News Release

Monday 25 February 2008

PRELIMINARY RESULTS FOR YEAR ENDED 31 DECEMBER 2007
AND ACQUISITIONS IN BRAZIL AND EUROPE

Bunzl plc, the international distribution and outsourcing Group, today announces its annual results for the year ended 31 December 2007. The results were:

- Revenue £3,581.9 million (2006: £3,333.2 million), **up 12%** at constant exchange rates
- Operating profit before intangible amortisation £242.9 million (2006: £226.3 million), **up 12%** at constant exchange rates
- Operating profit £218.5 million (2006: £206.4 million), **up 11%** at constant exchange rates
- Profit before tax and intangible amortisation £215.5 million (2006: £209.6 million), **up 8%** at constant exchange rates
- Profit before tax £191.1 million (2006: £189.7 million), **up 6%** at constant exchange rates
- Adjusted earnings per share* 45.1p (2006: 41.7p), **up 13%** at constant exchange rates
- Earnings per share 39.8p (2006: 37.8p), **up 10%** at constant exchange rates
- Dividend for the year **up 10%** to 18.7p

Other highlights include:

- Improved operating margin* of 6.9% at constant exchange rates excluding acquisitions
- £197 million spent on acquisitions
- Key acquisitions of King Benelux, Irish Merchants and Coffee Point
- Entry into Spain and Belgium
- Acquisition into the large and rapidly growing Brazilian market announced today

* before intangible amortisation

Commenting on today's results, Anthony Habgood, Chairman of Bunzl, said:

"These results demonstrate Bunzl's strength in its markets and our ability to take advantage of growth opportunities both in existing and new geographies. They position us well for the future."

Michael Roney, Chief Executive of Bunzl, said:

"Bunzl had a successful 2007 due to organic growth and strong performance from acquisitions and we are excited about recent developments, especially the entry into the promising Brazilian market. The continued strengthening of the Group gives us confidence that our business will continue to grow successfully."

Bunzl also today announces that it has completed three further acquisitions.

The Company has recently acquired Prot Cap Artigos para Proteção Industrial Ltda and its subsidiaries from Everaldo Baldin and Leonardo Baldin. Based in São Paulo with 7 branches throughout Brazil, Prot Cap is a leading national supplier of personal protection equipment to the industrial, processor, construction, retail and mining sectors. Revenue in the year ended December 2007 was R$118 million (£35 million) and gross assets acquired are estimated to be R$41 million (£12 million).

At the end of January Bunzl acquired Günter Guest Supplies GmbH & Co KG from Dietmar Lillig. The business, which is based in Bremen, Germany, supplies guest amenity products to hotels throughout Europe and had revenue of €9 million in the year ended December 2007. Gross assets acquired are estimated to be €4 million.

Finally, in December the Company purchased Rafferty Hospitality Products Limited from Jim and Mary Rafferty. Based in Newry, Northern Ireland, Rafferty is engaged in the supply of guest amenity products to hotels throughout Ireland. Revenue in the year ended October 2007 was £9 million and gross assets acquired are estimated to be £6 million.

Commenting on these acquisitions, Michael Roney, Chief Executive of Bunzl, said:

"The acquisition of Prot Cap is an exciting development for us. It is in line with our strategy of expanding into new geographic areas and represents our first move into the large and rapidly growing Brazilian market where we see opportunities to develop further. It has an excellent reputation for both quality and service and we are delighted to welcome the management and staff to the Group.

Together, the businesses of Rafferty and Günter Guest Supplies will allow us to expand further our offering of guest amenity and other related products into the hotel sector. They complement and strengthen our existing business in this market and are already integrating well. We also welcome them to Bunzl."

Enquiries:

Bunzl plc
Michael Roney, Chief Executive
Brian May, Finance Director
Tel: 020 7495 4950

Tulchan
David Allchurch
Stephen Malthouse
Tel: 020 7353 4200

Note:
A webcast of today's presentation to analysts will be available on www.bunzl.com by 1.30pm today

CHAIRMAN'S STATEMENT

AS A CLEARLY FOCUSED ORGANISATION BUNZL HAS CONTINUED TO GROW STRONGLY IN ITS CHOSEN MARKETS

Taking advantage of growth opportunities in existing and new geographies, Bunzl produced another good set of results driven both organically and by acquisition activity. All four business areas were ahead of 2006 in both revenue and profits in local currencies. Overall revenue rose to £3,581.9 million (2006: £3,333.2 million), an increase of 12% at constant exchange rates. Operating profit before intangible amortisation was £242.9 million (2006: £226.3 million), also up 12% at constant exchange rates. Earnings per share were 39.8p (2006: 37.8p), an increase of 10% at constant exchange rates, and adjusted earnings per share, after eliminating the effect of intangible amortisation, were 45.1p (2006: 41.7p), 13% ahead at constant exchange rates. Adverse currency translation movements, especially the US dollar, reduced Group growth rates by 5% while, if recent spot rates prevail, the translation effect of both the US dollar and the euro will have a positive impact going forward.

