BUNZL

HALF YEAR RESULTS 2010

Agenda

1. **Philip Rogerson, Chairman: Welcome**
2. Brian May, FD: Financial Results
3. Michael Roney, CEO: Business Review
4. Q&A

Highlights

Revenue

- Revenue growth of 2.4%
- Underlying revenue growth of 5.0% in North America

Profitability

- Group operating margin improved - significant increase in UK & Ireland and Rest of the World
- Adjusted earnings per share up 10%

Other

- Increase in ROOC to 57% - all business areas improved
- Continued strong operating cash flow
- Long track record of dividend increases - up 8% (H1)

Acquisitions

- Eight acquisitions announced to date in 2010
- Significant expansion in Switzerland and entered Israel

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Income Statement

£m	June 10	June 09	Growth % Reported	Growth % Constant Exchange
Revenue	**2,345.1**	2,293.3	2	2
Operating profit*	**140.5**	132.1	6	7
Margin*	**6.0%**	5.8%		

**Before intangible amortisation and acquisition related costs*

Income Statement

£m	June 10	June 09	Growth % Reported	Growth % Constant Exchange
Operating profit*	**140.5**	132.1	6	7
Net finance cost	**(15.4)**	(16.6)		
Profit before tax*	**125.1**	115.5	8	9
Effective tax rate (%)	**29.0**	30.5		
Adjusted earnings per share* (p)	**27.5**	25.1	10	10
Dividend per share (p)	**7.15**	6.65	8	

**Before intangible amortisation and acquisition related costs*

Balance Sheet

£m	**June 10**	Dec 09	June 09
Intangibles	**1,209.7**	1,196.6	1,183.2
Tangibles	**119.7**	102.8	101.4
Working capital	**394.4**	363.6	354.0
Other liabilities	**(252.2)**	(212.3)	(265.6)
	1,471.6	1,450.7	1,373.0
Pension deficit	**(78.8)**	(59.8)	(68.2)
Net debt	**(745.2)**	(716.8)	(754.3)
Equity	**647.6**	674.1	550.5
Net debt/EBITDA (x)	**2.2**	2.2	2.4
Return on operating capital (%)	**56.7**	54.7	51.9

Cash Flow

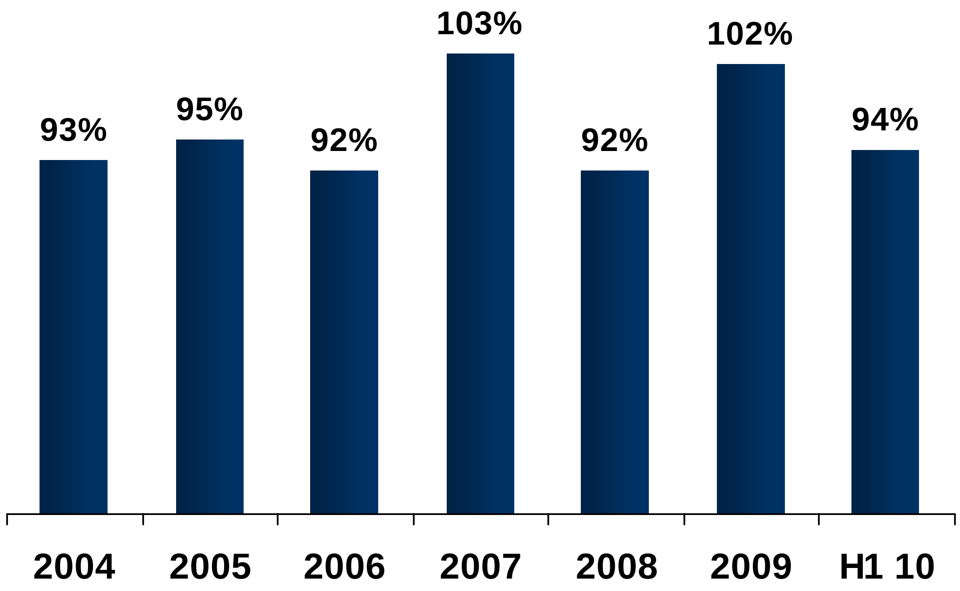
£m	**June 10**	June 09
Operating profit*	**140.5**	132.1
Depreciation	**12.1**	11.2
Working capital movement	**(7.5)**	17.3
Other	**(1.2)**	(2.7)
Cash flow from operations	**143.9**	157.9
Net capital expenditure	**(12.2)**	(8.8)
Operating cash flow	**131.7**	149.1
Operating cash flow to operating profit*	**94%**	113%

