



# ANNUAL RESULTS 2008



## 1. Anthony Habgood, Chairman: Welcome

2. Brian May, FD: Financial Results

3. Michael Roney, CEO: Business Review

4. Q&A

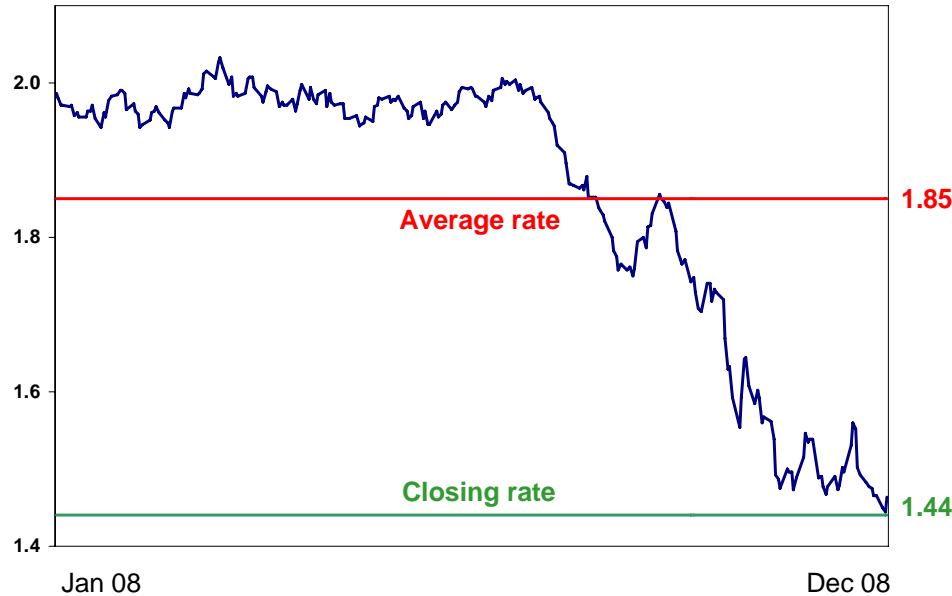
1. Anthony Habgood, Chairman: Welcome

**2. Brian May, FD: Financial Results**

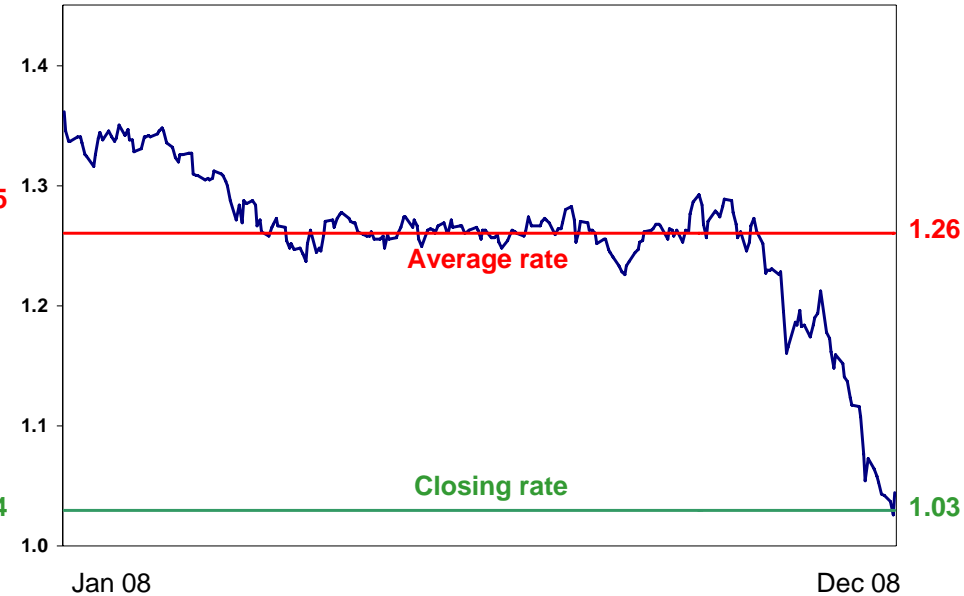
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## GBP/USD



## GBP/EUR



- Currency impact largely translation
- At current rates expect greater impact on 2009 earnings
- Exchange increased net debt by £169m



# Income Statement

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Revenue	4,177.3	3,581.9	17	8
Operating profit*	280.5	242.9	15	7
Margin*	6.7%	6.8%		