Dividend

The Board is recommending a 10% increase in the final dividend to 12.9p. This brings the total dividend for the year to 18.7p, an increase of 10%. Shareholders will again have the opportunity to participate in our dividend reinvestment plan.

Share buy back

During the year the Company conducted an on market share buy back programme under which 14.2 million shares were bought into treasury for a total consideration of £100 million.

Delisting from the New York Stock Exchange

In June the Company delisted its American Depositary Shares (ADSs) from the New York Stock Exchange and ended the registration of its securities under the Securities Exchange Act of 1934. The Board believed that the administrative burden and costs associated with the ADSs and the Exchange Act registration outweighed the benefits to the Company and its shareholders.

Board

Bunzl's Board was further strengthened by the appointment of David Sleath as a non-executive director in September. Currently Group Finance Director of SEGRO plc, the European industrial property Group, David was formerly a Partner and Head of Audit and Assurance for the Midlands region of Arthur Andersen and subsequently became Finance Director of Wagon plc. He has a strong finance background and broad international experience and has added further depth to the independent element of our Board.

Strategy

Bunzl is continuing to pursue a strategy of focusing on its strengths and consolidating the markets in which it competes. Through the pursuit of this strategy we have built leading positions in a number of business sectors in the Americas, Europe and Australasia. In 2007 we further extended our business coverage with acquisitions that took us significantly deeper into our chosen markets in the Netherlands and Ireland, gave us a substantial position in Belgium and continued to consolidate our more established markets elsewhere. Redefining and deepening our commitment to customers and markets, extending our business into new geographies and expanding and co-ordinating our procurement and international sourcing remain important elements of our strategy.

Investment

Both organic growth and acquisitions require investment in the business to expand and enhance its asset base. We have steadily extended and improved our warehouses and opened new ones. Systems are critical to our ability to serve our customers in the most efficient and appropriate manner and we are convinced that our modern systems are a source of heightened advantage that enable us to manage our business in a way that will maintain our leadership in the marketplace. We therefore continuously upgrade our systems as we integrate new businesses into the Group's operations, increase functionality and enhance customer service.

Environment and climate change

Awareness of the environment and considering how to reduce our impact on it is not new for Bunzl nor is it a passing phase. Our environmental programmes have been in place for over five years and we consistently review and seek to improve our performance in this area. During the year we have particularly focused on educating our employees and informing our customers on environmental issues including how Bunzl can both reduce its own environmental impact and encourage sustainability by providing environmentally friendly products and services. In addition, during 2007 Bunzl provided support to a number of environmental projects which included funding the London Remade Local Authority Network meetings, which promote recycling activities, as well as providing funding for a school and two educational centres to purchase wind turbines to provide them with renewable energy.

Employees

Our employees' dedication, commitment and approach to their work remain key strengths. Across the world we are reliant on them to provide a high level of customer care which adds value to our service offering. Bunzl's reputation and spirit is shaped by the sustained relationships our employees forge with all our stakeholders. We are grateful for all the hard work and effort that everyone has shown this year in continuing to grow the business successfully.

CHIEF EXECUTIVE'S REVIEW

Operating Performance

The strong momentum from previous years continued in 2007 as we had another successful year due to a combination of organic growth, good performance from acquisitions made in 2006 and increased acquisition spend. Although some currencies were marginally stronger than in 2006, the translation effect of the weaker US dollar resulted in overall currency movements significantly reducing the reported growth rates of revenue and operating profit. The operations, including the relevant growth rates, are therefore reviewed below at constant exchange rates to remove the distorting translation impact of these currency movements and, unless stated otherwise, in this review references to operating profit are to operating profit before intangible amortisation. Changes in the level of revenue and profits at constant exchange rates have been calculated by retranslating the results from 2006 at the average exchange rates used for 2007.