Before intangible amortisation and acquisition related costs

Cash Flow

£m	June 10	June 09
Operating cash flow	**131.7**	149.1
Interest	**(17.4)**	(18.1)
Tax	**(37.2)**	(35.0)
Free cash flow	**77.1**	96.0
Dividends	**(20.0)**	(20.6)
Acquisitions	**(76.7)**	(6.6)
Other	**4.6**	0.7
Net cash flow	**(15.0)**	69.5

Cash Conversion Track Record



Cash conversion = operating cash flow (after capex) divided by operating profit before intangible amortisation and acquisition related costs

04-05 continuing operations only

Average 96% cash conversion

Financing

- £160m of bank facilities maturing in 2010 have recently been refinanced
- Funding headroom £532m at 30 June
- Financial strength to take advantage of acquisition opportunities

Debt Maturity Profile (August 2010)

£m	2010	2011	2012	2013	2014	2015	2016 - 2019
Bank facilities	-	192	260	161	80	83	-
USPP	-	52	-	153	35	37	253
Total	**-**	**244**	**260**	**314**	**115**	**120**	**253**

Financial Summary

- Operating profit* up 7%
- Adjusted EPS* growth 10%
- Improved return on operating capital to 56.7%
- Cash conversion remains strong at 94%
- Net debt to EBITDA remains at 2.2x with £77m spent on acquisitions
- Dividend increase 8%

**Before intangible amortisation and acquisition related costs*

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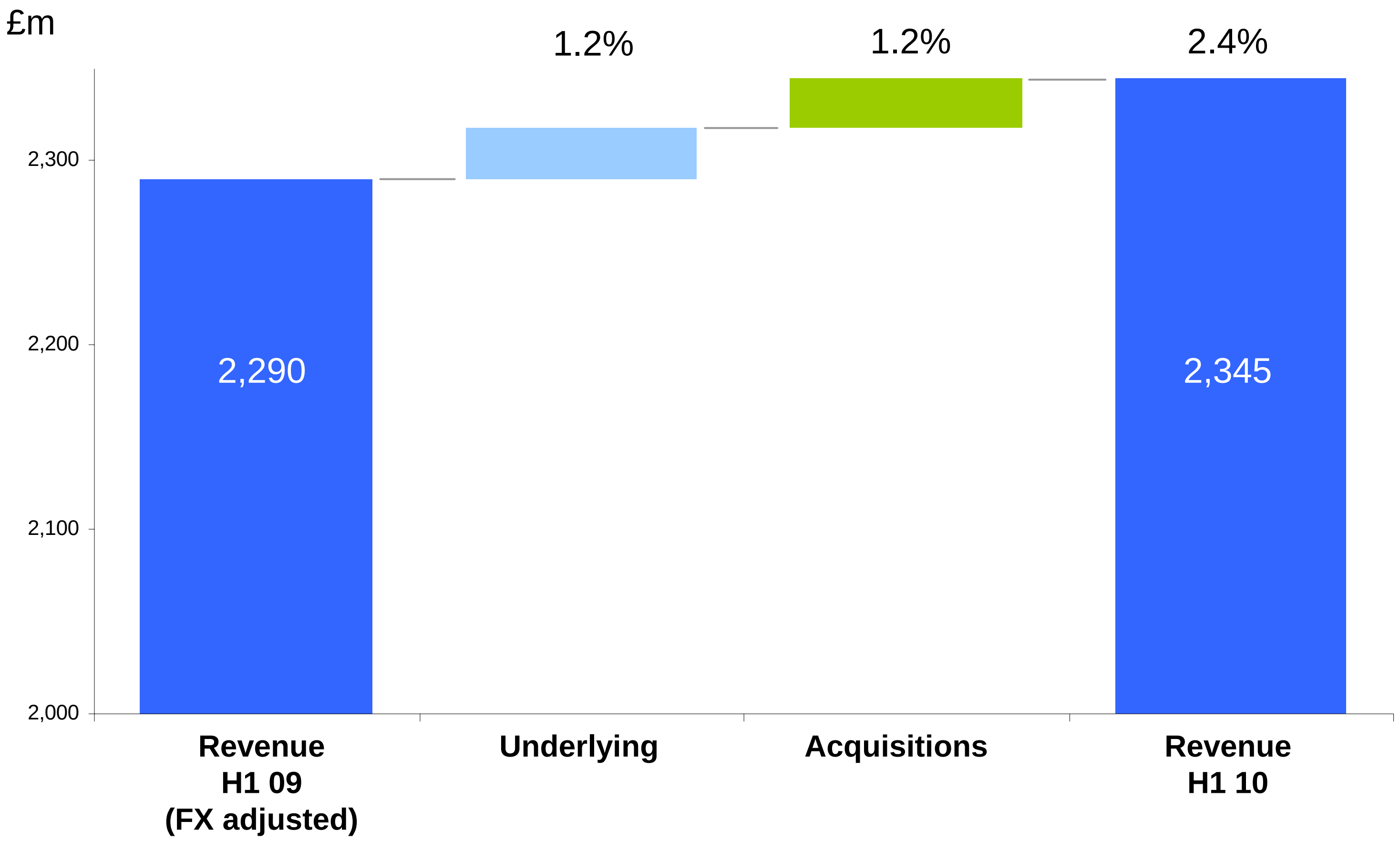
Business Review