\*Before intangible amortisation



# Income Statement

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Operating profit*	<b>280.5</b>	242.9	15	7
Net finance cost	<b><u>(37.6)</u></b>	<u>(27.4)</u>		
Profit before tax*	<b>242.9</b>	215.5		
Effective tax rate (%)	<b>30.8</b>	31.6		
Adjusted earnings per share* (p)	<b>52.7</b>	45.1	17	9
Dividend per share (p)	<b>20.6</b>	18.7	10	
Dividend cover (x)	<b>2.6</b>	2.4		

\*Before intangible amortisation



## Balance Sheet

£m	2008	2007
Intangibles	1,301.3	990.3
Tangibles	111.3	91.0
Working capital	402.1	313.8
Other liabilities	<u>(281.0)</u>	<u>(238.1)</u>
	1,533.7	1,157.0
Pension deficit	(50.4)	(13.2)
Net debt	<u>(870.7)</u>	<u>(667.6)</u>
Equity	612.6	476.2
Net debt/EBITDA (x)	2.8	2.5
Exchange adjusted net debt/EBITDA* (x)	2.4	2.4
Return on operating capital (%)	57.3	60.9

\*Calculated using closing exchange rates

£m	2008	2007
Operating profit*	280.5	242.9
Depreciation	19.7	15.9
Working capital movement	(15.9)	13.5
Other	<u>(12.0)</u>	<u>(4.8)</u>
Cash flow from operations	272.3	267.5 <sup>†</sup>
Net capital expenditure	<u>(15.2)</u>	<u>(16.6)</u>
Operating cash flow	257.1	250.9
Operating cash flow to operating profit*	92%	103%

<sup>†</sup>Before special pension contribution

\*Before intangible amortisation



## Cash Flow

£m	2008	2007
Operating cash flow	257.1	250.9
Interest	(41.4)	(28.3)
Tax	<u>(66.4)</u>	<u>(65.1)</u>
Free cash flow	149.3	157.5
Dividends	(59.9)	(56.2)
Acquisitions	(116.4)	(191.7)
Share buy back	—	(100.0)
Other	<u>(7.2)</u>	<u>(8.5)</u>
Net cash flow	(34.2)	(198.9)

- Strongly cash generative
- Diverse sources of finance
- Next bank refinancing end 2010
- Funding in 2008
  - \$100m US\$ Private Placement (USPP)
  - new bank facilities > £100m

## Debt Maturity Profile

	Dec						
£m	2009	2010	2011	2012	2013	2016	2018
Bank facilities	-	290	197	180	100	-	-
USPP	35	-	56	-	164	83	35
<b>Total</b>	<b>35</b>	<b>290</b>	<b>253</b>	<b>180</b>	<b>264</b>	<b>83</b>	<b>35</b>

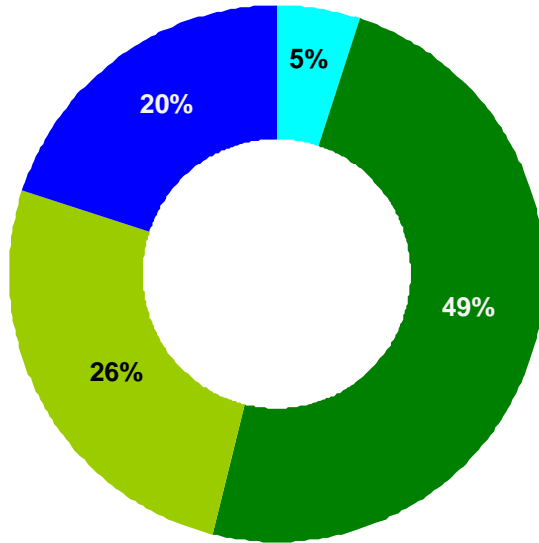


# Financial Summary

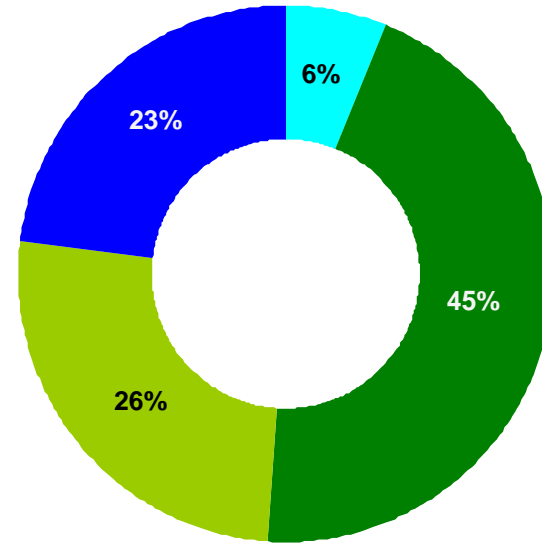
	Growth %	
	Reported	Constant Exchange
Revenue	↑ 17	↑ 8
Operating profit*	↑ 15	↑ 7
Adjusted eps*	↑ 17	↑ 9
Dividend per share	↑ 10	
Return on operating capital	57%	
Operating cash flow to operating profit*	92%	

