels. Some product price declines have also impacted revenue. Despite these conditions, new business wins and additional business with current customers enabled the business to grow. Operating profit was down 3% at constant exchange rates due to some mix-driven pressure on gross margins. However, operating cost reduction initiatives implemented in late 2008 and in the first half of this year helped partly offset this pressure.

The business continues to focus on developing new sales opportunities by offering programmes designed to assist our customers to reduce their working capital and operating costs. These programmes have contributed to the addition of several new national and regional accounts. Some of these came on stream towards the end of the first half and others are scheduled for implementation in the second half.

Cost reduction programmes have been implemented throughout the business and warehouse consolidations, investments in IT, reductions in personnel and increased business efficiencies have lowered our cost base. Additional plans are in place to consolidate other locations as leases expire over the coming years resulting in warehouses that are both business sector focused and more efficient. Investments in radio frequency scan based technology and truck routing systems have continued to improve operations and productivity.

New sales programmes have been implemented that provide our salesforce with information enabling them to identify our customers' needs and to deliver dynamic solutions that reduce the costs of doing business for our end user customers or increase sales for redistribution customers. Use of these programmes by the salesforce has resulted in new business with several large customers in foodservice, grocery and non-food retail and we are also expanding them to other sectors. Focused sales training along with upgraded IT capability has been introduced to the field recently and proven successful in developing new opportunities. All of this is supported by our expanded website, e-catalogue and other sales literature.

Our financial strength is a valuable selling tool in this difficult economic environment as the products we supply are often essential to ensure the continued operation of our customers' businesses and they therefore look to deal with secure and established companies where continuity of supply is assured.

Expansion of our sourcing and consolidation centre in China, including the addition of quality control and supplier audit resources, has attracted the attention of customers looking for alternative good quality, low cost products. Additionally we have expanded our range of environmentally friendly products to deliver a comprehensive assortment of items meeting the environmental needs of our customers.

UK & Ireland

The adverse economic conditions have had a significant impact on our businesses in the UK & Ireland during the period, particularly in Ireland and in the vending, non-food retail, catering equipment and safety sectors in the UK. While many of our businesses have been resilient in this challenging environment, exposure to less resilient markets is higher in this business area than in others which has resulted in a greater reduction in sales volumes. Margins have also been under considerable pressure due to reductions in revenue and the weakness of sterling increasing the cost of imported products. In the current economic environment we have not always been able to pass on fully such significant and rapid increases to our customers. As a result, at constant exchange rates revenue in the period was down 4% with operating profit down 37%. Costs have been reduced during the period as we have realigned our cost base with the lower level of sales.

The cleaning and safety supplies business has seen declining demand in the construction and industrial sectors, while demand from government institutions, facilities management companies and contract cleaners has been stable. We have reduced the size of our workforce to reflect the reduction in sales. The integration of A&E Russell, the personal protection equipment business acquired in July 2008, has been completed and through this acquisition we have increased our presence in the market, particularly in Scotland. The recent acquisition of Industrial Supplies, a cleaning and hygiene supplies business in the East of England, is an excellent fit and is currently being integrated. During the first quarter we established a new and expanded import centre in South Wales to enable us to consolidate our importing and own label programmes which are proving to be attractive to our customers.

With the bankruptcy of a major competitor, our horeca (hotel, restaurant and catering) supplies business has been able to expand further and develop its position in the UK. Much of the new business is with large, national account customers which is typically at lower margins. Demand for both light and heavy catering equipment has fallen as customers have deferred their spending on such items. The recent acquisition of W.K. Thomas, which supplies customers in the catering and airline sectors, complements our existing business and has expanded our customer base.

The retail supplies business providing a consolidated range of goods not for resale to the grocery sector continues to develop well, with customer wins more than offsetting the ongoing decline in orders for single use plastic carrier bags. We have continued to develop our model, enhancing the efficiency of processes and investing in a new warehouse management system, which we are confident will deliver future benefits both for us and our customers. However revenue and gross margins on paper bags and luxury packaging goods, which are mainly sourced from Asia and supplied to the non-food retail sector, remained under pressure.

The integration of our healthcare business has continued as we work towards driving continuous improvement in customer and supplier satisfaction. There has however been significant inflation in the cost of imported products, resulting from the weakening of sterling, which has placed margins under pressure.