1. Operations Review
2. Group Operating Cost Reduction
3. Strategy
4. Prospects

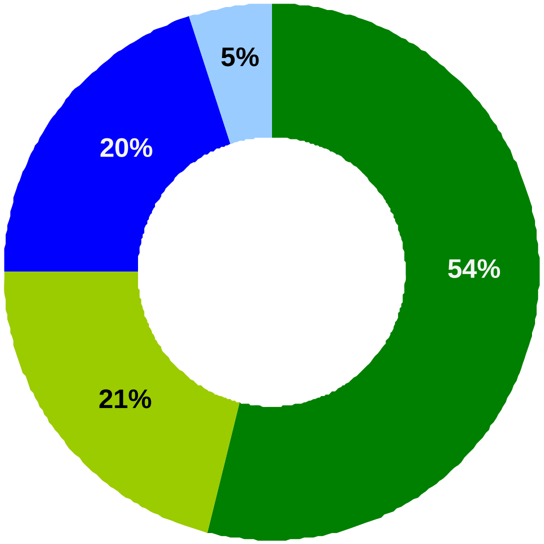


Revenue Growth Bridge

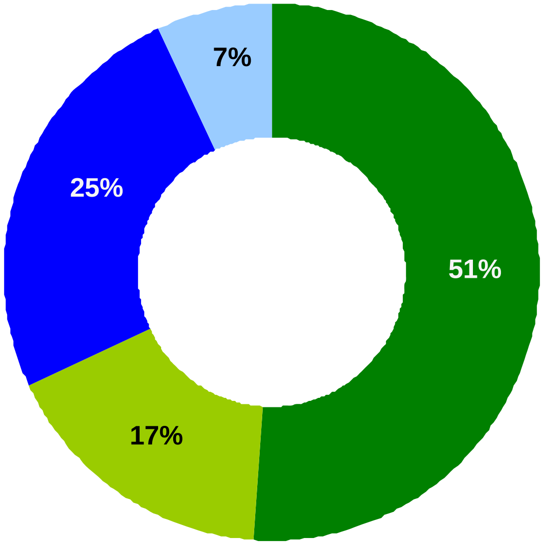


H1 Business Area Analysis

Revenue



Operating profit*



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

Diversified by geography

**Before intangible amortisation and acquisition related and corporate costs*

Overview

- Progress in all business areas
  - Strong underlying revenue growth in NA
  - Significant improvement in operating margins in UK&I and ROW
  - Six acquisitions in Continental Europe
- All business areas showed improvement in ROOC
- Acquisitions to date add annualised revenue of £140m

North America

£m	June 10	June 09	Growth % Reported	Growth % Constant Exchange
Revenue	**1,269.8**	1,222.3	4	5
Operating profit*	**75.9**	74.3	2	4
Margin*	**6.0%**	6.1%		
Return on operating capital	**65.5%**	63.5%		

- **Underlying revenue growth of 5%**
- **Current customer base driving most of the growth**
- **Grocery and food processor sectors particularly strong**
- **Facility consolidations and productivity improvements reduced operating costs to sales ratio**