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## Revenue



## Operating profit\*

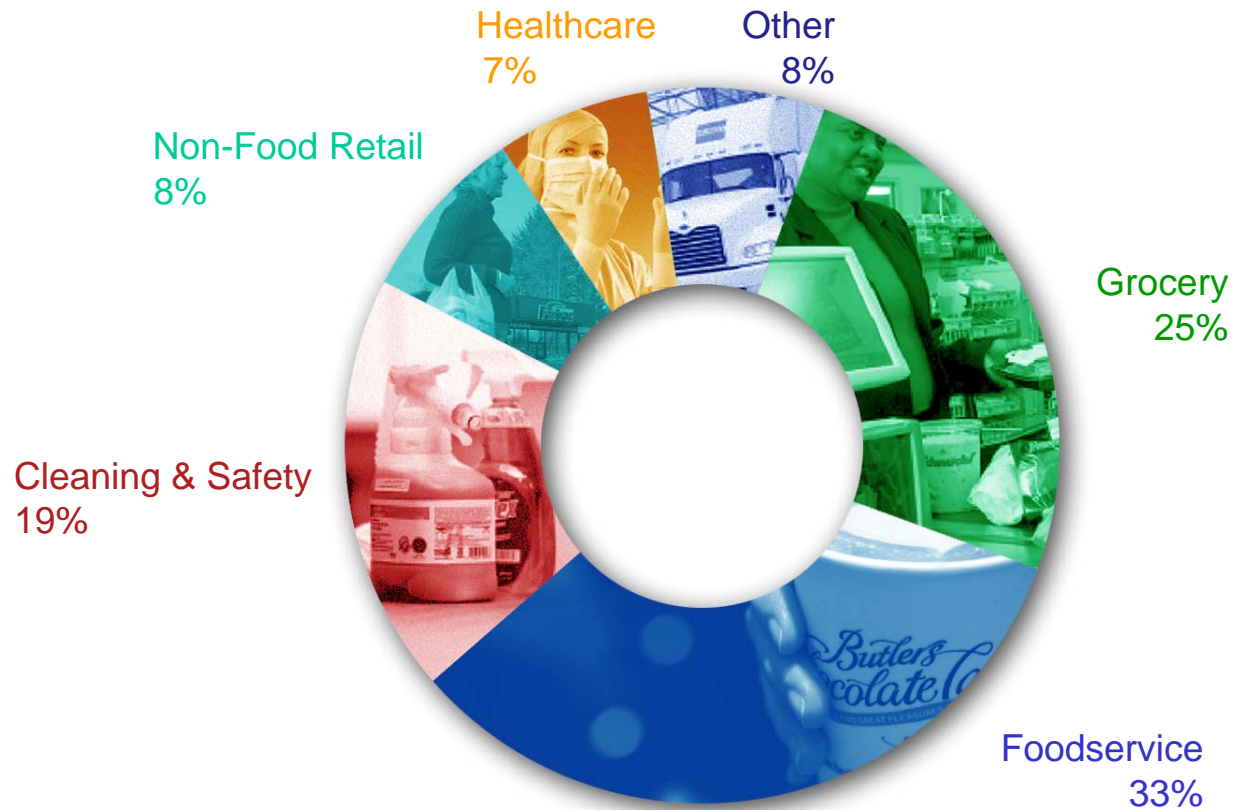


■ North America   ■ UK & Ireland   ■ Continental Europe   ■ Rest of the World

**Diversified by geography**



# Markets We Serve 2008



**Diversified by customer markets**



# North America

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Revenue	2,055.1	1,839.0	12	3
Operating profit*	134.0	123.3	9	1
Margin*	6.5%	6.7%		
Return on operating capital	69.5%	71.9%		

- **Higher organic growth in second half of 2008**
- **Margin decline due to soft economy and fuel costs**
- **Leading position in our largest sector grocery**
- **Growth in redistribution with foodservice and jan/san**
- **Continued expansion in food processor sector**
- **Investment in Chinese sourcing operation**
- **Consolidating operations in Northeast**

\* Before intangible amortisation

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Revenue	1,100.0	994.3	11	10
Operating profit*	78.0	74.5	5	4
Margin*	7.1%	7.5%		
Return on operating capital	56.0%	65.0%		