Coffee Point has now been integrated into our vending business which has brought the cost and purchasing synergies that were anticipated from this acquisition completed in the second half of 2007. The higher gross margin vending sector has particularly felt the impact of the tough economic conditions, especially following cutbacks in the corporate and financial services sectors, which has affected sales volumes and margins and we have adjusted the cost base accordingly. Our focus continues on providing high quality solutions to both local and national customers. The planned implementation of a new IT system in the business is ongoing which will bring efficiency benefits as well as a valuable management tool to aid customer service.

Economic conditions in Ireland have been amongst the worst in Europe and, as a result, the Irish market is proving to be very challenging, particularly in the hotel and restaurant sectors that we serve. We are working to gain market share and drive synergies and efficiencies through consolidating a number of our warehouses, while retaining the focus and accountability on the various customer sectors that we serve. The decline in sales volumes has given rise to a number of cost reduction programmes which have been implemented.

Continental Europe

As a result of significant declines in economic growth throughout the region, in Continental Europe revenue fell by 2% and operating profit was down 3% at constant exchange rates. Margin management was strong, delivering an overall improvement in the region’s gross margin percentage, and operating costs were reduced, leaving us well placed to benefit from a future recovery in activity levels.

In France, an improvement in margin together with cost reductions led to an increase in profits in our cleaning and hygiene business. Three more of the regional businesses implemented the new ERP system in the first half and this, together with further restructuring of the warehouse footprint, should lead to additional operating efficiencies going forward. Our personal protection equipment business also reduced costs but this could not fully offset the sales decline due to its exposure to the industrial sector.

In the Netherlands, sales came under pressure particularly in the hotel and industrial sectors. Each of the businesses improved their gross margins and reduced costs, thereby limiting the negative impact of the sales decline on profits. Worldpack, acquired at the end of June 2008, continues to perform well despite predominantly serving the fashion retail sector.

Our cleaning and hygiene supplies business in Belgium improved profits despite lower sales due to cost efficiencies following last year's relocation to a single site and implementation of a new ERP system. Our retail business improved its margins offsetting the sales decline.

In Germany, sales have been particularly affected by the downturn in the hotel sector although we continue to exploit cross-selling opportunities following the acquisition of Günter in early 2008. Recent customer wins at Günter should compensate for some of the declining volumes resulting from lower hotel occupancy rates.

In Denmark, our retail business has increased profits despite lower sales due to both improved margins and lower costs. Our horeca business increased sales but saw margins fall, partly due to short term mix effects between the customer sectors. Cost efficiencies from our recent relocation to a new larger warehouse are starting to materialise.

Our cleaning and hygiene supplies business in Spain, which has benefited from the integration of Hicosa acquired in July 2008, has continued to trade well, assisted by good margin management and tight cost control. Although revenue has been adversely affected by a particularly difficult economic environment in its core markets, margins at Marca, our personal protection equipment business also acquired in July last year, have held up well.

Although a relatively small part of the business area, we have seen the most severe slowdown in sales in Central and Eastern Europe where industrial production and retail sales, as well as new retail store openings, have significantly declined. Substantial cost reduction programmes have been implemented, the full benefits of which should be seen in the second half of the year.

Rest of the World

Although at constant exchange rates the Rest of the World increased revenue by 4%, the impact of the more challenging economic conditions and the transactional effect of the weaker Australian dollar, particularly against the US dollar, put margins under pressure, resulting in operating profit being down 25%.

In Australasia the business was particularly affected by customers down trading, resulting in a reduction in sales volumes, and margin pressure on imported products. To reduce the impact of these external challenges we implemented a number of cost reduction programmes, restructured our workforce and rationalised facilities while maintaining the focus on our supply chain and service offering.

Our largest business, Outsourcing Services, has been impacted by higher import costs and the downturn within the hospitality and catering sectors. While operating in a challenging environment, our focus on the more resilient markets of healthcare and retail grocery has mitigated the impact of the pressure in the other sectors. We also successfully completed the integration of our specialist healthcare business and opened a new consolidated facility in Brisbane as part of our overall infrastructure rationalisation plans. Results at our retail food processor business were disappointing but recent operational initiatives to enhance service levels should lead to an improved performance going forward. The business also introduced new technology to improve order capture productivity and we are seeing the benefits as it is rolled out across the national network. Our catering equipment business was also down, reflecting the softening in the tourism and horeca markets. Work undertaken to improve operational performance and diversify the business mix into more resilient sectors should place this business in a stronger position.

