



Interim Results

2005



**Bunzl is now a focused, international
distribution and outsourcing Group**



Income Statement (£m)

	June 05	June 04	Growth (%)
Continuing operations			
Existing	1,351.0	1,121.3	20
Acquisitions	15.3		
Total revenue	1,366.3	1,121.3	22
Existing	91.1	72.0	27
Acquisitions	0.7		
Operating profit pre amortisation	91.8	72.0	28



Income Statement (£m)

	June 05	June 04	Growth (%)
Operating profit pre amortisation	91.8	72.0	28
Net finance cost	(4.0)	(0.4)	
Profit before tax and amortisation	87.8	71.6	23
Intangible amortisation	(7.8)	(1.8)	
Income tax	(26.1)	(23.4)	
Profit from continuing ops	53.9	46.4	16
Earnings per share	16.0p	13.4p	19
Profit from discontinued ops	4.2	18.6	



Discontinued Operations (£m)

-explanatory note

	June 05 (5 months)
Operating profit	25.8
Intangible amortisation	(0.4)
Net finance cost	(1.4)
Demerger costs	(17.3)
Income tax	<u>(2.5)</u>
Profit	4.2



Earnings and Dividends (p)

	June 05	June 04	Growth (%)
Continuing Operations			
No of shares (m)	336.0	345.3	
Earnings per share	16.0	13.4	19
Adjusted earnings per share	17.8	13.8	29
Dividend per share	4.9	4.15	18

- Filtrona also to pay dividend for six months to 30.6.05



Balance Sheet (£m)

	June 05	June 04	Dec 04
Intangibles	581.8	552.4	623.7
Tangibles	64.2	200.4	218.4
Working capital	233.7	266.2	285.3
Other liabilities	(152.6)	(156.6)	(164.2)
Net assets excluding pensions	727.1	862.4	963.2
Pension liabilities	(53.2)	(53.9)	(70.5)
	673.9	808.5	892.7
Equity	388.3	499.4	483.6
Minorities	-	3.4	3.9
Net debt	285.6	305.7	405.2
Gearing (%)	73.6	61.2	83.8



Cash Flow – Key Extracts (£m)

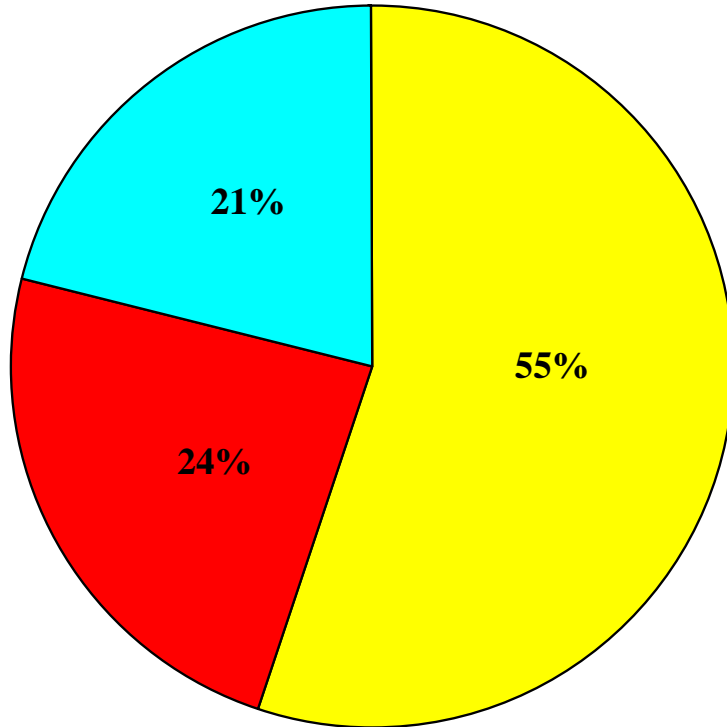
	June 05	June 04
Continuing operations	73.6	71.3
Discontinued operations	16.1	28.3
Net cash flow	55.7	71.5
Working capital – cont. ops	(18.3)	2.5
Net capex – cont. ops	2.5	2.0
Purchase of businesses	(22.7)	(191.4)
Demerger of business	115.4	