Overall revenue was £3,581.9 million (2006: £3,333.2 million) and operating profit was £242.9 million (2006: £226.3 million), in each case up 12% at constant exchange rates. While the reported operating profit margin was steady at 6.8%, the margin, excluding the impact of currency exchange and acquisitions, moved up to 6.9%. At constant exchange rates revenue in North America rose by 5% and operating profit increased 2%, with the lower level of profit increase largely due to the impact of lower margin acquisitions. UK & Ireland showed a 28% increase in revenue and a 25% rise in operating profit resulting from good organic growth and the positive impact of recent acquisitions. In Continental Europe revenue and operating profit increased by 12% and 21% respectively at constant exchange rates due to good organic growth, continued improvement in operating margins and the positive impact of current year acquisitions. At constant exchange rates the Rest of the World experienced a 10% increase in both revenue and operating profit.

Adjusted earnings per share, after eliminating the effect of intangible amortisation, were 45.1p (2006: 41.7p), an increase of 13% at constant exchange rates, while basic earnings per share were 39.8p (2006: 37.8p), an increase of 10% at constant exchange rates. Return on average operating capital remained consistently high at 60.9%. After expenditure on acquisitions and the share buy back, partly offset by strong operating cash flow, net debt increased by £236.9 million to £667.6 million resulting in a net debt to EBITDA ratio of 2.5 and interest cover of 9 times.

Acquisitions

Spend on acquisitions rose to £197 million, primarily as a result of a major expansion in the Benelux, four noteworthy investments in the UK and Ireland, an entry into the promising Spanish market and two further acquisitions in North America. As a result we not only expanded the Group into new countries but also extended our product offering and customer base in our existing operations.

In January we announced two acquisitions in North America. Tec Products, a New Jersey based redistribution business with revenue of $14 million in 2006, is principally engaged in the supply of jan/san and associated products while Westgate, also a New Jersey based redistribution business with revenue of $18 million in 2006, supplies personal protection equipment in the eastern US and Canada.

We entered the exciting, and so far unconsolidated, Spanish market in February with our acquisition of Iberlim, a cleaning and hygiene business based near Barcelona with 2006 revenue of €9 million. In August we acquired King Benelux, with pro forma revenue in 2006 of €125 million, which is principally engaged in the distribution of products to the healthcare and contract cleaning sectors in the Netherlands and the foodservice, retail and healthcare sectors in Belgium. This company is an excellent addition to our successful business in the Netherlands and also provides a significant business in Belgium.

We announced in August the first of four UK & Ireland acquisitions with the purchase of Coffee Point, a London based business engaged in the sale and operation of vending machines and associated services for a broad customer base. This business, with revenue of £45 million in the year ended March 2007, substantially increased the size of our vending business to the point that we are now the largest vending operator in the UK. In October we completed the acquisition of Irish Merchants, a business based in Dublin with revenue of €45 million in the year ended March 2007, which is involved in the distribution of foodservice disposables, janitorial supplies and beverage systems to the horeca, healthcare and retail sectors throughout Ireland. The acquisition of this company, which was formerly associated with King Benelux, is a good strategic fit as it significantly increases the size of our business in Ireland and strengthens our position there. Finally, in December we acquired Care Shop, a Bolton based business which is a leading national supplier of consumables to the independent care and nursing homes market and which had revenue of £19 million in the year ended March 2007, and Rafferty, a distributor of guest amenity products to hotels throughout Ireland with revenue of £9 million in the year ended October 2007.

Since the year end we have announced two further acquisitions. Günter Guest Supplies was acquired in January. Based in Bremen, Germany, it supplies guest amenity products to hotels throughout Europe and had revenue of €9 million in 2007. In February we purchased Prot Cap, a leading national supplier of personal protection equipment based in São Paulo, which represents our first move into the large and rapidly growing Brazilian market. It had revenue in 2007 of R$118 million.

Prospects

The strong performance of the Group has continued into 2008 due to good organic growth bolstered by the positive impact from acquisitions. Despite the current uncertainties in the wider economic environment, the combination of firm product prices, especially in paper, and new customer wins is supporting our underlying growth rates in the coming period.

In North America we believe that our business model, which sells a high proportion of our products to food related sectors, is resilient and should develop well. In addition the acquisitions made in previous periods are continuing to improve their profitability.

We anticipate that the UK & Ireland business will continue to experience high growth rates driven by good organic growth resulting from new customer gains and the integration of acquisitions made in the second half of last year. The synergies arising from the acquisitions of Coffee Point and Irish Merchants are already being realised.