In Brazil sales at Prot Cap, our personal protection equipment distributor acquired in February 2008, were affected by the slowdown in the construction and industrial markets which it serves. Margins however improved due to good margin management and the implementation of a number of cost saving initiatives. A new branch was opened in Rio de Janeiro to serve our local customers there more efficiently.

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 page 1 of the Directors’ Report and Accounts for the year ended 31 December 2008. These include the impact of general economic conditions in the countries in which we operate, the availability of funding to enable the Group to meet its financial obligations as they fall due, the translation impact of movements in exchange rates on the Group’s results, the ability of the Group to complete and successfully integrate acquisitions and both the input and selling prices of products distributed by the Group. A copy of the 2008 Directors’ Report and Accounts is available on the Company’s website at www.bunzl.com. Set out above is a commentary on the prospects for the Group for the remaining six months of the financial year.

Michael Roney

Chief Executive

Consolidated income statement

	Notes	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Growth Actual exchange rates	Growth Constant exchange rates	Year to 31.12.08 £m
Revenue	2	**2,293.3**	1,964.2	17%	-1%	4,177.3
Operating profit before intangible amortisation		**132.1**	128.6	3%	-13%	280.5
Intangible amortisation		**(20.9)**	(17.0)			(36.0)
Operating profit	2	**111.2**	111.6	0%	-16%	244.5
Finance income	3	**11.0**	13.2			27.6
Finance cost	3	**(27.6)**	(31.0)			(65.2)
Profit before income tax		**94.6**	93.8	1%	-14%	206.9
Profit before income tax and intangible amortisation		**115.5**	110.8	4%	-11%	242.9
UK income tax		**0.5**	(4.4)			(8.6)
Overseas income tax		**(30.0)**	(25.9)			(56.1)
Total income tax	4	**(29.5)**	(30.3)			(64.7)
Profit for the period attributable to the Company's equity holders		**65.1**	63.5	3%	-13%	142.2
Earnings per share attributable to the Company's equity holders						
Basic	6	**20.4p**	19.8p	3%	-13%	44.5p
Diluted	6	**20.3p**	19.8p	3%	-13%	44.4p
Dividend per share relating to the period		**6.65p**	6.45p	3%		20.6p

Consolidated statement of comprehensive income

	Six months to 30.6.09 £m	Six months to 30.6.08* £m	Year to 31.12.08* £m
Profit for the period	**65.1**	63.5	142.2
Other comprehensive income			
Actuarial loss on pension schemes	**(24.0)**	(24.9)	(32.7)
Movement in pension schemes minimum funding liabilities	**5.5**	18.1	12.6
Foreign currency translation differences for foreign operations	**(96.9)**	41.2	186.4
Gain/(loss) taken to equity as a result of designated effective net investment hedges	**24.8**	(36.2)	(120.6)
Loss recognised in cash flow hedge reserve	**(4.8)**	(0.9)	(4.3)
Movement from cash flow hedge reserve to income statement	**1.3**	0.1	0.5
Income tax on other comprehensive income	**9.7**	7.7	26.8
Other comprehensive (expense)/income for the period	**(84.4)**	5.1	68.7
Total comprehensive (expense)/income for the period	**(19.3)**	68.6	210.9

* Restated on adoption of International Financial Reporting Interpretations Committee ('IFRIC') 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (see Note 1).