By Business Area

Continuing operations H1 2005

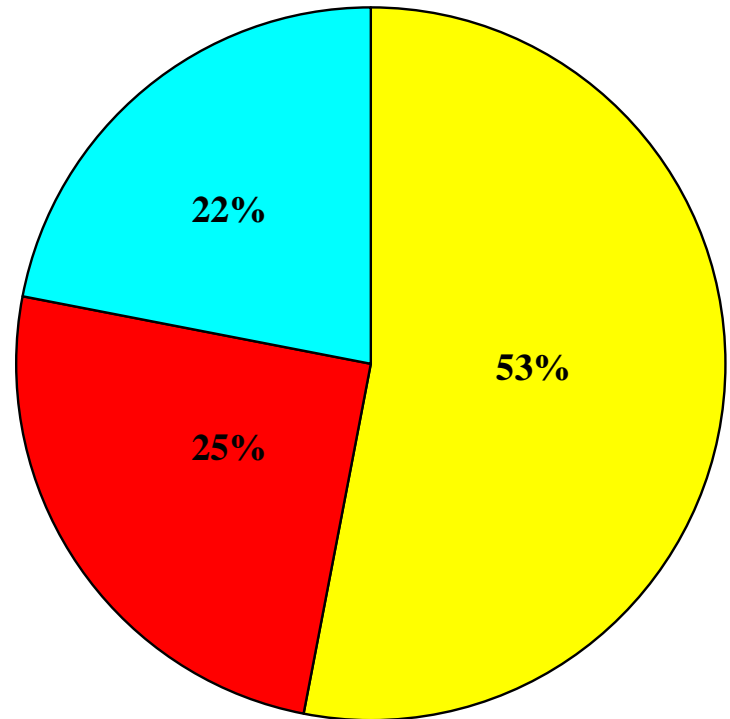
Revenue



■ North America

■ UK & Ireland

Operating profit*



■ Continental Europe & Australasia

* Before intangible amortisation and corporate



North America

	June 05	June 04	Growth (%)
Revenue (£m)	753.2	673.7	12
Operating profit* (£m)	52.5	49.3	6
Margin (%)	7.0	7.3	
Return on average capital (%)	73.6	81.2	

* *Before intangible amortisation*



North America

- Dollar sales rose 15%
 - underlying 5%
 - prices remain firm
- Fastest growth in convenience stores
 - TSN, growing post acquisition
- Redistribution also strongly ahead
 - Weil, Temo, organic
- Processor continuing organic development
- Supermarket positive development
 - slower than our average



North America

- Dollar profits rose 10%
 - acquisitions in Q4 2004 lower margin than average
 - some continued margin pressure esp. in supermarkets
- Operating costs closely controlled
 - despite fuel and freight cost increases
 - while improving service to customers
- Global sourcing continuing to increase
 - with strategic vendors
 - including Prime Source



UK & Ireland

	June 05	June 04	Growth (%)
Revenue (£m)	326.1	307.1	6
Operating profit* (£m)	24.8	22.1	12
Margin (%)	7.6	7.2	
Return on average capital (%)	65.5	53.5	

* *Before intangible amortisation*



UK & Ireland

- Strong sales growth in horeca
 - especially in equipment
 - also in supplies
- Good growth also in retail and healthcare
 - new business
- Underlying growth in cleaning and safety
 - branch integration reduced sales
- Vending well ahead
 - new contracts



UK & Ireland

- Profits ahead in all areas
 - overall more than sales
- European and global scale impacting
 - position with suppliers
 - operating efficiencies
- Operating costs controlled



Continental Europe & Australasia

	June 05	June 04	Growth (%)
Revenue (£m)	287.0	140.5	104
Operating profit* (£m)	22.1	7.2	207
Margin (%)	7.7	5.1	
Return on average capital (%)	50.9	42.8	

* *Before intangible amortisation*



Continental Europe & Australasia

- Sales well ahead in all countries
 - acquisitions and organic
- Acquisitions major impact
 - France
 - Netherlands
 - Hungary
 - Australasia
- Existing business growth also
 - Denmark
 - Germany
 - Netherlands
 - Australasia



Continental Europe & Australasia

- Profit growth also in each country
- Extensive European reach affecting
 - customers
 - suppliers
- Overall scale impacting
 - suppliers
 - operating efficiencies



Strategy

- Continue to develop well positioned international businesses
 - competitive advantage
 - organic growth potential
 - leverage our global position
- Build on our strengths by developing organically and by acquisition
 - improving the quality and reach of the business
 - further extending and aligning activities across the business
- Logically extend the business
 - whilst retaining manageability and flexibility
- Continue to improve operational efficiencies
 - lowest cost service
 - leverage international relationships
 - capitalise on scale



Acquisitions

- Four acquisitions announced since January
 - Gelpa
 - Tecep
 - Sanicare
 - SOFCO
- Total annual sales c.£175 million
- Total cost £78 million
- Closely following our strategy



Prospects – North America

- Organic growth to continue with prices remaining firm
- Momentum in acquisition activity to continue
 - consolidate industry
 - strengthen in growing sectors
- Recent lower margin acquisitions to improve
- But some overall margin pressure remains
 - especially in supermarkets



Prospects – Europe

- Organic growth to continue in UK & Ireland and Continental Europe
 - new contract wins
- Macroeconomic conditions may dampen organic prospects in some parts of Europe but
 - increasing presence in Central Europe
- Acquisition activity to
 - extend geographic coverage
 - deepen participation in chosen sectors
- Increased scale and efficiency across Europe should continue to benefit results
- Australasia ongoing successful development



Prospects

- Current exchange rates indicate overall currency translation neutrality in 2005
- Our strong competitive position in international markets and our ability to add to organic growth with continuing acquisition activity give us confidence that the Group will continue to develop successfully