- **Weaker economy in second half contributed to margin decline**
- **New account wins offset weak horeca market**
- **Disappointing results in vending**
- **Strong growth in retail supplies**
- **Rebranded Southern Syringe and Care Shop integrated**
- **Reduced demand in Ireland**
- **Growth in cleaning and safety and integrating A&E Russell**

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Revenue	822.8	616.0	34	15
Operating profit*	67.2	50.0	34	16
Margin*	8.2%	8.1%		
Return on operating capital	48.9%	50.2%		

- **Strong growth in revenue and operating profit**
- **Growth in France Hygiène due to larger accounts and own brand**
- **Significant profit growth at France Sécurité**
- **King Benelux integrating well**
- **Strong profit growth in Denmark**
- **Flat sales and margin pressure in Central Europe**
- **Spanish businesses developing well**

£m	2008	2007	Growth %	
			Reported	Constant Exchange
Revenue	199.4	132.6	50	38
Operating profit*	17.6	10.8	63	49
Margin*	8.8%	8.1%		
Return on operating capital	58.9%	49.8%		

- **Significant increase in revenue and operating profit**
- **Australasia**
  - **Reorganised into three separate business units**
  - **Largest business performed well**
  - **Merged businesses in Food Processor Supplies**
- **Brazil**
  - **Business trading ahead of expectations**

Business	Acquired	Country		Sector	Revenue
Günter Guest Supplies	January	Germany		Horeca	€9m
Prot Cap	February	Brazil		Safety	R\$118m
Salgo	April	Australia		Horeca	A\$32m
Worldpack	June	Netherlands		Non-Food Retail	€19m
A&E Russell	July	United Kingdom		Safety	£21m
Hicosa	July	Spain		Cleaning & Hygiene	€6m
Marca	July	Spain		Safety	€21m

**Diversified acquisitions by geography**

- Strong growth in revenue, earnings and cash flow
- Improving organic revenue growth in North America
- Effect of weakening economy in UK & Ireland
- Strong overall growth in Continental Europe and Rest of the World
- Financial position remains strong

- Strategy
- Operating in a recessionary environment



## Organic Growth

- New customers
- Extend product range
- Growth sectors and geographies

## Acquisition Growth

- Geographic expansion
- Bolt-on acquisitions
- Anchor acquisitions

## Operating Model Efficiencies

- Focus on efficiency in every aspect of business
- IT systems as source of competitive advantage
- Cost control

**Consistent strategy**

# Operating in a Recessionary Environment

Resilient Markets

High Cash Generation

Financial Discipline

Authority and Alignment

Diversified

Customer Benefits

**Well positioned for current environment**

Foodservice  
33%



Cleaning &  
Hygiene  
9%



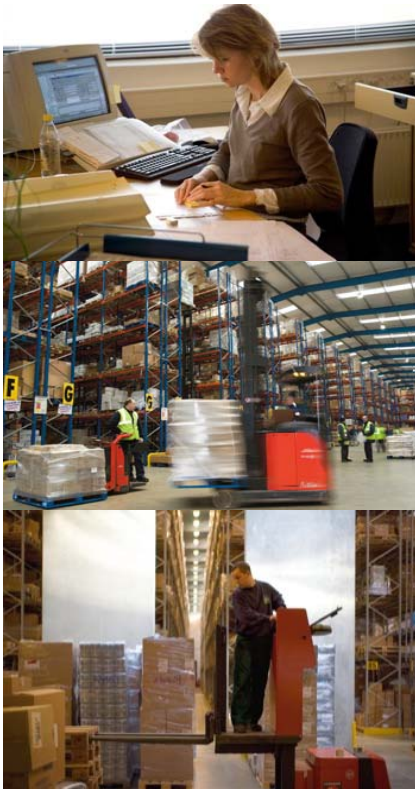
Grocery  
25%



Healthcare  
7%

Other customer sectors include Safety and Non-Food Retail

**c.75% revenue from resilient markets**



## High Cash Conversion

- Operating cash conversion consistently greater than 90% of PBITA

Year	Cash to PBITA
2008	92%
2007	103%
2006	92%
2005	95%
2004	93%

## Low Working Capital Requirement

- Average working capital to sales at c.9%
- Inventory turns at c.9x
- Debtor days at c.45

