


HALF YEAR RESULTS 2011



Agenda

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

Highlights

Revenue

- Group revenue up 6% at constant exchange
- Organic growth improved to 3%

Profitability

- Improved operating margins in all business areas
- Group operating margin up 20 basis points to 6.2%
- Adjusted earnings per share up 14% at constant exchange

Other

- Dividend up 13%
- Seven acquisitions and £123m of spend announced to date
- Disposal of UK vending business

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Income Statement

£m	June 11	June 10	Growth % Reported	Growth % Constant Exchange
Revenue	**2,442.0**	2,345.1	4	6
Operating profit*	**152.2**	140.5	8	11
Margin*	**6.2%**	6.0%		

**Before intangible amortisation and acquisition related costs*

Income Statement

£m	**June 11**	June 10	Growth % Reported	Growth % Constant Exchange
Operating profit*	**152.2**	140.5	8	11
Net finance cost	**(13.4)**	(15.4)		
Profit before tax*	**138.8**	125.1	11	13
Interest cover (x)	**11.4**	9.1		
Effective tax rate (%)	**27.7**	29.0		
Adjusted earnings per share* (p)	**31.0**	27.5	13	14
Dividend per share (p)	**8.05**	7.15	13	

**Before intangible amortisation and acquisition related costs*

Balance Sheet

£m	June 11	Dec 10	June 10
Intangibles	**1,291.7**	1,244.6	1,209.7
Tangibles	**120.6**	118.1	119.7
Working capital	**445.6**	411.1	394.4
Other liabilities	**(262.2)**	(208.3)	(252.2)
	1,595.7	1,565.5	1,471.6
Pension deficit	**(52.1)**	(52.3)	(78.8)
Net debt	**(726.5)**	(716.8)	(745.2)
Equity	**817.1**	796.4	647.6
Net debt/EBITDA (x)	**2.0**	2.1	2.2
Return on operating capital (%)	**54.8**	54.4	56.7

Cash Flow

£m	June 11	June 10
Operating cash flow*	**130.6**	131.7
Interest	**(14.1)**	(17.4)
Tax	**(29.1)**	(37.2)
Free cash flow	**87.4**	77.1
Dividends	**(16.6)**	(20.0)
Acquisitions	**(56.0)**	(76.7)
Employee share schemes	**(24.4)**	4.6
Net cash flow	**(9.6)**	(15.0)
Operating cash flow to operating profit†	**86%**	94%

See Appendix 2

†Before intangible amortisation and acquisition related costs

Financial Summary

- Revenue growth 6%[†], organic 3%[†]
- Operating profit* up 11%[†]
- Operating margin* up 20bp
- Adjusted EPS* growth 14%[†]
- Net debt to EBITDA reduced to 2.0x despite £56m cash outflow on acquisitions
- Dividend increase 13%