Consolidated balance sheet

	Notes	**30.6.09 £m**	30.6.08* £m	31.12.08* £m
Assets				
Property, plant and equipment		**101.4**	97.3	111.3
Intangible assets	7	**1,183.2**	1,092.2	1,301.3
Investment in associates		**0.5**	0.5	0.5
Derivative assets		**27.2**	12.0	49.1
Deferred tax assets		**0.6**	0.5	4.3
Total non-current assets		**1,312.9**	1,202.5	1,466.5
Inventories		**392.2**	347.6	490.6
Income tax receivable		**4.9**	4.0	5.8
Trade and other receivables		**645.7**	619.0	724.8
Derivative assets		**0.6**	1.7	1.7
Cash and deposits	8	**70.9**	107.7	65.6
Total current assets		**1,114.3**	1,080.0	1,288.5
Total assets		**2,427.2**	2,282.5	2,755.0
Equity				
Share capital		**112.7**	112.5	112.6
Share premium		**127.2**	125.4	126.6
Other reserves		**5.1**	9.2	6.2
Translation reserve		**26.1**	20.1	96.0
Retained earnings		**279.4**	226.0	267.2
Total equity attributable to the Company's equity holders		**550.5**	493.2	608.6
Liabilities				
Interest bearing loans and borrowings	8	**819.4**	713.9	919.7
Retirement benefit obligations		**68.2**	36.8	55.9
Other payables		**12.2**	10.6	11.9
Derivative liabilities		**2.9**	1.7	-
Provisions		**38.2**	48.0	50.2
Deferred tax liabilities		**105.6**	103.7	134.1
Total non-current liabilities		**1,046.5**	914.7	1,171.8
Bank overdrafts	8	**10.6**	20.7	8.1
Interest bearing loans and borrowings	8	**22.4**	115.1	57.6
Income tax payable		**44.9**	62.3	55.0
Trade and other payables		**729.6**	665.3	833.9
Derivative liabilities		**5.5**	2.1	6.4
Provisions		**17.2**	9.1	13.6
Total current liabilities		**830.2**	874.6	974.6
Total liabilities		**1,876.7**	1,789.3	2,146.4
Total equity and liabilities		**2,427.2**	2,282.5	2,755.0

* Restated on adoption of IFRIC 14 (see Note 1).

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 2009	112.6	126.6	96.0	6.2	267.2	608.6
Profit for the period					65.1	65.1
Actuarial loss on pension schemes					(24.0)	(24.0)
Movement in pension schemes minimum funding liabilities					5.5	5.5
Foreign currency translation differences for foreign operations			(96.9)			(96.9)
Gain taken to equity as a result of designated effective net investment hedges			24.8			24.8
Loss recognised in cash flow hedge reserve				(4.8)		(4.8)
Movement from cash flow hedge reserve to income statement				1.3		1.3
Income tax on other comprehensive income			2.2	2.4	5.1	9.7
Total comprehensive (expense)/income			(69.9)	(1.1)	51.7	(19.3)
2008 final dividend					(45.3)	(45.3)
Issue of share capital	0.1	0.6				0.7
Employee trust shares					0.7	0.7
Share based payments					1.5	1.5
Scrip dividend					3.6	3.6
At 30 June 2009	**112.7**	**127.2**	**26.1**	**5.1**	**279.4**	**550.5**
At 1 January 2008	112.4	124.6	9.5	10.0	219.7	476.2
Adoption of IFRIC 14					(13.0)	(13.0)
At 1 January 2008 as restated	112.4	124.6	9.5	10.0	206.7	463.2
Profit for the period					63.5	63.5
Actuarial loss on pension schemes					(24.9)	(24.9)
Movement in pension schemes minimum funding liabilities					18.1	18.1
Foreign currency translation differences for foreign operations			41.2			41.2
Loss taken to equity as a result of designated effective net investment hedges			(36.2)			(36.2)
Loss recognised in cash flow hedge reserve				(0.9)		(0.9)
Movement from cash flow hedge reserve to income statement				0.1		0.1
Income tax on other comprehensive income			5.6		2.1	7.7
Total comprehensive income/(expense)			10.6	(0.8)	58.8	68.6
2007 final dividend					(41.3)	(41.3)
Issue of share capital	0.1	0.8				0.9
Employee trust shares					1.3	1.3
Share based payments					0.5	0.5
At 30 June 2008	112.5	125.4	20.1	9.2	226.0	493.2

* Other reserves comprise merger reserve £2.5m (31 December 2008: £2.5m; 30 June 2008: £2.5m), capital redemption reserve £8.6m (31 December 2008: £8.6m; 30 June 2008: £8.6m) and cash flow hedge reserve £(6.0)m (31 December 2008: £(4.9)m; 30 June 2008: £(1.9)m).