## Low Capex Requirement

- Average of £19m per year for past 3 years

**Strong cash generation**

Consolidated balance sheet			
at 31 December 2009			
	Notes	2009 €m	2008 €m
<b>Assets</b>			
Property, plant and equipment	8	111.3	91.0
Intangible assets	9	1,301.3	990.3
Investment in associates	10	6.5	6.5
Derivative assets	12	49.1	11.8
Deferred tax assets	13	2.8	0.0
<b>Total non-current assets</b>		<b>1,466.0</b>	<b>1,001.1</b>
Inventories	10	490.6	391.6
Income tax receivable		6.8	2.5
Trade and other receivables	11	752.8	578.2
Derivative assets	12	1.9	1.5
Cash and deposits	24	66.6	76.0
<b>Total current assets</b>		<b>1,288.5</b>	<b>989.9</b>
<b>Total assets</b>		<b>2,754.5</b>	<b>1,991.0</b>
<b>Equity</b>			
Share capital	16	112.6	112.6
Share premium	18	120.6	112.4
Merger reserve	19	2.5	2.5
Capital redemption reserve		8.6	8.6
Cash flow hedge reserve	10	64.99	(1.1)
Transition reserve	10	96.0	9.2
Retained earnings	10	271.2	210.7
<b>Total equity attributable to the Company's equity holders</b>		<b>612.6</b>	<b>479.2</b>
<b>Liabilities</b>			
Interest bearing loans and borrowings	26	919.7	856.6
Investment liability obligations	21	50.4	11.2
Other payables		11.9	12.6
Provisions	14	80.3	101.6
Deferred tax liabilities	15	134.1	93.3
<b>Total non-current liabilities</b>		<b>1,196.5</b>	<b>985.3</b>
Accounts payable	24	8.1	20.5
Interest bearing loans and borrowings	26	57.6	79.8
Income tax payable		86.0	100.0
Trade and other payables	12	833.9	611.8
Derivative liabilities	18	4.4	1.8
Provisions	14	13.8	9.2
<b>Total current liabilities</b>		<b>973.6</b>	<b>762.7</b>
<b>Total liabilities</b>		<b>2,170.1</b>	<b>1,518.0</b>
<b>Total equity and liabilities</b>		<b>2,754.5</b>	<b>1,991.0</b>

Approved by the Board of Directors of Bunzl plc on 23 February 2010 and signed on its behalf by Mr M. J. Rowley, Chief Executive and Mr B. M. Wray, Finance Director.

Consolidated income statement			
for the year ended 31 December 2009			
	Notes	2009 €m	2008 €m
Revenue	3	4,177.3	3,541.9
Operating profit before intangible amortisation	3	280.5	242.0
Intangible amortisation		(196.0)	(241.4)
Operating profit	3	214.5	215.5
Finance income	5	27.8	21.1
Finance cost	5	(16.2)	(48.0)
<b>Profit before income tax</b>		<b>206.1</b>	<b>191.1</b>
Profit before income tax and intangible amortisation		242.9	215.5
UK income tax		(8.4)	(2.4)
Overseas income tax		(156.4)	(156.6)
Total income tax	6	(164.8)	(161.0)
<b>Profit for the year attributable to the Company's equity holders</b>		<b>142.7</b>	<b>130.1</b>
<b>Earnings per share attributable to the Company's equity holders</b>			
Basic	7	44.5p	39.8p
Diluted	7	44.6p	39.6p

## Strong Balance Sheet

- Net debt to EBITDA of 2.4x (exchange adjusted)
- Scope for further acquisitions

## Good Financial Controls

- Uniform reporting across all geographies
- Acquisitions approved centrally

## Tight Cost Control

- Small head office
- People
- Defined contribution pension plans
- Leased warehouses & vehicles

# Strong financial model



## Decentralised Operations

- Hands-on management with customer focus
- Local decision making
- Full P&L responsibility

## Well Aligned

- Incentives based on PBIT and return on operating capital

**Decentralised and well aligned**



23 Countries

4 Continents

6+ Sectors

**Diversified geographically and by sector**

## Bunzl Offering

- One stop shop
- One point of contact
- One invoice
- Globally sourced products
- Management information
- Lower customer inventories
- Flexible delivery options

## Customer Benefits

- Lower cost of doing business
- Reduced working capital

**Financial benefits for customers**

- More challenging economic environment
- May result in:
  - pressure on underlying sales
  - opportunities for Group

## **Challenges and opportunities**

**North  
America**

- New business should increase organic revenue growth
- Mix-driven margin pressure

**UK &  
Ireland**

- Very difficult economic situation
- Pressure on sales

**Continental  
Europe**

- Recent acquisitions fully integrated
- Pressure on underlying growth

**Rest of  
the World**

- Good growth is expected
- Positive currency translation impact

**Overall Group expected to develop positively**



# YOUR QUESTIONS