In Continental Europe the broad based good organic growth across the business area and the operational improvements made in France should continue to bolster our results moving forward. The integration of King Benelux is ongoing and progressing well and Iberlim, our entry into Spain, is trading ahead of expectations.

In the Rest of the World, our larger businesses in Australasia are performing well and we expect improved results from our smaller healthcare business. Our latest acquisition, Prot Cap in Brazil, will positively impact this year's results.

The continued strengthening of the Group in the international markets in which we compete and the opportunity for further growth through acquisitions, give us confidence that the prospects are good and that our business will continue to grow successfully.

North America

Against a background of more difficult business conditions, at constant exchange rates revenue rose 5% to £1,839.0 million and operating profit by 2% to £123.3 million.

Slower economic growth and competitive pressures, particularly in the grocery and foodservice sectors, impacted our results compared to the strong performance in 2006. Additionally, some of our recent lower margin acquisitions are taking longer to meet revenue expectations following the restructurings implemented to build long term profitable growth. However, these acquisitions are now positioned well for the future.

In January we completed the acquisition of Tec Products, which is principally engaged in the supply of jan/san and associated products through distributors, and of Westgate, which is a supplier of personal protection equipment through distributors in the eastern US and Canada. These, together with the four acquisitions announced in 2006, have been successfully transferred onto our common IT platform and have begun to realise the efficiencies gained by the conversion and as a result of integration of the businesses into our established operations. All of these acquisitions were redistribution companies focused on the foodservice, jan/san and safety sectors.

Our grocery business remains our largest sector and, while pricing pressures persist as the industry continues to consolidate, our national coverage is second to none and we continue to win new business. Our sourcing expertise and logistics platform uniquely position us to be able to respond to the different needs of our major customers and provide them with competitive advantage in their markets.

As part of the establishment of R3, a separate organisation to lead our sales and marketing in redistribution, we have committed resources and personnel both to our foodservice redistribution business and to develop further the jan/san business. This sector allows us to increase our penetration into existing customers with new products as well as providing an opportunity for potential new customers. We continue to invest in new marketing tools, inventory, training and programmes that will enhance our capabilities and we have taken steps to adapt our operating model to the needs of these customers who traditionally have different service requirements.

The food processor business has shown good growth due to increased customer awareness about worker and food safety practices and consumer demands for products that require more innovative packaging solutions. The increased demand for fresh cut produce provides us with opportunities to sell our value-added programmes to both current and new customers.

The convenience store sector continues to be attractive as the organic growth in smaller format stores is outpacing the growth seen in larger outlets. We operate from highly efficient and large warehouses and are consistently increasing the breadth of our product offering to serve our customers better in this sector.

Our recently acquired safety businesses represent a significant growth opportunity as the operating platform has started to drive efficiencies in the warehouse, enabling us to service better the customers and to expand our product offering. Imported products purchased jointly with our European safety businesses and plans to expand our private label programme in this sector will allow us to access a wider range of products and improve margins.

Our Retail Resources business has provided new growth for us in the non-food retail sector. Their unique operating supply management programme, combined with our national platform and common IT system, has allowed us to gain business in some new retail areas. The key to this success has been our ability to help manage store operating supply costs together with the ability to provide high rates of on time deliveries. We plan to expand this programme to our grocery customers and any other end user customers that require this supply management service.

We continued to invest in the training of our personnel. Following the completion of our VIP (value, integrity and performance) training programme over the last two years, we have initiated a new sales automation programme enabling our general managers and sales managers to track the results of such training and the progress of each sales representative. Additionally, we have launched an e-learning programme that contains training modules for all areas of the business allowing employees to train on site and update their skills for enhanced job performance. This also includes best practice training in areas such as inventory control, purchasing and health and safety. Our people continue to be one of the greatest strengths of our business.

Finally, we have continued to roll out our radio frequency warehouse system, improve our truck routing and improve the efficiencies of our facilities.

UK & Ireland

The benefits of operational initiatives undertaken in 2006, good organic growth and the impact of the full year effect of 2006 acquisitions and acquisitions in 2007 resulted in revenue increasing 28% to £994.3 million and operating profit up 25% to £74.5 million.

