

This document is important and requires your IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are advised to consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately. If you have sold or transferred all of your ordinary shares in Bunzl plc you should pass this document and the accompanying Form of Proxy to the purchaser or transferee or to the person through whom the sale was effected for transmission to the purchaser or transferee.



Bunzl plc
Registered Office:
110 Park Street
London
W1K 6NX

Registered in England
No. 358948

To the holders of ordinary shares

24 March 2006

Dear Sir or Madam

ANNUAL GENERAL MEETING

The Annual General Meeting of Bunzl plc (the 'Company') is to be held at 11.00 am on Wednesday 17 May 2006 in the Chartwell Suite at the Hyatt Regency London – The Churchill, 30 Portman Square, London, W1A 4ZX. You will see from the Notice of Meeting in Appendix 1 to this letter that, in addition to the routine business to be dealt with at the meeting, there are four items of other business contained in Resolutions 9 to 12. An explanation of these Resolutions is set out below and certain further information is given in Appendix 2.

Ordinary Resolution 9 (Authority to allot unissued shares)

Under the Companies Act 1985, the directors require the authority of shareholders in general meeting to allot unissued shares of the Company and this Resolution seeks to renew the authority last granted to the directors at the 2005 Annual General Meeting. Accordingly, the directors seek the authority to allot at their discretion ordinary shares in the Company up to a maximum aggregate nominal amount of £39,200,000, being 35% of the total ordinary share capital of the Company in issue at 13 March 2006 and representing an amount equal to the sum of (i) 33% of the total ordinary share capital in issue at that date and (ii) the amount of the share capital reserved for unexercised share options. This calculation takes no account of treasury shares since no such shares are currently held by the Company. The directors do not have any present intention of exercising this authority other than in respect of the Company's share option schemes and if necessary to satisfy the consideration payable for businesses to be acquired. This authority supersedes all previous authorities and the directors intend to seek its renewal at next year's Annual General Meeting.

Special Resolution 10 (Allotment of shares for cash)

Shareholders' authority is required before the directors may allot any authorised but unissued shares in the Company for cash (unless the issue takes place pro rata to existing ordinary shareholders). Such authority is sought annually so that the directors may at any time, should appropriate circumstances arise, allot shares up to the maximum permitted by Resolution 9 in connection with a rights issue or other pre-emptive offer (subject to certain limited exclusions or arrangements) and, in addition, allot for cash a maximum of 17,330,000 shares, being 5% of the issued share capital as at 13 March 2006. The existing authority will expire at the forthcoming Annual General Meeting and, by proposing Resolution 10, the directors seek its renewal although at the present time there is no intention to exercise such authority.

Special Resolution 11 (Purchase of own shares)

This Resolution replaces a similar authority granted to the directors at the Extraordinary General Meeting held in 2005 in conjunction with the consolidation of the Company's share capital which took place in June 2005. This replaced the authority granted at the 2005 Annual General Meeting. The current authority is valid until the conclusion of the forthcoming Annual General Meeting. No shares have been purchased under the 2005 authorities. The proposed authority will have an alternative price limit as now permitted by the Financial Services Authority's Listing Rules and will be exercised in the future only if the directors consider it to be in the best interests of the Company and its shareholders, given the market conditions and price prevailing at the time. For a further explanation of this proposal and a brief summary of the taxation consequences, please see Appendix 2 to this letter.

Ordinary Resolution 12 (Adjustment to employee share schemes post demerger of Filtrona)

June 2005 saw completion of the successful demerger (the 'demerger') of the Filtrona business area, the Company's international speciality plastic and fibre products supplier ('Filtrona'). Prior to the demerger, employees of Filtrona participated in the Company's employee share schemes including the Long Term Incentive Plan (the 'LTIP') and the Sharesave Scheme (2001) (together the 'Plans'). Each of the Plans has previously been approved by shareholders of the Company.

Under the current rules of the Plans and in accordance with institutional guidelines, the Company may not in any ten year period issue or agree to issue more than ten per cent of the issued ordinary share capital of the Company under the Plans or any other employee share scheme established by it. The LTIP further provides, on the same basis, that in any ten year period no more than five per cent of the Company's issued share capital may be issued under the LTIP or any other discretionary executive share scheme established by the Company.

The number of ordinary shares of the Company in issue was reduced on 6 June 2005 by the share consolidation that took place at the time of the demerger from 438,653,592 ordinary shares of 25p each to 341,175,016 ordinary shares of 32 $\frac{1}{2}$ p each. As a result of the share consolidation, no adjustment was necessary to the number of outstanding options and awards under the Plans.