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 2008	112.4	124.6	9.5	10.0	219.7	476.2
Adoption of IFRIC 14					(13.0)	(13.0)
At 1 January 2008 as restated	112.4	124.6	9.5	10.0	206.7	463.2
Profit for the period					142.2	142.2
Actuarial loss on pension schemes					(32.7)	(32.7)
Movement in pension schemes minimum funding liabilities					12.6	12.6
Foreign currency translation differences for foreign operations			186.4			186.4
Loss taken to equity as a result of designated effective net investment hedges			(120.6)			(120.6)
Loss recognised in cash flow hedge reserve				(4.3)		(4.3)
Movement from cash flow hedge reserve to income statement				0.5		0.5
Income tax on other comprehensive income			20.7		6.1	26.8
Total comprehensive income/(expense)			86.5	(3.8)	128.2	210.9
2007 final dividend					(41.3)	(41.3)
2008 interim dividend					(20.6)	(20.6)
Issue of share capital	0.2	2.0				2.2
Employee trust shares					(7.7)	(7.7)
Share based payments					1.9	1.9
At 31 December 2008	112.6	126.6	96.0	6.2	267.2	608.6

* Other reserves comprise merger reserve £2.5m (31 December 2008: £2.5m; 30 June 2008: £2.5m), capital redemption reserve £8.6m (31 December 2008: £8.6m; 30 June 2008: £8.6m) and cash flow hedge reserve £(6.0)m (31 December 2008: £(4.9)m; 30 June 2008: £(1.9)m).

Consolidated cash flow statement

	Notes	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
Cash flow from operating activities				
Profit before income tax		**94.6**	93.8	206.9
Adjustments for non-cash items:				
depreciation		**11.2**	9.3	19.7
intangible amortisation		**20.9**	17.0	36.0
share based payments		**2.8**	2.6	5.3
Working capital movement		**17.3**	(9.3)	(15.9)
Finance income		**(11.0)**	(13.2)	(27.6)
Finance cost		**27.6**	31.0	65.2
Provisions and pensions		**(6.3)**	(5.3)	(15.8)
Other		**0.8**	(1.5)	(1.5)
Cash generated from operations		**157.9**	124.4	272.3
Income tax paid		**(35.0)**	(27.3)	(66.4)
Cash inflow from operating activities		**122.9**	97.1	205.9
Cash flow from investing activities				
Interest received		**0.7**	4.1	7.0
Purchase of property, plant and equipment		**(9.5)**	(11.6)	(20.9)
Sale of property, plant and equipment		**0.7**	1.8	5.7
Purchase of businesses		**(6.6)**	(75.2)	(115.9)
Investment in associates		**-**	(0.5)	(0.5)
Cash outflow from investing activities		**(14.7)**	(81.4)	(124.6)
Cash flow from financing activities				
Interest paid		**(18.8)**	(25.2)	(48.4)
Dividends paid		**(20.6)**	(18.6)	(59.9)
Decrease in short term loans		**(34.7)**	(5.4)	(76.7)
(Decrease)/increase in long term loans		**(2.6)**	106.5	165.8
Realised losses on foreign exchange contracts		**(24.4)**	(46.7)	(62.5)
Net proceeds from/(purchase of) employee shares		**0.7**	1.7	(7.2)
Cash (outflow)/inflow from financing activities		**(100.4)**	12.3	(88.9)
Exchange (loss)/gain on cash and cash equivalents		**(5.0)**	3.3	9.4
Increase in cash and cash equivalents		**2.8**	31.3	1.8
Cash and cash equivalents at start of the period		**57.5**	55.7	55.7
Increase in cash and cash equivalents		**2.8**	31.3	1.8
Cash and cash equivalents at end of the period	8	**60.3**	87.0	57.5

Notes

1. Basis of preparation

The condensed set of financial statements for the six months to 30 June 2009, with comparative figures for the six months to 30 June 2008, 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 2009 is set out in the Independent review report. The comparative figures for the year to 31 December 2008 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 237(2) or (3) of the Companies Act 1985.

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. Except as stated below, the condensed set of financial statements has been prepared on the basis of the accounting policies set out in the Group's 2008 statutory accounts, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS'), and International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the EU.

IAS 1 (revised) 'Presentation of Financial Statements' has been adopted during the period. The adoption of this Standard has resulted in some presentational changes to the primary financial statements which have had no impact on the reported net result or financial position of the Group.