**Before intangible amortisation and acquisition related costs*

UK & Ireland

£m	June 10	June 09	Growth % Reported	Growth % Constant Exchange
Revenue	**493.7**	523.0	(6)	(5)
Operating profit*	**25.6**	24.2	6	6
Margin*	**5.2%**	4.6%		
Return on operating capital	**49.9%**	46.2%		

- **Tough trading environment led to reduction in revenue**
- **Good growth in food and non-food retail supplies**
- **Pressure on trading most noticeable in vending, healthcare and Ireland**
- **Significant improvement in operating margin**

**Before intangible amortisation and acquisition related costs*

Continental Europe

£m	June 10	June 09	Growth % Reported	Growth % Constant Exchange
Revenue	**459.1**	449.2	2	5
Operating profit*	**37.4**	36.0	4	7
Margin*	**8.1%**	8.0%		
Return on operating capital	**54.1%**	45.6%		

- **Overall growth of 5% driven by acquisitions**
- **Difficult trading in French cleaning and hygiene business**
- **Strong trading in French PPE business**
- **Most other countries showed revenue and profit growth**
- **Six acquisitions announced to date**

**Before intangible amortisation and acquisition related costs*

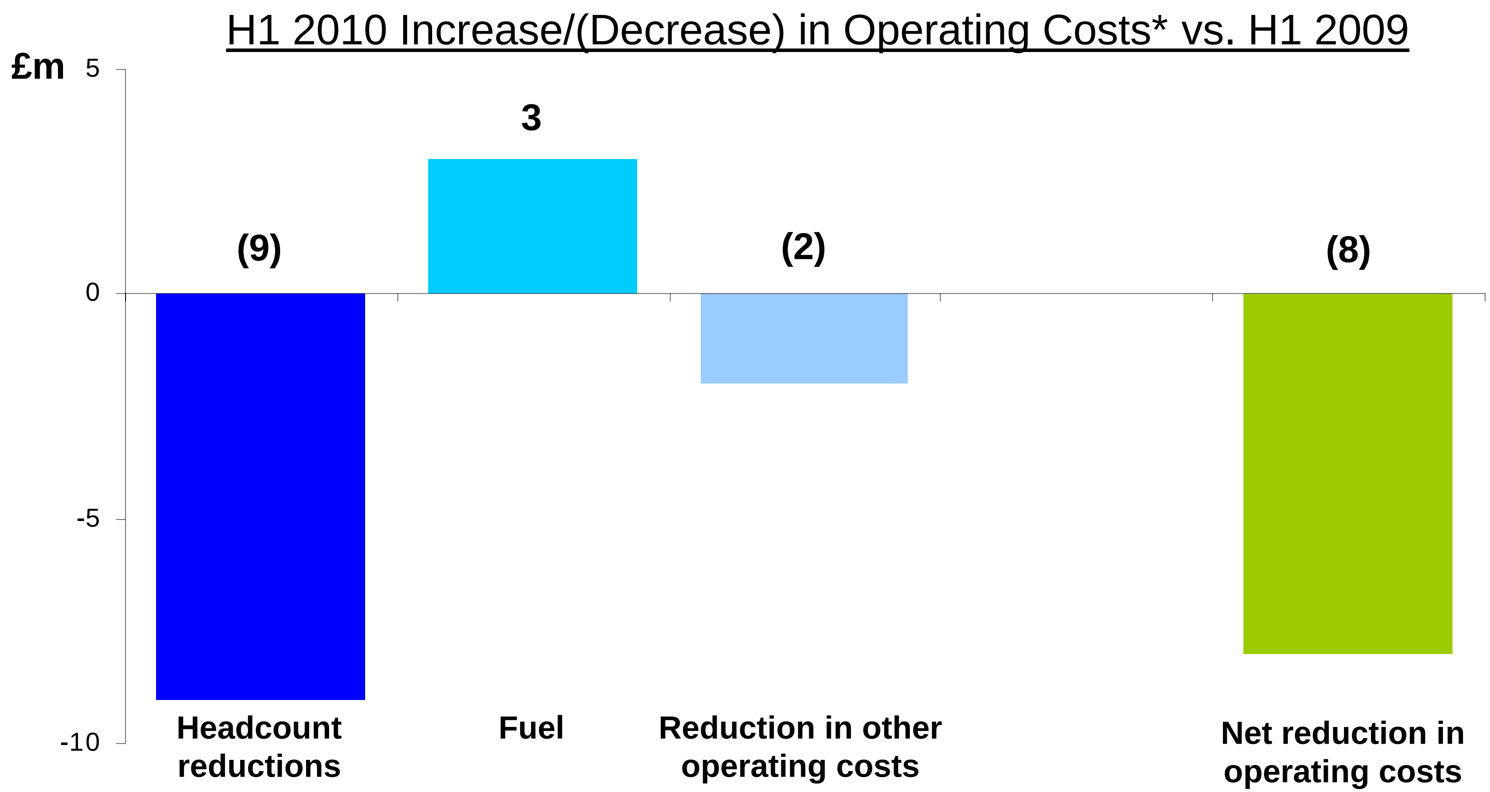
Rest of the World

£m	**June 10**	June 09	Growth % Reported	Growth % Constant Exchange
Revenue	**122.5**	98.8	24	1
Operating profit*	**10.2**	6.0	70	40
Margin*	**8.3%**	6.1%		
Return on operating capital	**61.9%**	51.8%		

- **Australasia**
  - **Increased profitability due to significant margin improvement**
  - **Largest business, Outsourcing Services, performed well**
- **Brazil**
  - **Excellent growth in revenue and profits**
  - **Market leading business**

**Before intangible amortisation and acquisition related costs*

Group Operating Cost Reduction



Well controlled cost base

**Excluding acquisitions*

Organic Growth

Acquisition Growth

Operating Model Efficiencies

Consistent strategy

Organic Growth - Business Model

Suppliers	Bunzl	Customers

- Global suppliers
- Low cost sources
- Commodities
- Own brands

Individual ranges

TO

- International warehousing & distribution infrastructure
- Consolidation
- Supply chain management
- Range of delivery options

Consolidated offer

TO

Grocery

Foodservice

Cleaning & Hygiene

Safety

Non-Food Retail

Healthcare

One stop shop for non-food consumables

Organic Growth - Value Proposition

- Self distribution is costly
- Bunzl applies its resources and expertise to reduce or eliminate many of the “hidden” costs of self-distribution
