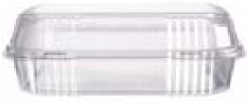
Interim Results 2007

Highlights – Interim Results 2007

- Strong growth at constant exchange rates in revenue and operating profit
- Underlying operating margin* improvement from 6.5% to 6.8%
- Adjusted earnings per share* up 14% at constant exchange rates
- Acquisitions in 2006 are integrating well
- Year-to-date acquisitions add over £150m of annualised revenue

* *Before intangible amortisation*



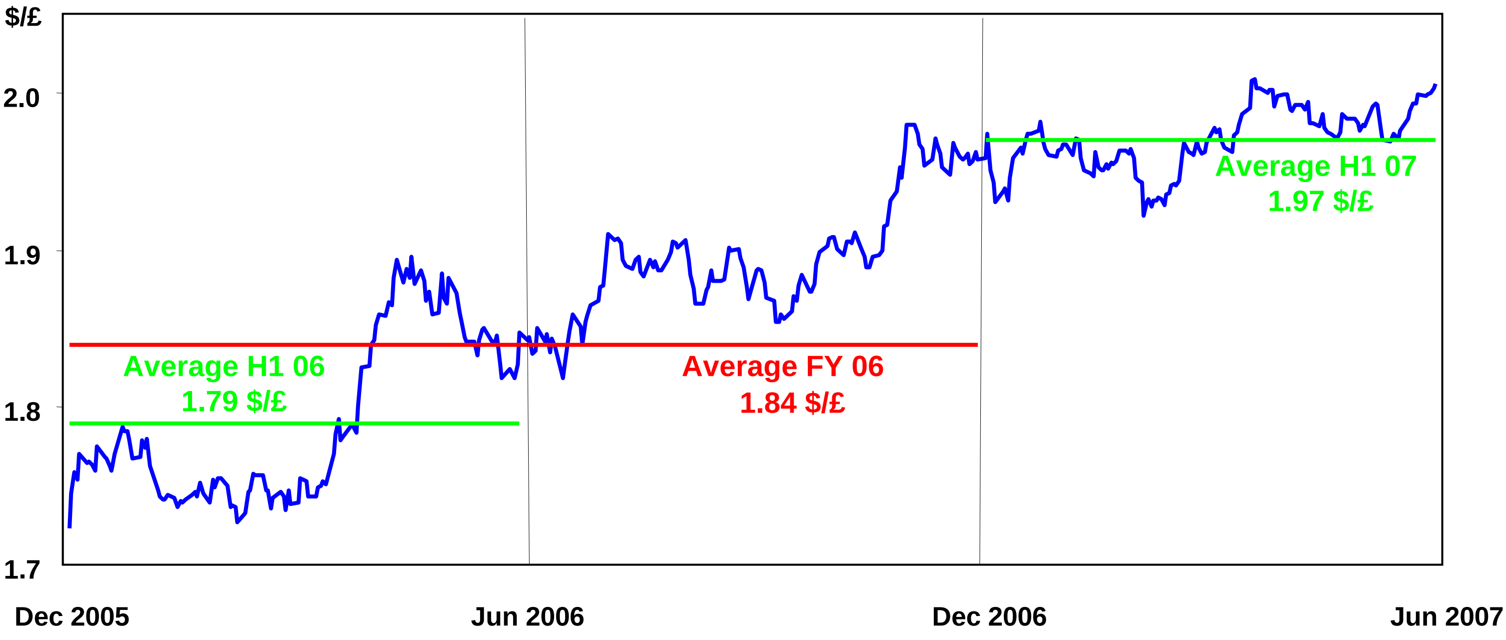



Brian May

Finance Director



US Dollar Exchange Rate



Income Statement (£m)

			Growth %	
	June 07	June 06	Reported	Constant Exchange
Revenue	**1,725.6**	1,603.2	8	14
Operating profit*	**111.7**	104.8	7	13
Margin*	**6.5%**	6.5%		
Underlying margin*	**6.8%**	6.5%		

* *Before intangible amortisation*

BUNZL

Income Statement (£m)

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Operating profit*	**111.7**	104.8	7	13
Net finance cost	**(11.4)**	(7.0)		
Profit before tax*	**100.3**	97.8	3	9
Intangible amortisation	**(11.2)**	(9.7)		
Income tax	**(28.2)**	(28.1)		
Profit after tax	**60.9**	60.0	2	8

* *Before intangible amortisation*

Earnings and Dividends (p)

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Weighted average shares (m)	**333.1**	343.7		
Earnings per share	**18.3**	17.5	5	12
Adjusted earnings per share*	**20.7**	19.3	7	14
Dividend per share	**5.8**	5.3	9	

