News Release

Monday 22 February 2010

ANNUAL RESULTS ANNOUNCEMENT

Bunzl plc, the international distribution and outsourcing Group, today publishes its annual results for the year ended 31 December 2009.

	2009	2008	Growth as reported	Growth at constant exchange
Revenue	**£4,648.7m**	£4,177.3m	11%	0%
Operating profit*	**£295.7m**	£280.5m	5%	(6)%
Profit before tax*	**£257.8m**	£242.9m	6%	(5)%
Adjusted earnings per share*	**55.9p**	52.7p	6%	(6)%
Dividend for the year	**21.55p**	20.6p	5%	

Operating profit	**£253.9m**	£244.5m	4%
Profit before tax	**£216.0m**	£206.9m	4%
Basic earnings per share	**46.4p**	44.5p	4%

Other highlights include:

- Group operating margin markedly improved in the second half of the year compared to the first half
- Underlying revenue growth of 2.6% in North America, the largest business area
- Cost reduction initiatives resulted in significant improvement in the UK & Ireland operating margin in the second half of the year compared to the first half
- Strong increase in operating margin in Continental Europe compared to 2008
- Continued strong cash flow with operating cash flow to operating profit* of 102% and net debt to EBITDA† at the year end reduced to 2.2 times
- Track record of dividend growth continues with 5% increase
- Two acquisitions already completed in 2010

* Before intangible amortisation
† Operating profit before depreciation and intangible amortisation

Commenting on today's results, Michael Roney, Chief Executive of Bunzl, said:

"The Group has delivered robust results against the backdrop of challenging macro-economic conditions across its international markets. I am particularly encouraged by the second half performance of all of the business areas, highlighted by the positive underlying growth in North America, the improvement in operating margins achieved in the UK & Ireland and the Rest of the World and the higher operating margin in Continental Europe.

Looking ahead, while the economic conditions are expected to remain challenging, we believe that Bunzl should continue to show resilience and to develop well, helped by our leading market positions, an improving environment for acquisitions and our strong cash flow and balance sheet."

Bunzl also today announces that it has acquired Hamo A/S in Denmark from a privately owned company which is wholly owned by Peter Bergman.

Based in Rødovre, Hamo is principally engaged in the supply of catering disposables and light catering equipment to a variety of end users in both the public and private sectors in Denmark. Pro forma revenue in the year ended 31 December 2009 was DKK43.2 million and the gross assets acquired are estimated to be DKK14.8 million.

Commenting on the acquisition, Michael Roney said:

"Hamo is a good fit with our existing catering supplies business in Denmark, extends our customer base in this important market and complements the business of Clean Care which we acquired in January. I am delighted to welcome the management and staff to Bunzl."

Enquiries:

Bunzl plc
Michael Roney, Chief Executive
Brian May, Finance Director
Tel: 020 7725 5000

Tulchan
David Allchurch
Stephen Malthouse
Tel: 020 7353 4200

Note:
A live webcast of today's presentation to analysts will be available on www.bunzl.com commencing at 9.30 am.

CHAIRMAN'S STATEMENT

Against the background of the difficult macroeconomic conditions which prevailed throughout 2009 across the international markets in which we operate, I am pleased to report that the Group has produced a robust set of results. The positive impact of exchange and acquisitions, combined with new customer wins and additional business gained with existing customers which have strengthened our position in the market, contributed to an 11% increase in Group revenue to £4,648.7 million. At constant exchange rates revenue was at the same level as the previous year.

Profit before tax and intangible amortisation increased 6% to £257.8 million but was down 5% at constant exchange rates as the more challenging economic environment put pressure on margins, particularly in the UK & Ireland and the Rest of the World due to reductions in revenue and the transactional effect of significantly weaker sterling and Australian dollar which affected the first six months of the year. Overall margins improved in the second half largely due to the impact of cost reduction initiatives taken, a reduced negative transaction impact from foreign exchange and increased sales of cleaning and safety products related to H1N1 prevention. Basic earnings per share rose 4% to 46.4p, down 8% at constant exchange rates, and adjusted earnings per share, after eliminating intangible amortisation, increased 6% to 55.9p, down 6% at constant exchange rates.

Dividend

The Board is recommending a 5% increase in the final dividend to 14.9p. This brings the total dividend for the year to 21.55p, a 5% increase. Shareholders will again be able to participate in our scrip dividend scheme which we introduced in 2009 to replace the dividend reinvestment plan.