As a consequence of the share consolidation, for the purposes of the limits described above, the number of newly issued shares available to be used for the Plans in the future has been reduced. The number of shares that has already been used or allocated to be used to satisfy options and awards under the Plans, expressed as a percentage of the issued share capital, increased overnight from 6.4% to 8.3% in the case of the ten per cent limit and from 4.8% to 6.1% in the case of the five per cent limit. Accordingly, the Company has no further capacity to grant options and awards over newly issued shares in respect of executive share schemes.

Whilst the Plans can still be operated over shares purchased in the market, the directors wish to retain the flexibility to issue shares within the normal limits contained within the Plans. Such flexibility can be helpful for example to overcome securities law complications when operating the Plans overseas. Resolution 12 therefore seeks authority from shareholders to amend the formal rules of the Plans to provide that options and awards granted under the Plans to individuals who were or had been employed by Filtrona do not count for the purposes of determining the number of ordinary shares that may be issued to satisfy awards under the Plans. On this basis, after eliminating the options and awards granted to Filtrona employees (taking into account options held by Filtrona employees which lapsed following the demerger), the percentages referred to above would reduce to 5.4% in the case of the ten per cent limit and 4.1% in the case of the five per cent limit.

Action to be taken

Shareholders are asked to complete the enclosed Form of Proxy and to post it to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB as soon as possible, but in any event so as to arrive by no later than 11.00 am on Monday 15 May 2006. Completion and posting of the Form of Proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting, should they wish to do so. A user of the CREST system (including a CREST personal member) may appoint a proxy by having an appropriate CREST message transmitted to be received by no later than 11.00 am on Monday 15 May 2006. Alternatively, proxy votes can be submitted via the internet to be received by no later than 11.00 am on Monday 15 May 2006. Details of how to do this are shown on the enclosed Proxy card.

Documents available for inspection

Copies of the register of directors' interests and of the directors' service agreements and letters of appointment will be available for inspection at any time during normal business hours on normal working days up to and including 17 May 2006 at the Company's registered office, as will copies of the Annual Review and Summary Financial Statement and Directors' Report and Accounts for the year ended 31 December 2005 and the rules of the Plans, each marked with the amendments proposed at Resolution 12. The rules of the Plans will also be available for inspection at the offices of New Bridge Street Consultants, 20 Little Britain, London, EC1A 7DH. All such documents will also be available for inspection at the Hyatt Regency London – The Churchill, 30 Portman Square, London, W1A 4ZX from 10.30 am on 17 May 2006 until the conclusion of the Annual General Meeting.

Recommendation

The directors are unanimously of the opinion that the proposals described above are in the best interests of the Company and its shareholders as a whole. Accordingly, they recommend shareholders to vote in favour of the Resolutions referred to above, as they intend to do in respect of their own beneficial holdings.

DIVIDEND REINVESTMENT PLAN

The directors are recommending a final dividend of 10.8p for the year ended 31 December 2005 and, subject to the passing at the Annual General Meeting of Resolution 2 approving the dividend, shareholders will again be offered the opportunity to receive shares instead of the cash dividend to which they would otherwise have been entitled by participating in the Dividend Reinvestment Plan (the 'DRP').

The DRP allows shareholders to reinvest their cash dividend in shares bought on the London Stock Exchange through a specially arranged share dealing service. Under the DRP there is no creation of new shares to dilute the value of existing shares and the directors therefore believe that the DRP is beneficial for existing shareholders.

If you are not already a member of the DRP you will find full details set out in the enclosed brochure. This is a simple and low cost way for shareholders to increase their holdings in the Company. If you choose to join the DRP, an amount equal to the cash dividend (less an amount retained in respect of dealing commission and stamp duty reserve tax, each currently 0.5% of the value of shares purchased) will be used to buy the Company's ordinary shares. To join the DRP you should complete and sign the enclosed mandate form and return it to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FA, using the prepaid facility, to arrive no later than 12 June 2006. If you wish to continue receiving dividends in cash, you need take no further action.

The timetable relating to the payment of the dividend is as follows:

	2006
Shares quoted ex-dividend	3 May
Record date	5 May
Dividend paid	3 July

Further copies of this letter may be obtained from the Company's registrar, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, from the date of this letter until 15 May 2006.