IFRS 8 'Operating Segments' has been adopted during the period. The Group is managed through four business areas based on geographic regions which represent the reporting segments under IFRS 8. Each of these business areas supplies a range of products to customers operating primarily in the foodservice, grocery, cleaning & safety, non-food retail and healthcare markets. The performance of the four business areas is assessed by reference to operating profit before intangible amortisation and this measure also represents the segment results for the purposes of reporting in accordance with IFRS 8. On the adoption of IFRS 8, no changes were required to the reporting segments nor to the measurement of each segment's revenue or results previously presented in accordance with IAS 14 'Segment Reporting'.

IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' has been adopted during the period and as a result the relevant comparative figures have been restated. The impact on the balance sheet at 31 December 2007 was to increase retirement benefit obligations by £18.1m, increase deferred tax assets by £5.1m and reduce retained earnings by £13.0m. There was no impact on the balance sheet at 30 June 2008. The impact on the balance sheet at 31 December 2008 was to increase retirement benefit obligations by £5.5m, increase deferred tax assets by £1.5m and reduce retained earnings by £4.0m.

2. Segment analysis

	Revenue			Operating profit		
	Six months to 30.6.09 £m	Six months to 30.6.08 £m	Year to 31.12.08 £m	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
North America	**1,222.3**	931.7	2,055.1	**74.3**	58.6	134.0
UK & Ireland	**523.0**	537.7	1,100.0	**24.2**	37.8	78.0
Continental Europe	**449.2**	401.5	822.8	**36.0**	32.5	67.2
Rest of the World	**98.8**	93.3	199.4	**6.0**	7.9	17.6
	2,293.3	1,964.2	4,177.3	**140.5**	136.8	296.8
Corporate				**(8.4)**	(8.2)	(16.3)
Intangible amortisation*				**(20.9)**	(17.0)	(36.0)
	2,293.3	1,964.2	4,177.3	**111.2**	111.6	244.5

* For the six months to 30 June 2009 the intangible amortisation related to North America £3.8m (six months to 30 June 2008: £2.9m; year to 31 December 2008: £6.3m), UK & Ireland £3.9m (six months to 30 June 2008: £3.5m; year to 31 December 2008: £7.3m), Continental Europe £11.6m (six months to 30 June 2008: £9.3m; year to 31 December 2008: £19.6m) and Rest of the World £1.6m (six months to 30 June 2008: £1.3m; year to 31 December 2008: £2.8m).

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

3. Finance income/(cost)

	Six months to 30.6.09 £m	Six months to 30.6.08 £m	Year to 31.12.08 £m
Deposits	**0.5**	0.5	1.2
Interest income from foreign exchange contracts	**-**	3.2	5.4
Expected return on pension scheme assets	**7.4**	8.4	17.1
Other finance income	**3.1**	1.1	3.9
Finance income	**11.0**	13.2	27.6
Loans and overdrafts	**(18.5)**	(20.2)	(43.4)
Interest expense from foreign exchange contracts	**(2.0)**	(2.6)	(5.5)
Interest charge on pension scheme liabilities	**(7.7)**	(7.0)	(14.2)
Fair value gain/(loss) on US dollar bond	**21.9**	1.0	(36.6)
Fair value (loss)/gain on interest rate swaps	**(21.9)**	(1.0)	36.6
Foreign exchange (loss)/gain on intercompany funding	**(40.2)**	5.0	79.5
Foreign exchange gain/(loss) on external debt not in a hedge relationship	**40.8**	(5.5)	(80.2)
Other finance expense	**-**	(0.7)	(1.4)
Finance cost	**(27.6)**	(31.0)	(65.2)

4. Income tax

A tax charge of 30.5% (six months to 30 June 2008: 31.6%; year to 31 December 2008: 30.8%) on the profit on underlying operations excluding the impact of intangible amortisation of £20.9m (six months to 30 June 2008: £17.0m; year to 31 December 2008: £36.0m) and related deferred tax of £5.7m (six months to 30 June 2008: £4.7m; year to 31 December 2008: £10.0m) has been provided based on the estimated effective rate of tax for the year. Including the impact of intangible amortisation and related deferred tax, the overall tax rate is 31.2% (six months to 30 June 2008: 32.3%; year to 31 December 2008: 31.3%).

5. Dividends

Dividends for the period in which they were declared are:

	Per share			**Total**		
	Six months to 30.6.09	Six months to 30.6.08	Year to 31.12.08	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
2007 final		12.9p	12.9p		41.3	41.3
2008 interim			6.45p			20.6
2008 final	**14.15p**			**45.3**		
	14.15p	12.9p	19.35p	**45.3**	41.3	61.9

The 2009 interim dividend of 6.65p will be paid on 4 January 2010 to shareholders on the register on 13 November 2009.