Strategy

We continue to pursue our well defined strategy of focusing on our strengths, developing the business through organic growth and consolidating the fragmented markets in which we compete, while at the same time continuously improving the efficiency of our operations. Increasingly co-ordinating our procurement and international sourcing and continually redefining and deepening our commitment to our customers and markets, while looking to extend our business into new geographies, remain important ongoing elements of our strategy.

Investment

We have continued to invest in the business to enhance its asset base and ensure that we maintain our competitive advantage. Systems are critical to our ability to serve our customers in the most cost effective and efficient manner and we strongly believe that continuously improving and upgrading both our systems and facilities to increase functionality and efficiency enables us to maintain our leadership in the marketplace.

Environment and climate change

Bunzl believes that a focus on the environment and climate change is key to long term sustainability. We aim to minimise our environmental footprint and the carbon emissions of our operations by continually seeking to improve our efficiency, in particular relating to the usage of fuel by our truck fleet as well as energy used for heating and ventilating our facilities. For example, in the UK the installation of energy efficient lighting in one of our major warehouses resulted in a 40% reduction in electricity consumption and the introduction of two aerodynamic double deck trailers to our fleet increased fuel efficiency by some 15% compared to the trailers which they replaced. We

also look to find ways of helping our customers to reduce their own environmental impact by offering environmentally friendly products and services such as in North America where we provided compostable packaging for use at the Boeing Golf Classic which assisted in the tournament achieving the highest recycling rate of any PGA Tour event.

Employees

The turmoil in the world's economies has touched most people's lives and we appreciate that 2009 has been a tough year for many of our employees. However, whatever their personal circumstances, everyone throughout the Group has continued to put the needs of our customers to the fore and our employees have once again supported Bunzl and each other, offering their ideas to increase the efficiency of our services. We are very grateful for their continuing commitment and loyalty which are so important for the future successful development of Bunzl.

Credit facilities

The Group remains highly cash generative and we will continue to use diverse sources of funding to achieve our objectives. In 2009 our net cash inflow of £126.3 million was used to reduce net debt and we raised a further £200 million (sterling equivalent) from the US private placement market, with maturities ranging from five to ten years, resulting in total funding from this market of over £500 million. We have also renewed some £140 million of our banking facilities. Our undrawn committed facilities' headroom at the end of the year was £541 million.

Board

After nearly 18 years with the Group, Anthony Habgood retired from the Board at the end of June following his appointment as Chairman of Reed Elsevier PLC and Reed Elsevier NV. Initially as Chief Executive and subsequently as Chairman, Tony was instrumental in redefining the Group's strategy and overseeing Bunzl's development into the focused and successful business that it is today. We thank Tony for his tremendous contribution over many years and wish him well for the future. I was appointed as Interim Chairman pending the recruitment of a permanent successor and, following a process overseen by the Nomination Committee, I am delighted to welcome Philip Rogerson to the Board. Philip was appointed as Chairman designate on 1 January 2010 and will become Chairman on 1 March 2010. He is an established company chairman with a wealth of international experience across a number of different sectors, both at an operational level and as a non-executive director. After more than nine years on the Board, I will retire on 28 February 2010 knowing that I will be leaving the Company in sound financial health, well positioned in its markets and with a strong Board and management team to lead the Group forward.

Jeff Harris
Interim Chairman

CHIEF EXECUTIVE'S REVIEW

Operating performance

Revenue increased 11% to £4,648.7 million and operating profit before intangible amortisation rose 5% to £295.7 million. After adjusting for the positive impact from currency translation, revenue was at the same level as 2008 while profits at constant exchange rates were held back by pressure on margins, particularly in the UK & Ireland and the Rest of the World resulting from the difficult market conditions and some transactional impact of the significant weakening against the US dollar of sterling and the Australian dollar in the latter part of 2008. The strong cash flow of the Group once again continued as we converted 102% of our operating profit into cash. In this review all references to operating profit are to operating profit before intangible amortisation.