Strong results

**Before intangible amortisation and acquisition related costs*

[†]At constant exchange rates

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Business Review

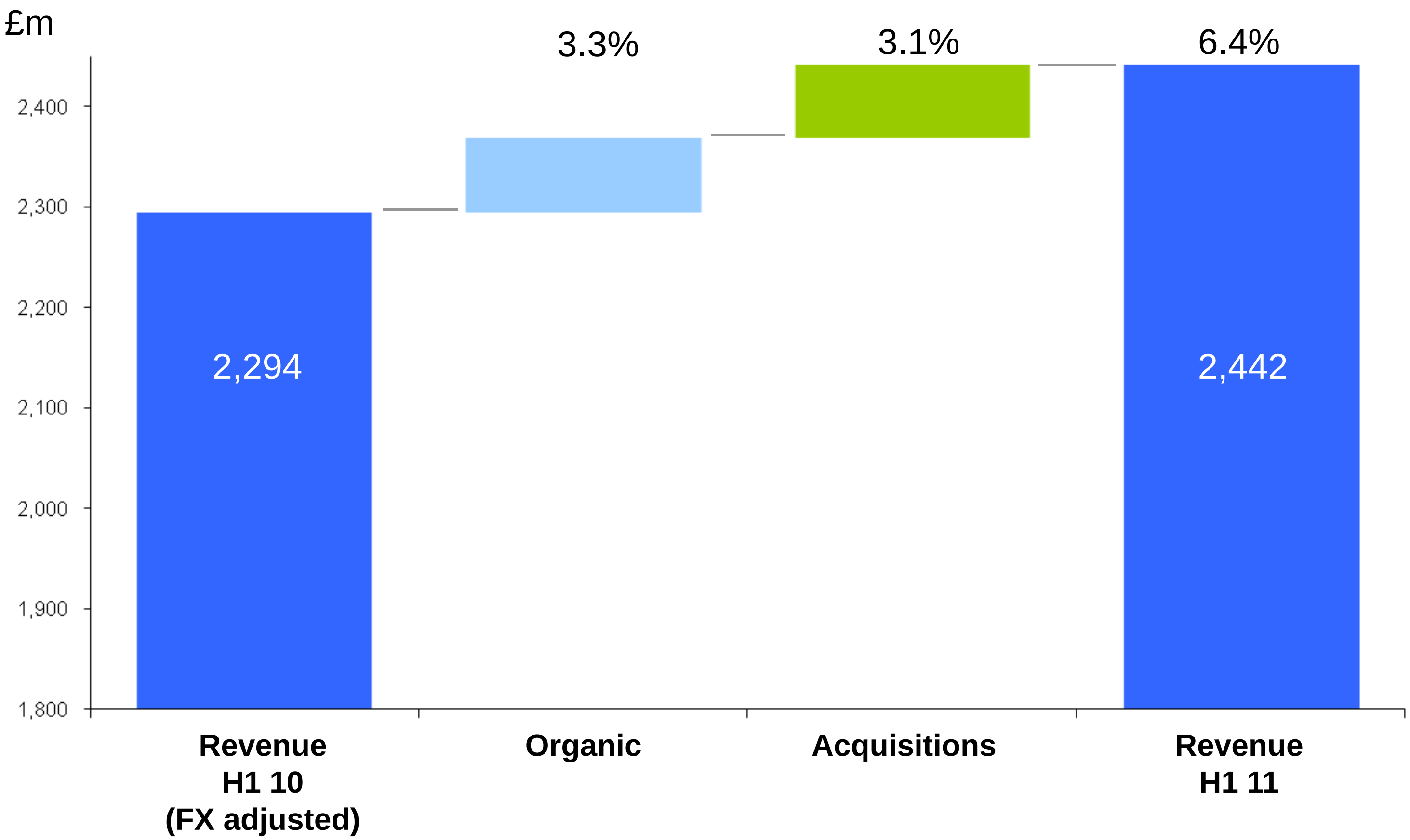
1. Operations Review

2. Strategy

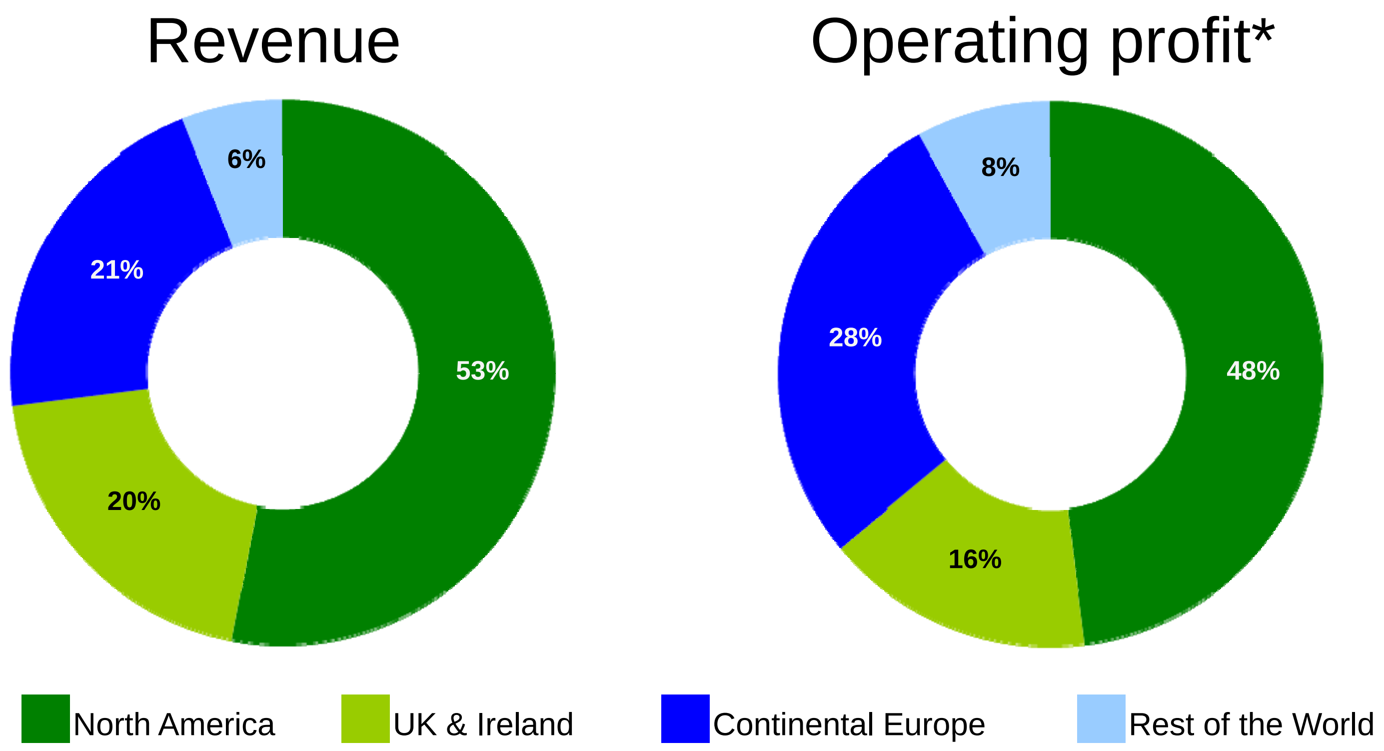
3. Acquisitions/Disposal

4. Prospects

Revenue Growth Bridge



H1 Business Area Analysis



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

Overview

- Progress in all business areas
    - Strong organic revenue growth in North America, Continental Europe and Rest of the World
    - All business areas showed improvement in operating margins
- Business model is resilient
- Seven acquisitions announced to date across all business areas with annualised revenue of over £140m
- Exit of UK vending business

North America

£m	June 11	June 10	Growth % Reported	Growth % Constant Exchange
Revenue	**1,286.7**	1,269.8	1	7
Operating profit*	**78.2**	75.9	3	8
Margin*	**6.1%**	6.0%		
Return on operating capital	**62.4%**	65.5%		

- **Strong organic revenue growth – good performance in all sectors**
- **Growth from new and existing customers in grocery, foodservice redistribution and food processor**
- **Increased operating margin by 10bp**
- **Expansion in imports and private label products helped maintain margins**
- **Cool-Pak acquisition integrating well and contributing to growth**

Before intangible amortisation and acquisition related costs

UK & Ireland

£m	June 11	June 10	Growth % Reported	Growth % Constant Exchange
Revenue	**485.6**	493.7	(2)	(2)
Operating profit*	**25.8**	25.6	1	1
Margin*	**5.3%**	5.2%		
Return on operating capital	**58.2%**	49.9%		

- **Challenging trading environment impacted sales**
- **Continued focus on costs and improvement in operating margin**
- **Two acquisitions in cleaning & safety integrating well**
- **Continued pressure in healthcare**
- **Better performance in Ireland**
- **Good growth in food and non-food retail mainly from new customers**