* *Before intangible amortisation*

Balance Sheet (£m)

	June 07	June 06	Dec 06
Intangibles	**784.4**	699.1	776.7
Tangibles	**76.3**	72.7	74.3
Working capital	**315.9**	262.1	305.1
Other liabilities	**(212.3)**	(191.9)	(199.9)
Net assets excluding pensions	**964.3**	842.0	956.2
Pension deficit	**(13.8)**	(39.9)	(37.5)
	950.5	802.1	918.7
Equity	**455.1**	503.6	488.0
Net debt	**495.4**	298.5	430.7
Net debt / EBITDA	**1.96x**	1.28x	1.73x
Return on operating capital	**60.8%**	62.7%	61.7%

Cash Flow (£m)

	June 07	June 06
Cash flow from operations	**102.6**	90.4
Capital expenditure	**(8.5)**	(7.7)
Operating cash flow	**94.1**	82.7
Interest	**(12.3)**	(2.6)
Tax	**(32.9)**	(11.4)
Dividends	**(17.6)**	(16.5)
Acquisitions	**(19.2)**	(24.0)
Share buy back	**(72.6)**	-
Employee share schemes	**3.7**	5.1
Special pension contribution	**(9.5)**	-
Net cash flow	**(66.3)**	33.3
Operating cash flow to operating profit*	**84%**	79%

* *Before intangible amortisation*

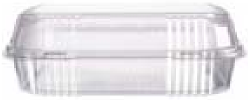
Summary

- Revenue **up 14%** *†*
- Operating profit* **up 13%** *†*
- Underlying operating margin* **up 30bp** to 6.8%
- Adjusted eps* **up 14%** *†*
- Dividend per share **up 9%**
- Return on operating capital **61%**

* *Before intangible amortisation*

† *Constant exchange rates*



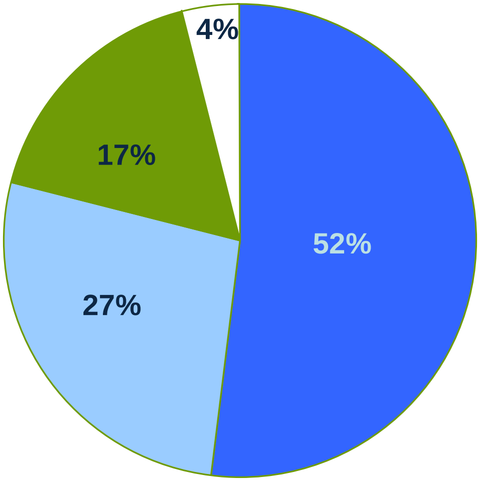
Michael Roney

Chief Executive

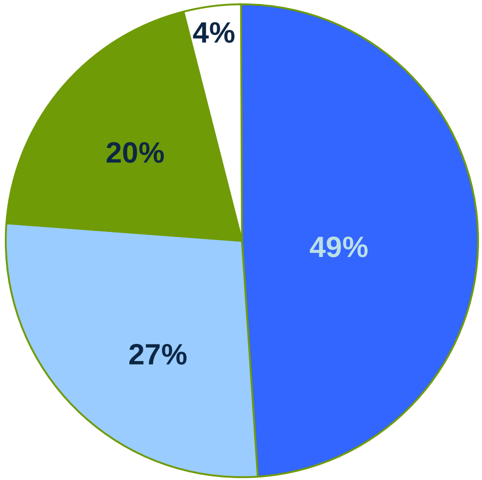



By Business Area - H1 07

Revenue



Operating profit *



North America
UK & Ireland
Continental Europe
Australasia

* *Before intangible amortisation and corporate*

North America

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Revenue (£m)	**905.1**	934.3	(3)	7
Operating profit* (£m)	**58.5**	62.0	(6)	4
Margin* (%)	**6.5**	6.6		
Return on operating capital (%)	**70.4**	69.5		

* *Before intangible amortisation*

North America

- Dollar revenue rose 7%
  - weaker underlying growth vs very strong H1 2006
  - mixed input pricing environment
- Dollar operating profit rose 4%
  - underlying margin slightly ahead despite continued competitive pricing pressures
  - improvement in return on operating capital
- Progress on acquisitions
  - better results from 2005 acquisitions of Mendenhall and SOFCO
  - 2006 acquisitions of UASI, Morgan Scott and Cole Harford integrating well
  - two acquisitions in 2007 in our redistribution business

North America

- Redistribution
  - substantial growth in recent years
  - establishment of R3
  - more efficient and cost effective
  - customer focused business