In North America revenue and operating profit rose by 19% and 16% respectively due principally to the stronger US dollar and some organic revenue growth. Revenue and operating profit fell by 3% and 26% respectively in the UK & Ireland due to weaker performances in our less resilient businesses (vending, catering equipment, safety and non-food retail) and in Ireland and the negative transaction impact from weaker sterling. In Continental Europe revenue rose 11% due to the stronger euro and the full year impact of acquisitions made in 2008 and operating profit increased 22% as a result of these factors and the positive impact in the second half of the year from increased sales of cleaning and safety products related to H1N1 prevention, a better customer mix and operating cost reductions. In the Rest of the World revenue rose 8% due to the positive impact of currency translation and prior year acquisitions while operating profit declined 3% largely due to challenging economic conditions and the transactional impact in the first half from the weaker Australian dollar.

Basic earnings per share were 46.4p, up 4%. Adjusted earnings per share, after eliminating the effect of intangible amortisation, rose 6% to 55.9p, a decline of 6% at constant exchange rates. Return on average operating capital continued at a high level of 55%.

Since there has been a significant impact from strengthening foreign currencies, principally the US dollar and the euro, the operations, including the relevant growth rates, are reviewed below at constant exchange rates to remove the impact of these currency movements. Changes in the level of revenue and profits at constant exchange rates have been calculated by retranslating the results for 2008 at the average exchange rates used for 2009.

Acquisitions

While acquisitions remain a key component of our strategy and we have held discussions with a number of potential targets, acquisition activity has decreased significantly since mid 2008 as the difference in our price expectations and those of prospective sellers has proven to be an impediment to finalising transactions.

In March we acquired the businesses of two companies in administration, W.K. Thomas and Industrial Supplies, which were part of a group including King UK which was also in administration. W.K. Thomas is a distributor throughout the UK of foodservice products, particularly to customers in the catering and airline sectors. Industrial Supplies is engaged in the distribution of cleaning and hygiene products throughout the east of England. The aggregate annualised revenue of these businesses is some £25 million per annum.

In January 2010 we announced the acquisition of Clean Care, a business principally engaged in the supply of cleaning and hygiene consumable products and equipment to a variety of end users including contract cleaners and other industrial and institutional customers throughout Denmark. Revenue in the year ended 30 September 2009 was DKK60.4 million. Today we are announcing a further acquisition in Denmark, Hamo, a distributor of catering disposables and light catering equipment to customers in both the public and private sectors, which had pro forma revenue of DKK43.2 million in the year ended 31 December 2009.

Prospects

Even though the economic environment is expected to remain challenging and uncertain, a return of economic growth to the markets in which we operate, together with management initiatives already taken to reduce operating costs, should have a favourable impact on profitability. In North America underlying growth should be supported by new business wins and additional business with existing customers. The difficult economic conditions in the UK & Ireland are expected to persist, and as a result affect revenue, but the positive impact from cost reductions and some benefit from stronger sterling relative to the same period in 2009 should improve margins. In Continental Europe, while we do not expect to repeat the significant benefit from the sale of H1N1 related products which we saw towards the end of the year, trading is expected to hold up well. The Rest of the World should show improvement resulting from higher margins in Australasia and the return to growth in our market sectors in Brazil.

While difficult economic conditions and the uncertain outlook in 2009 have made it difficult for us to have conclusive discussions with potential acquisition targets, we have completed two acquisitions since the end of the year and we believe that the current environment will lead to us finalising more transactions in 2010.

Although it is hard to predict the future direction of economies globally, the Board believes that our businesses, which have leading positions in the markets in which they compete, will continue to show resilience and should develop well due to revenue growth and the positive impact of cost reduction initiatives.

North America

In North America revenue rose 2% at constant exchange rates to £2,454.1 million (with underlying growth of 2.6%) as a result of new account wins, particularly in the grocery and non-food retail sectors, and additional penetration of existing customers. This increase was driven by volume gains rather than by the impacts of price and product mix which were negative. Difficult economic conditions continued to affect our customers' own businesses during 2009 and also put pressure on our margins resulting in a 1% decrease at constant exchange rates in operating profit to £155.3 million.

Grocery, our largest business, saw an increase in revenue as our leading market position was enhanced principally by customers awarding us additional business as they continued to recognise the benefits of outsourcing their requirements for goods not for resale. Our value proposition of supplying creative packaging solutions along with our one stop shop programme allows our customers to reduce working capital and operating costs. In addition, our wide range of biodegradable, recyclable and compostable products allows them to reduce their impact on the environment.