The hotel, restaurant and catering (horeca) business had a strong year as we benefited from the operational restructuring undertaken, and the new business won, in 2006. We renewed our largest customer contract and broadened the range that we supply to a leading restaurant chain. Our ability to provide national accounts with both catering disposables and catering equipment enabled us to win new customers in the hotel, restaurant and pub sectors. At a regional level we reorganised the salesforce in order to be more responsive to local customers. During the year we piloted new vehicle routing and loading software and have started the roll out to all branches which will help us to improve our fuel and vehicle efficiency.

Our retail supplies business had another successful year. We renewed our second largest customer contract and also won new business with a major supermarket chain. Following the opening of the Manchester warehouse extension in the second half of 2006, we reviewed the warehouse layout and procedures and have implemented a number of productivity improvements within the operation. We also benefited from the full annual impact of Keenpac, which we acquired in December 2006 and provides us with expertise in the paper bag and luxury packaging sectors. The business has traded in line with expectations with new business won from leading supermarket and luxury brand customers.

The cleaning and safety business continued to deliver growth. Greenham successfully retained a large government sector contract that demonstrated the ability of Bunzl to provide a consolidated delivery of a broad range of products. We also added new customers in the construction and utilities markets. The cleaning and hygiene business extended contracts with two national contract cleaners and introduced a new own label chemical range which has been accredited with the EU Eco-label. We successfully rolled out a new computer system into the cleaning and hygiene business and created a new website that has generated encouraging levels of internet sales.

Our vending business grew significantly in scale with the acquisition in August of Coffee Point. This has made us the market leader in the UK hot beverage vending market. The integration is ongoing with trading in line with our plan and we have already combined the salesforces and merged a number of the branches where overlaps existed. We are implementing a new computer system that will result in additional efficiencies.

In Ireland, our existing businesses performed well with growth in the horeca, cleaning and safety and retail businesses. The acquisition of Irish Merchants in October increases our overall scale in Ireland and strengthens our position in the horeca, healthcare and retail sectors. Its product range and focus on customer service fit well with our existing operations and we expect to gain economies of scale and purchasing benefits in 2008.

Our healthcare business grew significantly due principally to the first full year impact of Southern Syringe, the healthcare consumables business acquired in 2006. Southern Syringe has progressed ahead of plan as we reviewed existing contracts and implemented our operational procedures, resulting in improved operating margins, and we believe that we now have a solid base from which to grow this business. The Shermond business won new contracts for its nitrile gloves and retained its position on the NHS contract for gloves. In December we announced the acquisition of Care Shop, a leading distributor to the independent care and nursing homes sector, which provides us with a strong platform to develop our offering into this part of the healthcare market.

Continental Europe

At constant exchange rates revenue increased by 12% to £616.0 million and operating profit rose 21% to £50.0 million as continued strong organic sales and profit growth was complemented by the acquisitions of both King Benelux and Iberlim. Improved profitability also resulted from better purchasing, higher imports from low cost countries, tight cost control and operating efficiency gains.

In France, our cleaning and hygiene business grew revenue in difficult market conditions, with most growth again coming from larger national accounts. Better margin management, substantially higher sales of our own brand range of products, Techline, and ongoing cost control helped profits to improve. The roll out of the new IT system continues and is progressing well. Our French personal protection equipment business saw a small reduction in revenue as particularly strong sales of avian influenza related products did not repeat in 2007. Nevertheless, the business managed to improve its margin and lower its costs to produce a significant improvement in profits.

In the Benelux, the newly acquired King Benelux business has performed ahead of expectations and considerable synergies are already being delivered. We have implemented a new ERP system in the Belgian business with the Dutch business to follow later this year. Warehouse rationalisation in Belgium will also lead to further operating efficiencies. In the Netherlands, our existing retail business saw strong revenue growth from both existing and new customers as well as product range extension. Good margin management and cost efficiencies have resulted in substantial profit growth. Our horeca business also achieved substantial sales growth from new account wins.

In Germany, despite the loss of part of the business with a large customer and the absence of the exceptional revenue from the 2006 FIFA World Cup, good sales growth was achieved. Margin pressure and higher transport costs were partially offset by operating efficiencies.

In Denmark, our retail business continued to grow revenue and at the same time improve its profitability as a change in business mix resulted in lower sales of lower margin products. A customer lost in 2006 was regained and better purchasing also improved the results. Costs remained well controlled leading to another year of strong profit growth. Our Danish horeca business generated strong growth. As the business is reaching full capacity following rapid expansion in recent years, a new warehouse to provide increased capacity will be opened by the end of 2008.