- Other operational highlights
  - further progress with our environmental initiatives
  - expansion of radio frequency technology in our warehouses

UK & Ireland

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Revenue (£m)	**467.2**	334.3	40	40
Operating profit* (£m)	**32.1**	25.5	26	26
Margin* (%)	**6.9**	7.6		
Return on operating capital (%)	**64.4**	73.3		

* *Before intangible amortisation*

UK & Ireland

- Revenue up 40%
  - strong underlying growth
  - impact of Southern Syringe and Keenpac acquisitions
- Operating profit rose 26%
  - strong improvement in underlying margin
  - impact of lower margin Southern Syringe business
- Another strong period for retail business
  - account wins
  - renewed major contract
  - extension of product offering with Keenpac

UK & Ireland

- Improvement in horeca
  - new contract wins
  - good results from 2006 operating initiatives
  - roll out of new vehicle routing and loading system
- Integration of Southern Syringe
  - largest independent distributor in the healthcare sector
  - cost reductions and systems investment
  - operating well ahead of initial plan
- Acquisition of Coffee Point
  - growing national vending business with revenue of £45m
  - combined business now largest vending operator in UK

Continental Europe

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Revenue (£m)	**291.4**	278.3	5	6
Operating profit* (£m)	**24.4**	20.9	17	18
Margin* (%)	**8.4**	7.5		
Return on operating capital (%)	**49.7**	45.7		

* *Before intangible amortisation*

Continental Europe

- Revenue and operating profit up 6% and 18% respectively
  - improved performance in all countries
  - good underlying growth
  - significant margin improvement
  - tight control of costs

- France
  - continued growth and improved performance
  - significant margin improvements resulting from 2006 operational initiatives
  - rolling out new IT system

Continental Europe

- Strong growth in rest of Europe
  - new contract wins in the Netherlands
  - very good performance in Denmark
  - Germany also ahead
  - Central Europe continues to perform strongly

- Acquisition of King Benelux
  - substantial business in Netherlands
  - significant expansion into Belgium

- Acquisition of Iberlim in Spain
  - entry into a promising market
  - performance in line with expectations

Australasia

	June 07	June 06	Growth % Reported	Growth % Constant Exchange
Revenue (£m)	**61.9**	56.3	10	12
Operating profit* (£m)	**4.5**	3.9	15	15
Margin* (%)	**7.3**	6.9		
Return on operating capital (%)	**48.8**	51.6		

* *Before intangible amortisation*

Australasia

- Revenue and operating profit up 12% and 15% respectively
  - strong underlying growth
  - new contract wins
- 2006 acquisitions
  - expanded business into new sectors
  - integrating well
- Introduction of VIP sales training

Strategy

- Pursue organic growth
- Continue to make operating model more efficient
- Increase international sourcing and consolidation in country of origin
- Further develop product offering
- Acquire in similar market sectors with opportunities for further consolidation
- Extend global footprint

Acquisitions

- Important source of additional growth and value creation
- Five acquisitions announced year-to-date
  - North America (2), UK & Ireland (1), Continental Europe (2)
- Total spend > £140m
- Total annualised revenue > £150m
- Opportunities in pipeline

2007 Acquisitions

Business	Country	Sector	Revenue
Tec Products	USA	Jan/san	$14m
Westgate	USA	PPE	$18m
Iberlim	Spain	Cleaning & Hygiene	€9m
Coffee Point	UK	Vending	£45m
King Benelux	Netherlands/ Belgium	Cleaning & Hygiene, Retail & Healthcare	€125m

Prospects

- North America
  - lower underlying growth than other business areas
  - margin improvement from larger 2005 and 2006 acquisitions
  - 2007 acquisitions integrating well

- UK & Ireland
  - good organic growth from increased volumes and new customers
  - Southern Syringe well ahead of plan
  - Keenpac in line with expectations

Prospects

- Continental Europe
  - strong organic growth
  - continuing business improvement in France

- Australasia
  - strong organic growth
  - recent acquisitions integrating well

Prospects

- FX rates
  - US$/£ negative translation effect on 2007 results if current rate holds
  - lesser impact in the second half
  - other currency impacts minor

- Confident that the Group will develop positively
  - good opportunities to grow organically and by acquisition
  - continued operating efficiencies
  - exciting recent acquisitions

Summary

- Double digit growth at constant exchange rates in revenue, operating profit and adjusted earnings per share*
- Underlying operating margin* up 30bp to 6.8%
- Prior years' acquisitions integrating well
- 2007 acquisitions to date add over £150m of annualised revenue

* *Before intangible amortisation*