Our redistribution business, R3, encountered difficult market conditions as most of the foodservice customers in this sector themselves faced lower sales due to consumers choosing less expensive alternatives for their meals. However, a significant part of this volume decline was offset by innovative programmes designed for the foodservice distributor, enabling them to increase their assortment of packaging products while opening space in their warehouses for more expensive food items. Additionally we successfully implemented some comprehensive import programmes for several large national foodservice distributors and buying groups. As well as the innovations in the foodservice sector we were also able to offer a more expansive jan/san (janitorial/sanitation) supplies programme through a regional warehouse and purchasing system introduced late in 2008.

Despite a reduction in processed meat production in 2009, our food processor business continued to grow through our focused expansion into fresh cut produce processors, bakeries, specialty processors and meat processors which are dedicated to supplying some of our large grocery and foodservice accounts. As consumers continue to look at lower cost and take home solutions that are more economical than eating out, our customers in this sector should benefit. We also continue to broaden the array of products available in an effort to expand our penetration into these accounts by giving them creative solutions to sell more of their own products and providing them with a more extensive one stop shop programme.

Our customers in the non-food retail sector suffered lower sales throughout 2009 as the challenging economic conditions negatively impacted consumers' spending habits. However new business wins and the expansion of our product line, including the introduction of jan/san items at several large accounts, offset most of the decline in this sector. In addition we moved from a third party warehouse to one of our own, driving cost savings and improved productivity. Co-ordination between the Group's business areas has also opened up new opportunities with some global customers in this sector.

Our business serving the convenience store sector was negatively impacted by both the reduction of consumer spending in, and the number of visits to, these outlets. We have taken steps to offset the impact of these circumstances by increasing product penetration at several of our large accounts and by significantly reducing our operating costs. Furthermore, several opportunities for new business developed late in the year as customers continued to look for ways to reduce their investment in working capital.

Programmes undertaken with many of our strategic suppliers to target specific customers have produced successful results. We have partnered with many of them on both new and environmentally friendly products and innovative solutions to meet changing consumer needs. We have also continued to expand our private label line by delivering alternative solutions to our customers at various price points and we have worked closely with our strategic suppliers on logistics programmes that reduce supply chain costs and improve service to our mutual customers. Our import programme has been expanded to provide our customers with quality, low cost alternatives for many new products, enabling us to be competitive in the marketplace as well as introduce alternative and creative solutions to them. We have also continued to improve our logistics platform, allowing us to service more efficiently our facilities in North America.

During the year we reduced our operating costs despite an increased level of sales. Reduced fuel costs and freight rates and increased productivity have contributed to the reduction. We consolidated six of our facilities, mostly in the

Northeast, into other existing facilities to streamline our operations and improve service to our customers in the various business sectors. We have also achieved substantial savings in updating our truck fleet and warehouse transportation equipment by purchasing used rather than new equipment.

Our consistent year on year revenue growth in North America in varying macroeconomic cycles demonstrates that our value added offering to our customers continues to be in demand even when economic conditions are at their most difficult. Each customer has unique needs but our flexible approach built on a national operating platform remains well placed to meet the demands of our markets.

UK & Ireland

Our UK & Ireland business area had a difficult year with revenue falling by 4% at constant exchange rates to £1,068.4 million and operating profit down 27% to £57.8 million.

Our businesses here operate in a number of sectors which have been less resilient to the prevailing economic conditions including vending, catering equipment, safety and non-food retail. Disappointing performances in these sectors, together with the particularly challenging market conditions in Ireland, have detracted from our more resilient sectors being cleaning and hygiene, healthcare, food retail and catering disposables.

The weakening of sterling from the levels of the first half of 2008 impacted our margins as many of our products are sourced from euro or dollar denominated countries and subsequently sold in sterling. The degree of product cost increases caused by the rapid exchange rate changes had a notable negative impact in the first half of 2009 and, in the challenging economic environment, it took some time to be able to pass these cost increases on to our customers. In order to mitigate the impact of both the reductions in volumes and profit margins, we implemented a number of programmes to reduce operating costs and position the businesses for more robust performances going forward. As a result of the subsequent strengthening of sterling and the cost reductions, we saw margins improve significantly in the second half.