Growth has remained strong in central Europe. In Romania we have relocated to larger warehouses in Bucharest to cater for further anticipated strong growth. The retail business across the region improved its margin despite pricing pressures and benefited from further economies of scale and from its new ERP system while our cleaning and hygiene business grew revenues strongly following a restructuring of its salesforce to improve focus and sales efficiency. The increased scale of the business has led to greater cost efficiencies.

We acquired Iberlim at the end of February. Specialising in cleaning and hygiene products, it serves customers in Spain from one site near Barcelona. Performance to date has been ahead of expectations and the business represents a good platform from which to pursue further growth in Iberia.

Rest of the World

Benefiting from the full year impact of acquisitions made in 2006 combined with continued strong organic growth across the region, at constant exchange rates the Australasia business increased both revenue and operating profit by 10% to £132.6 million and £10.8 million respectively.

Our largest business experienced strong organic growth and significant improvement in profitability by providing consolidation supply solutions to their customers across the core sectors of healthcare, industrial, horeca and retail throughout Australia and New Zealand. In addition our catering equipment consumables business based in Queensland has complemented our offer by providing a wider range of products to existing customers and creating opportunities to develop in new markets.

Our food processor supplies businesses delivered strong growth over the previous year. The two businesses are evolving into one complementary focused food processor supplies business creating an excellent platform for continued growth. We have invested in additional key sales development resources to capitalise on new business opportunities and infrastructure to support future growth.

Our specialist healthcare business had a difficult year but has taken steps to improve operational performance and is now well positioned to develop in the growing aged care sector. We are rolling out an electronic ordering system to their customer base which delivers efficiencies by simplifying the ordering process and enhancing access to information online.

To support the growth of the Australasia business and to enable it to operate in a more efficient manner, we continue to invest in IT initiatives that will bring benefits to both our customers and suppliers. In 2007 we introduced RF scanning technology into our largest business with excellent results. This process increases accuracy and in turn enhances our customer satisfaction by reducing credits, as well as improving the order picking process. We plan to roll the programme out into the branch network throughout 2008.

In February 2008 we acquired Prot Cap, a leading national supplier of personal protection equipment based in São Paulo, which represents our first move into the large and rapidly growing Brazilian market. Its results will be reported within the Rest of the World business area.

Consolidated income statement
for the year ended 31 December 2007

	Notes	**2007 £m**	2006 £m	Growth Actual exchange rates	Growth Constant exchange rates
Revenue	2	**3,581.9**	3,333.2	7%	12%
Operating profit before intangible amortisation		**242.9**	226.3	7%	12%
Intangible amortisation		**(24.4)**	(19.9)		
Operating profit	2	**218.5**	206.4	6%	11%
Finance income	3	**21.1**	19.6		
Finance cost	3	**(48.5)**	(36.3)		
Profit before income tax		**191.1**	189.7	1%	6%
Profit before income tax and intangible amortisation		**215.5**	209.6	3%	8%
UK income tax		**(4.4)**	(9.1)		
Overseas income tax		**(56.6)**	(51.2)		
Total income tax	4	**(61.0)**	(60.3)		
Profit for the year attributable to the Company's equity holders		**130.1**	129.4	1%	5%
Earnings per share attributable to the Company's equity holders					
Basic	5	**39.8p**	37.8p	5%	10%
Diluted	5	**39.6p**	37.5p	6%	10%
Dividend per share	6	**18.7p**	17.0p	10%	

Consolidated statement of recognised income and expense
for the year ended 31 December 2007

	2007 £m	2006 £m
Profit for the year	**130.1**	129.4
Actuarial gain on pension schemes	**10.3**	17.4
Deferred tax on actuarial gain	**(3.0)**	(5.5)
Currency translation differences arising in year*	**8.1**	(7.1)
Loss recognised in cash flow hedge reserve	**(1.1)**	(0.3)
Movement from cash flow hedge reserve to income statement	**0.3**	(0.3)
Net income recognised directly in equity	**14.6**	4.2
Total recognised income for the year attributable to the Company's equity holders	**144.7**	133.6

*Currency translation differences for 2007 of £8.1m (2006: £(7.1)m) are net of losses of £32.3m (2006: gains of £17.6m) taken to equity as a result of designated effective net investment hedges.