Yours faithfully



A J Habgood
Chairman

Appendix 1

Notice of Meeting

NOTICE IS HEREBY GIVEN that the sixty-sixth Annual General Meeting of Bunzl plc (the 'Company') will be held in the Chartwell Suite at the Hyatt Regency London – The Churchill, 30 Portman Square, London, W1A 4ZX on Wednesday 17 May 2006 at 11.00 am for the following purposes:

1. To receive and adopt the accounts for the year ended 31 December 2005 together with the reports of the directors and auditors.
2. To declare a final dividend.
3. To re-appoint Mr B M May as a director.
4. To re-appoint Mr P W Johnson as a director.
5. To re-appoint Mr A J Habgood as a director.
6. To re-appoint Mr C A Banks as a director.
7. To re-appoint KPMG Audit Plc as auditors at a rate of remuneration to be determined by the directors.
8. To approve the directors' remuneration report as set out on pages 44 to 51 of the Directors' Report and Accounts for the year ended 31 December 2005.

To consider and, if thought fit, pass the following Resolutions:

9. Ordinary Resolution (Authority to allot unissued shares)

THAT the directors of the Company be and they are hereby generally and unconditionally authorised, in substitution for all previous authorities, to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £39,200,000 provided that this authority shall expire, unless previously revoked or varied, at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

10. Special Resolution (Allotment of shares for cash)

THAT subject to the passing of Resolution 9 above the directors of the Company be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) for cash, pursuant to the authority granted by that Resolution, and to sell treasury shares wholly for cash, as if Section 89(1) of such Act did not apply to any such allotment or sale, provided that this power shall be limited to:

- a) the allotment or sale of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any holders of ordinary shares as treasury shares), where the equity securities respectively attributable to the interests of such ordinary shareholders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares held by them, subject to such exclusions or other arrangements as the directors may deem fit to deal with fractional entitlements or legal or practical problems arising under the laws of, or the requirements of any stock exchange or regulatory body in, any territory or otherwise howsoever; and
- b) the allotment or sale (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value of £5,570,382;

and shall expire, unless previously revoked or varied, at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

11. Special Resolution (Purchase of own shares)

THAT the directors be and are hereby generally and unconditionally authorised, pursuant to Section 166 of the Companies Act 1985, to make one or more market purchases (as defined in Section 163(3) of such Act) of ordinary shares of 32 $\frac{1}{2}$ p each in the capital of the Company on such terms and in such manner as the directors shall determine, provided that:

- a) the maximum aggregate number of ordinary shares authorised to be acquired shall be 34,665,000;
- b) the maximum price, exclusive of expenses, which may be paid for an ordinary share shall be, in respect of an ordinary share contracted to be purchased on any day, the higher of (i) an amount equal to 5% above the average of the closing middle market quotations (as derived from the London Stock Exchange Daily Official List) for the ordinary shares on the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is carried out;
- c) the minimum price which may be paid for an ordinary share shall be 32 $\frac{1}{2}$ p, which amount shall be exclusive of expenses; and
- d) this authority shall expire, unless previously revoked or varied, on 16 November 2007 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, provided that the Company may make a contract to purchase ordinary shares under this authority before the expiry of such authority which may or will be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares pursuant to any such contract.

12. Ordinary Resolution (Adjustment to employee share schemes)

THAT the directors be and are hereby authorised to make the amendments to the formal rules of the Long Term Incentive Plan and the Sharesave Scheme (2001) (together the 'Plans') marked on a copy of the rules of each Plan produced to the Meeting and initialled by the Chairman for the purposes of identification so as to provide that any option or other right to acquire shares granted by the Company to individuals who were or had been employed by the Company's Filtrona business be disregarded for the purposes determining the number of ordinary shares in the Company that may potentially be issued or transferred from treasury to satisfy awards under the Plans.

By Order of the Board

P N Hussey
Secretary
24 March 2006

Notes:

1. Resolutions 3, 4, 5 & 6 relate to the re-appointment of directors. Biographical information relating to the appointees appears on page 17 of the Company's Annual Review and Summary Financial Statement for the year ended 31 December 2005. Mr B M May and Mr P W Johnson are each subject to re-appointment by shareholders at this the first Annual General Meeting following their appointment by the Board in accordance with the Company's Articles of Association. Mr P W Johnson, a non-executive director, has a strong international background in distribution and the Board believes his experience will be of great value as the Company continues to develop and expand. Mr A J Habgood and Mr C A Banks are subject to re-election in accordance with the retirement by rotation provisions of the Company's Articles of Association. Following a formal evaluation process, the Company believes that their performance continues to be effective and they continue to demonstrate commitment to their roles.
2. Every holder of ordinary shares (other than a holder of treasury shares) is entitled to attend and vote at the meeting. A shareholder entitled to attend and vote may appoint a proxy (who need not be a member of the Company) to attend and, on a poll, vote instead of him. A Form of Proxy is enclosed with this letter for use in connection with the meeting. To be valid, the Form of Proxy together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy thereof, must reach the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB no later than 11.00 am on Monday 15 May 2006. Completion and return of the Form of Proxy will not preclude a member from attending and voting at the meeting. A user of the CREST system (including a CREST personal member) may appoint a proxy by having an appropriate CREST message transmitted to be received by no later than 11.00 am on Monday 15 May 2006. Alternatively, proxy votes can be submitted via the internet to be received by no later than 11.00 am on Monday 15 May 2006. Details of how to do this are shown on the enclosed Proxy card.

Appendix 2

Authority for the Company to purchase its own shares

Details of proposals

At the Extraordinary General Meeting held in June 2005 the directors were authorised to purchase up to 10% of the Company's ordinary shares then in issue (approximately 34.07 million ordinary shares of 32¹/₂p) in conjunction with the consolidation of the Company's share capital which took place in June 2005. This replaced the authority granted at the 2005 Annual General Meeting. No shares have been purchased under either of these authorities.

The directors are seeking to renew the authority from shareholders to purchase up to 10% of the Company's ordinary share capital currently in issue (approximately 34.7 million ordinary shares as at 13 March 2006). The authority which is now sought is substantially the same as that obtained at the Extraordinary General Meeting held in June 2005 and at the 2005 Annual General Meeting but with the addition of an alternative price limit as now permitted by the Financial Services Authority's Listing Rules. The number of options to subscribe for ordinary shares outstanding at 13 March 2006 was 6,462,571 (representing 1.9% of the issued share capital and representing 2.3% of the share capital which would be in issue if both the existing authority to purchase shares granted at the 2005 Extraordinary General Meeting and the authority being sought were fully utilised).

The Company's Articles of Association already confer the general power for the Company to purchase its own ordinary shares. If the Company were to purchase any of its own shares, it would consider holding them as treasury shares with a view to possible resale or transfer at a future date, rather than cancelling them, as now permitted by, and subject to the terms of, applicable law, if the Company considered this would give it the ability to sell or transfer treasury shares (subject to Resolution 10) quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

The maximum price payable per ordinary share following approval of the additional price limit, exclusive of expenses, would be the higher of (i) 5% above the average of the middle market quotations for the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of the contract to purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is carried out. The minimum price payable per ordinary share, exclusive of expenses, would be 32¹/₂p (being the nominal value of each ordinary share). This authority will expire on 16 November 2007 or, if earlier, at the conclusion of the Annual General Meeting to be held in 2007. However, it is the directors' present intention to seek renewal of the authority at that Annual General Meeting and to seek further renewals at subsequent Annual General Meetings.

Shareholders are assured that the directors would purchase ordinary shares only on the basis that it would be expected to result in an increase in anticipated earnings per share, after taking account of other investment opportunities, appropriate gearing levels and the overall financial position of the Company. The Company's first priorities, whether by way of internal investment or by way of acquisition, lie in the support and development of its businesses. The use of the authority to purchase shares would therefore be only one of a range of investment options open to the directors.

Taxation consequences

The main taxation consequences under current UK legislation in force on 13 March 2006 (the latest practicable date before the printing of this document) of a purchase of ordinary shares taking place on or after 6 April 2006 pursuant to the proposed authority would be broadly as follows:

- a) For the Company: the Company would be treated as having made a distribution broadly to the extent that the amount paid for the ordinary shares purchased exceeds the price received by the Company when such shares were originally issued. The Company will generally be obliged to pay stamp duty at the rate of 0.5% (rounded up to the nearest £5) of the price paid by it for the ordinary shares.
- b) For a shareholder selling in the market: on the basis that all purchases by the Company will be made through the London Stock Exchange Electronic Trading System and that a dealer will therefore act as principal in the sale to the Company, the sale into the market of all or part of a shareholder's holding of shares ultimately acquired by the Company should generally be treated as a normal market sale. If the shares are held by the shareholder as a capital asset, the sale to the dealer by the shareholder will generally constitute a disposal for the purposes of tax on capital or chargeable gains (and will not constitute an income distribution) and a chargeable gain or an allowable loss may arise in the hands of the shareholder.