In our horeca (hotel, restaurant and catering) business we grew volumes as a result of a number of customer wins, a competitor going into administration and the acquisition of W.K. Thomas, an established supplier of foodservice products to customers in the catering and airline sectors. In the early part of 2009 margins were under greater pressure and since then extensive work has been undertaken to review the costs of serving our accounts as we have sought to operate more efficiently to the benefit of both our customers and ourselves. Catering equipment volumes also came under pressure due to the more discretionary nature of spending on such items. We have however seen a slowing of this decline more recently as a result of active marketing and category management campaigns.

Our food retail supplies business, supplying a consolidated range of goods not for resale, had another good year in spite of a continuing decline in demand for single use plastic carrier bags. Carrier bag volumes have declined year on year since 2007 but now appear to be stabilising. Some of the decline has been offset by reusable bags. Our approach has been to extend the offering to our customers in terms of product ranges and also to target more retailers who are looking to outsource the supply of their goods not for resale. Our much smaller, less resilient, non-food retail supplies business was adversely affected by the economic downturn.

Margins have also been under pressure in our healthcare business as many products are imported resulting in higher sterling cost prices due to the movement in exchange rates. The implementation of a new IT platform was completed at the beginning of the year. This helped to enhance service levels greatly and further work has been done to streamline our processes and reduce costs as margins have been slow to recover.

Within our cleaning and safety business, volumes in the cleaning and hygiene sector have proved to be resilient in the current economic cycle. Our business has continued to develop well, both with established contracts with a number of key customers and a continued increase in the proportion of transactions that are handled via the internet. This has resulted in a more efficient business that continues to deliver a consistently high level of service. Industrial Supplies was acquired in March and this has proved to be an excellent fit with our existing operations. Although the safety sector has been particularly impacted by the downturn in construction, our good position in this market, combined with our strong relationships with our customers and the quick actions taken to realign the cost base with the reduced level of activity, helped offset the pressure on sales and margins.

Vending has been severely affected by the slowdown in the corporate and banking sectors. During the year the integration of Coffee Point was completed and the implementation of a new IT system continued. Together with the actions taken following the fall off in activity levels, these initiatives have led to a significant reduction in the cost base and we should start to see the benefits coming through in 2010.

During 2009 the economy in Ireland contracted by 8% and this has had a significant impact on our business there. The hospitality sector which we serve has been disproportionately affected due to declining demand, a fall in tourism and an oversupply of hotel rooms. This has necessitated an aggressive programme of cost cutting and infrastructure rationalisation and we have worked hard to maintain a robust business that is well positioned for a future recovery.

Continental Europe

In an environment of declining economic output across the region, revenue only fell by 1% at constant exchange rates to £910.2 million and operating profit rose 9% to £81.7 million. Particular focus was placed on gross margin management as sales growth started to slow towards the end of 2008. In addition costs were reduced quickly to reflect the lower levels of activity such that the overall operating margin has improved.

In France, our cleaning and hygiene business saw only a minor reduction in revenue as the loss of some business was compensated by some new customer wins and increased sales of products related to H1N1 prevention in the second half. Margins improved, in part due to greater sales of own brand and imported products, and operating costs fell, resulting in significant profit growth. Two more regional businesses implemented the new ERP system and the roll out is scheduled to be complete in the first half of 2010 enabling further efficiency gains to be realised. Our personal protection equipment business also benefited from H1N1 related sales, improved margins and lower costs, delivering higher profits than in 2008 despite its exposure to the industrial sector.

In the Netherlands our horeca, food retail and cleaning and hygiene businesses all improved gross margins. Total operating costs were tightly controlled leaving profit at a similar level to last year despite lower sales, particularly in the horeca and retail sectors. Worldpack, acquired in June 2008, performed well in the first half but has seen a slowdown in recent months due to its exposure to the non-food retail sector.

In Belgium weaker sales have also been compensated for by stronger margins and lower costs. Following disruption in 2008 due to a warehouse relocation and IT implementation, the cleaning and hygiene business has delivered strong profit growth from its more efficient operating platform. The retail business has also performed well despite particularly slow sales of industrial packaging and delivered above average profit growth.

In Germany sales remained robust in our main horeca sector although were weaker in guest amenities, despite new customers won and cross-selling opportunities exploited with other parts of the Group, due to the slowdown in the hotel sector. Gross margins improved and costs remained tightly managed. In addition the business benefited from the full year impact of savings made from the 2008 integration of our two warehouses.