Consolidated balance sheet
at 31 December 2007

	2007 **£m**	2006 £m
Assets		
Property, plant and equipment	**91.0**	74.3
Intangible assets	**990.3**	776.7
Derivative assets	**11.3**	5.4
Deferred tax assets	**0.5**	4.1
Total non-current assets	**1,093.1**	860.5
Inventories	**331.6**	290.8
Income tax receivable	**4.4**	2.7
Trade and other receivables	**575.4**	521.2
Derivative assets	**1.5**	0.1
Cash and deposits	**76.0**	49.0
Total current assets	**988.9**	863.8
Total assets	**2,082.0**	1,724.3
Equity		
Share capital	**112.4**	112.0
Share premium	**124.6**	119.8
Merger reserve	**2.5**	2.5
Capital redemption reserve	**8.6**	8.6
Cash flow hedge reserve	**(1.1)**	(0.3)
Translation reserve	**9.5**	1.4
Retained earnings	**219.7**	244.0
Total equity attributable to the Company's equity holders	**476.2**	488.0
Liabilities		
Interest bearing loans and borrowings	**656.4**	456.9
Retirement benefit obligations	**13.2**	37.5
Other payables	**10.6**	5.6
Provisions	**50.6**	44.6
Deferred tax liabilities	**92.3**	73.0
Total non-current liabilities	**823.1**	617.6
Bank overdrafts	**20.3**	23.9
Interest bearing loans and borrowings	**79.4**	4.3
Income tax payable	**60.5**	58.4
Trade and other payables	**611.8**	524.5
Derivative liabilities	**1.5**	0.7
Provisions	**9.2**	6.9
Total current liabilities	**782.7**	618.7
Total liabilities	**1,605.8**	1,236.3
Total equity and liabilities	**2,082.0**	1,724.3

Consolidated cash flow statement
for the year ended 31 December 2007

	2007 **£m**	2006 £m
Cash flow from operating activities		
Profit before income tax	**191.1**	189.7
Adjustments for non-cash items:		
depreciation	**15.9**	14.6
intangible amortisation	**24.4**	19.9
share based payments	**4.8**	3.0
Working capital movement	**13.5**	(20.0)
Finance income	**(21.1)**	(19.6)
Finance cost	**48.5**	36.3
Provisions and pensions	**(9.0)**	(5.7)
Special pension contribution	**(9.5)**	(5.0)
Other	**(0.6)**	1.0
Cash generated from operations	**258.0**	214.2
Income tax paid	**(65.1)**	(40.5)
Cash inflow from operating activities	**192.9**	173.7
Cash flow from investing activities		
Interest received	**5.3**	8.5
Purchase of property, plant and equipment	**(19.9)**	(15.8)
Sale of property, plant and equipment	**3.3**	4.3
Purchase of businesses	**(191.7)**	(156.7)
Other	**-**	(1.0)
Cash outflow from investing activities	**(203.0)**	(160.7)
Cash flow from financing activities		
Interest paid	**(33.6)**	(24.9)
Dividends paid	**(56.2)**	(53.3)
Increase/(decrease) in short term loans	**34.9**	(28.5)
Increase in long term loans	**192.1**	141.4
Net proceeds from employee shares	**1.0**	5.2
Purchase of own shares into treasury	**(100.0)**	(63.1)
Cash inflow/(outflow) from financing activities	**38.2**	(23.2)
Exchange gain/(loss) on cash and cash equivalents	**2.5**	(1.4)
Increase/(decrease) in cash and cash equivalents	**30.6**	(11.6)
Cash and cash equivalents at start of year	**25.1**	36.7
Increase/(decrease) in cash and cash equivalents	**30.6**	(11.6)
Cash and cash equivalents at end of year	**55.7**	25.1

Notes

1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2007 have been approved by the directors and prepared in accordance with International Financial Reporting Standards as adopted by the EU including interpretations issued by the International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention, with the exception of certain items which are measured at fair value.

Bunzl plc's 2007 Annual Report will be despatched to shareholders at the end of March 2008. The financial information set out herein does not constitute the Company's statutory accounts for the year ended 31 December 2007 but is derived from those accounts. Statutory accounts for 2007 will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 14 May 2008. The auditors have reported on those accounts; their report was unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

The comparative figures for the year ended 31 December 2006 are not the Company's statutory accounts for the financial year but are derived from those accounts which have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