**Before intangible amortisation and acquisition related costs*

Continental Europe

£m	June 11	June 10	Growth % Reported	Growth % Constant Exchange
Revenue	**526.1**	459.1	15	14
Operating profit*	**44.8**	37.4	20	19
Margin*	**8.5%**	8.1%		
Return on operating capital	**47.3%**	54.1%		

- **Strong organic and acquisition growth**
- **Improvement in operating margin**
- **France – return to growth in cleaning & hygiene and strong growth in safety**
- **Continued good growth in Benelux**
- **Swiss acquisition Weita performing ahead of expectations**
- **Continued good performance in Spain**

**Before intangible amortisation and acquisition related costs*

Rest of the World

£m	June 11	June 10	Growth % Reported	Growth % Constant Exchange
Revenue	**143.6**	122.5	17	8
Operating profit*	**12.2**	10.2	20	12
Margin*	**8.5%**	8.3%		
Return on operating capital	**61.1%**	61.9%		

- **Australasia**
  - **Strong performance in largest business**
  - **Improved profitability from cost control and new product ranges**
  - **Recent acquisitions in catering equipment sector provide additional scale**
- **Brazil**
  - **Good growth in revenue and operating profit**
  - **AM Supply integrating well**

**Before intangible amortisation and acquisition related costs*

Organic Growth

Operating Model Efficiencies

Acquisition Growth

Consistent and proven strategy

Business Model

- Resilient sectors
- Growing sectors
- Fragmented market structure – opportunity to consolidate
- High return on operating capital and cash generation
- Consolidated product “one stop shop” model

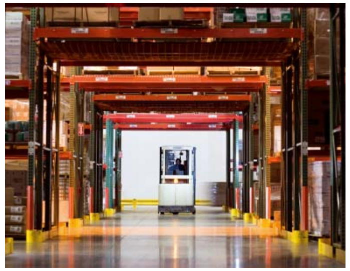
Organic Growth - Business Model

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 5%
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 22%
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 29%
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 30%
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

c.75% of business is resilient

Operating Model Efficiencies

- Warehouse consolidation projects
  - North America
  - UK & Ireland

- Investment in new technology
  - New carousel picking system in North America
  - New IT systems in Continental Europe

Ongoing focus on cost efficiencies

Acquisition Growth

Business	Acquired	Country	Sector	Revenue*
Omega	Mar 2011	Australia	Horeca	£3m
Cannon	Mar 2011	UK	Cleaning & Hygiene	£16m
King Espana	May 2011	Spain	C&H/Horeca	£25m
SIG Safety	May 2011	UK	Safety	£22m
Hospitality Depot	May 2011	Australia	Horeca	£13m
Netpak	Jul 2011	Canada	Food Processor	£8m
Majestic	Aug 2011†	Netherlands	Safety	£54m
			Total	**£141m**

**Annualised and converted at average exchange rates*
†Completion subject to competition authority clearance

Strong period for acquisitions

Acquisitions Track Record

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 YTD
Number of Acquisitions	4	5	6	2	7	7	9	8	7	2	9	7
Acquisition Spend (£m)	156	89	77	29	302	129	162	197	123	6	126	123
Annualised Acquisition Revenue (£m)	248	112	145	51	430	270	386	225	151	27	154	141

2000-2005 continuing operations only

Average annual spend £127m - promising pipeline

Disposal of UK Vending

- Entered vending market in 1999 through acquisition
- Currently annualised revenue of £65m (c.1% of Group) at break even
- Not a strategic fit for our desired business model:
  - People intensive service based business
  - Capital intensive (thousands of vending machines)
  - Consolidated and cyclical market – little resilience
- £30m realised from sale redeployed in core business