- The benefits to customers are a lower cost of doing business and reduced working capital

Outsourcing of supply chain

Organic Growth - Attractive Portfolio

Other 6%
Some of the product ranges into other markets such as government and education establishments

Healthcare 7%
Disposable healthcare consumables range, including gloves, swabs, gowns and bandages, to the healthcare sector

Non-food retail 7%
Goods not for resale, including packaging and full range of cleaning and hygiene products, to department stores, boutiques, office supply companies, retail chains and home improvement chains

Cleaning & safety 21%
Cleaning and hygiene materials, including chemicals and hygiene paper, to cleaning and facilities management companies and industrial and healthcare customers and a complete range of personal protection equipment, including hard hats and gloves, to industrial and construction markets

Grocery 30%
Goods not for resale (items grocers use but do not actually sell), including food packaging, films, labels and cleaning and hygiene supplies, to grocery stores, supermarkets and retail chains

Foodservice 29%
Non-food consumables, including food packaging, disposable tableware, guest amenities, catering equipment, cleaning products and safety items, to hotels, restaurants, contract catering and leisure sectors and food processors

Selling into largely resilient markets

Organic Growth - Typical Products

Grocery



Foodservice



Cleaning & Hygiene




Safety



Non-Food Retail

Healthcare




Organic Growth - Market Environment

Growing market sectors

- Exposed to growing sectors e.g.
  - Foodservice – away from home
  - Cleaning & Hygiene – away from home
  - Healthcare – demographics
  - Safety – increased legislation

Fragmented competitors

- None do what we do, on our scale and across our markets
- Bunzl's national footprint

Outsourcing trend

- Customers and manufacturers focusing on their core business

Customer base

- Strong customer base
- Working with national and international leaders
- Aligned with customer growth

Multiple growth drivers

Acquisition Growth

Business	Acquired	Country	Sector	Revenue
Clean Care	Jan 2010	Denmark	Cleaning & Hygiene	DKK60m
Hamo	Feb 2010	Denmark	Horeca	DKK43m
Weita	Mar 2010	Switzerland	All	CHF71m
Silco	Apr 2010	Israel	Horeca	ILS64m
Juba	May 2010	Spain	Safety	€22m
Global Net	Jul 2010	Belgium	Cleaning & Hygiene	€20m
AM Supply	Aug 2010	Brazil	Safety	R$7m
Cool-Pak	Aug 2010	US	Food Processor	US$51m