2. Segment analysis

Year ended 31 December 2007	North America £m	UK & Ireland £m	Continental Europe £m	Rest of the World £m	Corporate £m	Total £m
Revenue	**1,839.0**	**994.3**	**616.0**	**132.6**		**3,581.9**
Operating profit/(loss) before intangible amortisation	**123.3**	**74.5**	**50.0**	**10.8**	**(15.7)**	**242.9**
Intangible amortisation	**(5.8)**	**(3.0)**	**(14.5)**	**(1.1)**	**-**	**(24.4)**
Operating profit/(loss)	**117.5**	**71.5**	**35.5**	**9.7**	**(15.7)**	**218.5**
Finance income						**21.1**
Finance cost						**(48.5)**
Profit before income tax						**191.1**
Profit before income tax and intangible amortisation						**215.5**
Income tax						**(61.0)**
Profit for the year						**130.1**

Year ended 31 December 2006	North America £m	UK & Ireland £m	Continental Europe £m	Rest of the World £m	Corporate £m	Total £m
Revenue	1,896.8	774.6	544.7	117.1		3,333.2
Operating profit/(loss) before intangible amortisation	131.2	59.7	40.9	9.6	(15.1)	226.3
Intangible amortisation	(4.8)	(0.8)	(13.3)	(1.0)	-	(19.9)
Operating profit/(loss)	126.4	58.9	27.6	8.6	(15.1)	206.4
Finance income						19.6
Finance cost						(36.3)
Profit before income tax						189.7
Profit before income tax and intangible amortisation						209.6
Income tax						(60.3)
Profit for the year						129.4

3. Finance income/(cost)

	2007 £m	2006 £m
Deposits	**0.7**	1.2
Interest income from foreign exchange contracts	**4.8**	6.2
Expected return on pension scheme assets	**14.2**	11.6
Other finance income	**1.4**	0.6
Finance income	**21.1**	19.6
Loans and overdrafts	**(34.9)**	(22.4)
Interest expense from foreign exchange contracts	**(0.6)**	(0.3)
Interest charge on pension scheme liabilities	**(12.6)**	(12.0)
Fair value loss on US dollar bond	**(7.1)**	(5.4)
Fair value gain on interest rate swaps	**7.1**	5.4
Other finance expense	**(0.4)**	(1.6)
Finance cost	**(48.5)**	(36.3)

4. Income tax

A tax charge at a rate of 31.6% (2006: 32.0%) has been provided on the profit before tax and intangible amortisation. Including the impact of intangible amortisation of £24.4m (2006: £19.9m) and the related deferred tax of £7.1m (2006: £6.7m), the overall tax rate is 31.9% (2006: 31.8%).

5. Earnings per share

	2007 £m	2006 £m
Profit for the year	**130.1**	129.4
Adjustment	**17.3**	13.2
Adjusted profit*	**147.4**	142.6
Basic weighted average ordinary shares in issue (million)	**326.9**	342.1
Dilutive effect of employee share plans (million)	**1.8**	2.6
Diluted weighted average ordinary shares (million)	**328.7**	344.7
Basic earnings per share	**39.8p**	37.8p
Adjustment	**5.3p**	3.9p
Adjusted earnings per share*	**45.1p**	41.7p
Diluted basic earnings per share	**39.6p**	37.5p

* Adjusted profit and adjusted earnings per share exclude the charge for intangible amortisation and the related deferred tax. This adjustment removes a non-cash charge which is not taken into account by management when assessing the underlying performance of the businesses.

6. Dividends

	Per share		Total	
	2007	2006	**2007 £m**	2006 £m
2005 final		10.8p		36.5
2006 interim		5.3p		17.6
2006 final	**11.7p**		**38.6**	
2007 interim	**5.8p**		**18.6**	
Total	**17.5p**	16.1p	**57.2**	54.1

The 2007 final dividend of 12.9p per share will be paid on 3 July 2008 to shareholders on the register on 9 May 2008.

Total dividends for the year to which they relate are:

	Per share	
	2007	2006
Interim	**5.8p**	5.3p
Final	**12.9p**	11.7p
Total	**18.7p**	17.0p

7. Cash and cash equivalents and net debt

	2007 £m	2006 £m
Cash at bank and in hand	**69.0**	45.2
Short term deposits repayable in less than three months	**7.0**	3.8
Cash and deposits	**76.0**	49.0
Bank overdrafts	**(20.3)**	(23.9)
Cash and cash equivalents	**55.7**	25.1
Interest bearing loans and borrowings		
Current liabilities	**(79.4)**	(4.3)
Non-current liabilities	**(656.4)**	(456.9)
Derivative asset - fair value of interest rate swaps hedging fixed interest rate borrowings	**12.5**	5.4
Net debt	**(667.6)**	(430.7)