



BUNZL plc: OUR HISTORY

Origin in 1854

Although the company now known as Bunzl plc was not formed until 1940, it owed its origin to Moritz Bunzl, who registered a haberdashery business in 1854 in Bratislava, now the capital of Slovakia, under the name of Emanuel Biach's Eidam. His three sons, Max, Ludwig and Julius, changed the name of the company to Bunzl & Biach AG and, in 1883, moved the headquarters to Vienna. In 1888 they began manufacturing in Austria, first at Ortmann and then at the Wattens paper mill. In 1925, a Hungarian inventor called Boris Aivaz had the innovative idea of making cigarette filters from crepe paper. He was encouraged to experiment in the Ortmann plant and the first cigarette filter was ready to go into production two years later.

In 1938, as a result of the political upheaval taking place in Austria, the Bunzl family emigrated. While some moved to the US and Switzerland, the majority settled in England where, having been forced to relinquish control of Bunzl & Biach AG, the family developed its small British operation.

From foundation in 1940 to 1980

In 1940, with a loan of £5,000 from the bank, Martin, Hugo and George Bunzl formed Tissue Papers Limited, the company now called Bunzl plc, to manufacture paper and paper products. At the end of that year the company reported a profit of £179 which increased by more than 100 per cent at the end of 1941 to £406!

In 1946, the Austrian business was restored to the Bunzl family and its products were sold through London and distributed worldwide, laying the foundations of what was to become Bunzl's international pulp and paper trading business. Pre-tax profits rose to £30,000. Then in the late 1940s, the production of cigarette filters was started at Jarrow in England. In 1952, Bunzl opened its first overseas filter plant in Cape Town, South Africa and, two years later, American Filtrona Corporation was formed in the US. Bunzl became a public company in 1957 and profits topped £1 million for the first time in the following year on sales of £7 million. Early in the 1960s, the filter business grew rapidly and, by the end of the decade, the company owned 16 subsidiaries and associates.

In the 1970s, the growth of filter cigarettes peaked and Bunzl tried to replace the falling profits by diversifying into computer services, adhesive tapes and plastics but was not particularly successful. Pre-tax profits, which had risen to £14 million by 1974, fell to £11 million in 1980.

1981-1990

In a change of direction, it was decided to sell Bunzl & Biach AG together with its Austrian paper mills. In the first half of the 1980s pre-tax profits rose to £45 million as the company diversified into plastics, packaging, distribution and industrial products. In this period the seeds were sown for future success when the first steps were taken into the distribution of plastic and paper disposables in the US, beginning with the acquisition of Jersey Paper in 1981. However, while this US distribution business grew profitably, further diversification in the next five years had very mixed results with pre-tax profits peaking in 1988 before falling back to £32 million in 1991, as the company withdrew from a number of unsuccessful ventures including transportation in the UK and food service distribution in the US. Its borrowings also had to be reduced by selling a number of businesses including some, such as electrical distribution and graphic arts, that had only recently been acquired.

1991-2000

During the very early 1990s the strength of the company was restored and expansion resumed but with greater focus. The distribution business in the US, which had continued to grow successfully, evolved into supplying a range of disposable products often on a totally outsourced basis and grew to cover the whole of North America, Australia and, since 1993, much of Europe. In 1998, this activity, by then Bunzl's largest and most successful business area, was renamed Outsourcing Services. Filtrona resumed a growth strategy based on its strength in special filters and entered the US in 1993. It acquired American Filtrona in 1997, by then an independently quoted NASDAQ company. Other strong international businesses in fibres, teartapes and plastics also emerged. Meanwhile less successful businesses with less potential were disposed of as Bunzl evolved towards a more focused group. Reflecting its evolution towards outsourcing and its increasing service orientation, Bunzl was moved from the Paper and Packaging sector of the London Stock Exchange to the Support Services sector in December 1998.

2001 onwards

Pre-tax profits reached £200 million in 2001 and, in July 2002, the final break with the paper industry occurred when the British fine paper distribution business was sold. Following this disposal, businesses representing 60% of the sales of the company in 1991 had been sold, ending Bunzl's participation in the making, converting, distribution and trading of paper, building supplies and food service distribution as well as several smaller businesses. The remaining 40% had almost quintupled over the period and was organised as Outsourcing Services and Filtrona. In June 2005 the two business streams were demerged and Bunzl became a focused, international, value-added distribution and outsourcing Group while Filtrona became a separate listed entity. As Bunzl celebrates its 50th year as a listed company on the London Stock Exchange in June 2007, it has become a growing, focused, service-oriented organisation with sales of £3.6 billion spread across four continents.