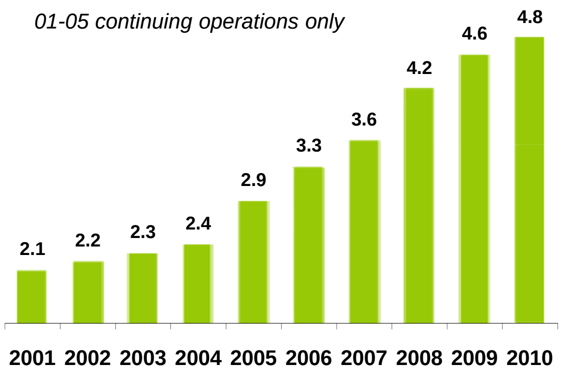
Prospects

North America	• Continued strong organic growth
UK & Ireland	• Continuing difficult economic conditions
Continental Europe	• Good organic growth • Positive impact from acquisitions
Rest of the World	• Continued positive development • Positive impact from Australasia acquisitions
Group	• Promising pipeline for acquisitions

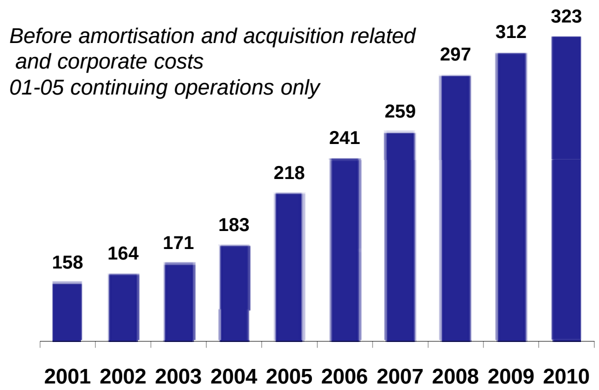
Group expected to grow further

Financial Track Record

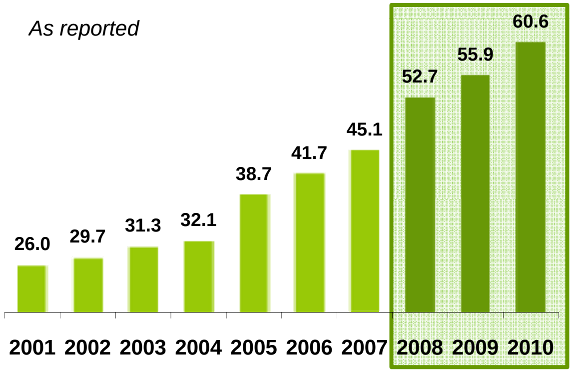
Revenue (£bn)



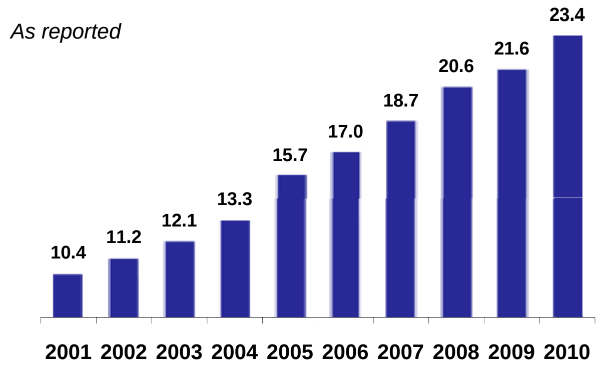
Operating profit (£m)



Adjusted eps (p)



Dividend per share (p)



Resilient business - EPS CAGR of 10% in 2008-2010

01-03 UK GAAP; 04 onwards IFRS

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Appendix 1 - Net Debt

£m	**Six months to June 11**	Year to Dec 10
Opening net debt	**(716.8)**	(716.8)
Net cash (outflow)/inflow	**(9.6)**	9.7
Currency	**(0.1)**	(9.7)
Closing net debt	**(726.5)**	(716.8)

Appendix 2 – Cash Flow

£m	**June 11**	June 10
Operating profit*	**152.2**	140.5
Depreciation	**13.2**	12.1
Working capital movement	**(19.6)**	(7.5)
Other	**(4.2)**	(1.2)
Cash flow from operations	**141.6**	143.9
Net capital expenditure	**(11.0)**	(12.2)
Operating cash flow	**130.6**	131.7
Operating cash flow to operating profit*	**86%**	94%

**Before intangible amortisation and acquisition related costs*

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