Strong period for acquisitions

Operating Model Efficiencies

- Ongoing initiatives:
  - Warehouse consolidation projects
    - North America
    - UK & Ireland
  - Headcount reductions
  - Investment in IT

Ongoing focus on cost efficiencies

Prospects

North America

- Expect good underlying growth to continue

UK & Ireland

- Revenue affected by difficult economic conditions
- Continued improvement in operating margins expected

Continental Europe

- Underlying revenue will be held back by lack of H1N1 product sales
- Current year acquisitions will support growth

Rest of the World

- Stronger underlying growth
- Further improvement in operating margins expected

Group

- Promising pipeline for acquisitions

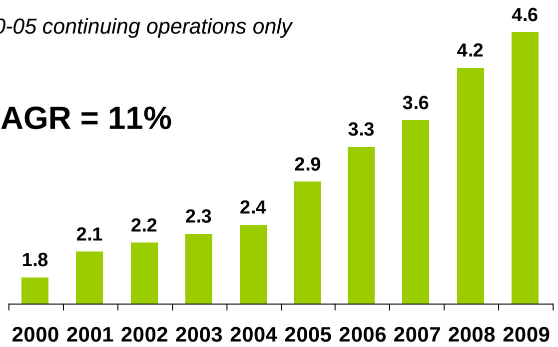
Group expected to develop positively

Financial Track Record

Revenue (£bn)

00-05 continuing operations only

CAGR = 11%

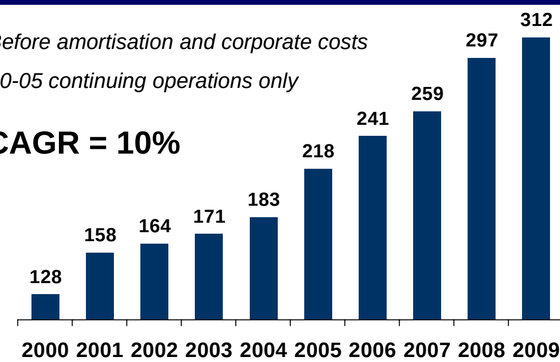


Operating profit (£m)

Before amortisation and corporate costs

00-05 continuing operations only

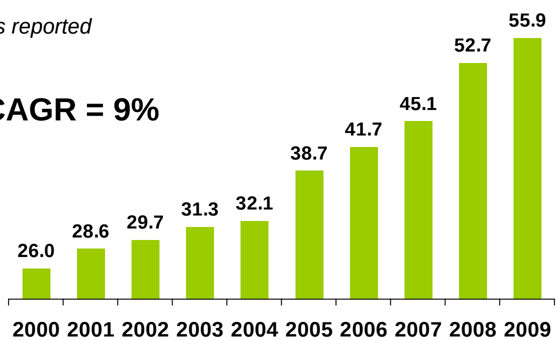
CAGR = 10%



Adjusted eps (p)

As reported

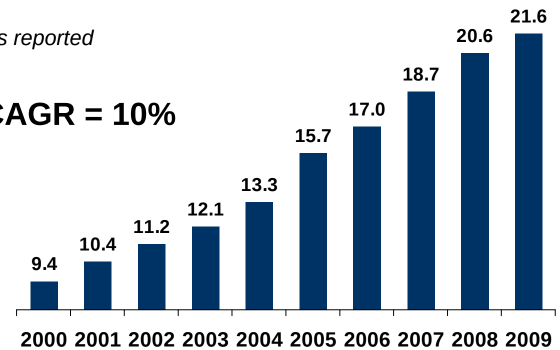
CAGR = 9%



Dividend per share (p)

As reported

CAGR = 10%



00-03 UK GAAP; 04 onwards IFRS

HALF YEAR RESULTS 2010

Appendix 1 – Acquisitions Track Record

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Acquisitions	4	5	6	2	7	7	9	8	7	2
Acquisition Spend (£m)	156	89	77	29	302	129	162	197	123	6
Annualised Acquisition Revenue (£m)	248	112	145	51	430	270	386	225	151	27

2000-2005 continuing operations only

Average acquisition spend £127m p.a.

Appendix 2 - Net Debt

£m	**Six months to June 10**	Year to Dec 09
Opening net debt	**(716.8)**	(870.7)
Net cash (outflow)/inflow	**(15.0)**	126.3
Currency movement	**(13.4)**	27.6
Closing net debt	**(745.2)**	(716.8)

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