6. Earnings per share

	Six months to 30.6.09 £m	Six months to 30.6.08 £m	Year to 31.12.08 £m
Profit for the period	**65.1**	63.5	142.2
Adjustment	**15.2**	12.3	26.0
Adjusted profit*	**80.3**	75.8	168.2
Basic weighted average ordinary shares in issue (million)	**319.7**	320.4	319.4
Dilutive effect of employee share plans (million)	**0.7**	1.0	1.2
Diluted weighted average ordinary shares (million)	**320.4**	321.4	320.6
Basic earnings per share	**20.4p**	19.8p	44.5p
Adjustment	**4.7p**	3.9p	8.2p
Adjusted basic earnings per share*	**25.1p**	23.7p	52.7p
Diluted earnings per share	**20.3p**	19.8p	44.4p
Adjustment	**4.7p**	3.8p	8.1p
Adjusted diluted earnings per share*	**25.0p**	23.6p	52.5p

* Adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share exclude the charge for intangible amortisation and the related deferred tax. This adjustment removes a non-cash charge which is not taken into account by management when assessing the underlying performance of the businesses.

7. Intangible assets

Goodwill	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
Beginning of the period	**785.9**	606.6	606.6
Acquisitions	**2.8**	39.4	62.3
Currency translation	**(57.1)**	18.8	117.0
End of the period	**731.6**	664.8	785.9

Customer relationships	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
Cost			
Beginning of the period	**646.7**	452.0	452.0
Acquisitions	**3.4**	40.0	68.2
Currency translation	**(60.9)**	25.1	126.5
End of the period	**589.2**	517.1	646.7
Amortisation			
Beginning of the period	**131.3**	68.3	68.3
Charge in the period	**20.9**	17.0	36.0
Currency translation	**(14.6)**	4.4	27.0
End of the period	**137.6**	89.7	131.3
Net book value at end of the period	**451.6**	427.4	515.4
Total net book value of intangible assets at end of the period	**1,183.2**	1,092.2	1,301.3

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.

8. Cash and cash equivalents and net debt

	30.6.09 £m	30.6.08 £m	31.12.08 £m
Cash at bank and in hand	**70.6**	101.1	60.4
Short term deposits repayable in less than three months	**0.3**	6.6	5.2
Cash and deposits	**70.9**	107.7	65.6
Bank overdrafts	**(10.6)**	(20.7)	(8.1)
Cash and cash equivalents	**60.3**	87.0	57.5
Interest bearing loans and borrowings			
Current liabilities	**(22.4)**	(115.1)	(57.6)
Non-current liabilities	**(819.4)**	(713.9)	(919.7)
Derivative assets – fair value of interest rate swaps hedging fixed interest rate borrowings	**27.2**	13.2	49.1
Derivative liabilities – fair value of interest rate swaps hedging fixed interest rate borrowings	**-**	(1.7)	-
Net debt	**(754.3)**	(730.5)	(870.7)

During the six months to 30 June 2009, £207.3m of US Private Placement bonds were issued and £30.3m of US Private Placement bonds were redeemed on maturity.

Movement in net debt	**Six months to 30.6.09 £m**	Six months to 30.6.08 £m	Year to 31.12.08 £m
Beginning of the period	**(870.7)**	(667.6)	(667.6)
Net cash inflow/(outflow)	**69.5**	(26.4)	(34.2)
Realised losses on foreign exchange contracts	**(24.4)**	(46.7)	(62.5)
Currency translation	**71.3**	10.2	(106.4)
End of the period	**(754.3)**	(730.5)	(870.7)

9. Contingent liabilities

There were no contingent liabilities at 30 June 2009 required to be disclosed in the Group's financial statements.

10. Related party transactions

As disclosed in the Directors' Report and Accounts for the year to 31 December 2008, 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 2009 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 Directors' Report and Accounts for the year ending 31 December 2009. 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	**Brian May**
Chief Executive	Finance Director
24 August 2009	

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 2009 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, 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 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

D V Matthews
for and on behalf of KPMG Audit Plc
Chartered Accountants
London
24 August 2009