In Denmark our retail business improved margins and reduced costs to report a rise in profits despite a slowdown in its sectors, especially the sale of capital goods to supermarkets. The horeca business increased both sales and operating margins, benefiting from its relocation to more efficient premises at the start of 2009. Clean Care, a distributor of cleaning and hygiene consumables and equipment, and Hamo, a supplier of catering disposables and light catering equipment, which were acquired in January and February 2010 respectively, both have a strong customer focus and broad product offering and are excellent additions to our existing business.

In central Europe trading conditions have been particularly difficult with a significant slowdown in industrial production and retail store openings adversely impacting our businesses in the region. Margins have been under pressure and as a result we undertook substantial cost reduction measures in the first half of the year such that we are now well positioned to benefit from an upturn in activity.

In Spain, our safety business continues to be impacted by difficult conditions in its core markets for personal protection equipment. However, margins remain robust and cost reduction measures have reduced the impact of lower sales. The cleaning and hygiene business has benefited from new customer wins and improvements in margins to deliver strong profit growth despite the weak Spanish economy.

Rest of the World

In the Rest of the World revenue decreased by 1% at constant exchange rates to £216.0 million and operating profit fell by 12% to £17.0 million principally due to the impact from the economic downturn and the transactional impact in the first half of the year from the significant weakening of the Australian dollar, particularly against the US dollar.

In Australasia cost reduction programmes were implemented early in the year to help reduce the impact of these external factors. The subsequent strengthening of the local currency also helped results in the second half.

Our largest business, Outsourcing Services, while affected by higher imported product costs and reduced demand, benefited from operational performance improvements and finished the year strongly with new business opportunities which should continue the momentum into 2010. The business strengthened its position in the more resilient healthcare sector following the successful integration of our specialist healthcare business during the year. Overall this business is now well positioned to capitalise on the market as it recovers.

Our food processor business was also affected by the transaction impact of currency and a reduction in demand from our major customers. The combination of lower sales and increased margin pressure was only partially offset by cost reductions. During the year we made significant changes to the organisational structure of the business to

strengthen its management and operational performance. These included successfully completing the migration of the remaining branch network onto the main IT system. In addition we introduced new technology to automate order capture which will improve the speed and accuracy of this process in the future.

Our catering equipment business felt the effects of the downturn in the hospitality and catering sectors but benefited from work to improve its product mix into the more resilient quick service restaurants and healthcare sectors. This, combined with ongoing operational and service improvements, helped improve results which were ahead of last year.

In Brazil, while our personal protection equipment business was affected by the slowdown in the construction and industrial sectors that we serve, we saw a higher level of sales towards the latter part of the year and improved our margins compared to 2008. We are well positioned to benefit from future improvements in economic activity. Work began on the implementation of a new IT system to increase the efficiency of our operations and we opened two new branches, thereby extending our geographic coverage of the country.

Michael Roney
Chief Executive

Consolidated income statement

for the year ended 31 December 2009

	Notes	**2009 £m**	2008 £m	Growth Actual exchange rates	Growth Constant exchange rates
Revenue	2	**4,648.7**	4,177.3	11%	0%
Operating profit before intangible amortisation	2	**295.7**	280.5	5%	(6)%
Intangible amortisation		**(41.8)**	(36.0)		
Operating profit	2	**253.9**	244.5	4%	(7)%
Finance income	3	**16.8**	27.6		
Finance cost	3	**(54.7)**	(65.2)		
Profit before income tax		**216.0**	206.9	4%	(6)%
Profit before income tax and intangible amortisation		**257.8**	242.9	6%	(5)%
UK income tax		**(12.1)**	(8.6)		
Overseas income tax		**(55.0)**	(56.1)		
Total income tax	4	**(67.1)**	(64.7)		
Profit for the year attributable to the Company's equity holders		**148.9**	142.2	5%	(7)%
Earnings per share attributable to the Company's equity holders					
Basic	6	**46.4p**	44.5p	4%	(8)%
Diluted	6	**46.3p**	44.4p	4%	(7)%
Dividend per share	5	**21.55p**	20.60p	5%	

Consolidated statement of comprehensive income

for the year ended 31 December 2009

	2009 £m	2008* £m
Profit for the year	**148.9**	142.2
Other comprehensive income		
Actuarial loss on pension schemes	**(19.3)**	(32.7)
Movement in pension schemes' minimum funding liabilities	**5.5**	12.6
Foreign currency translation differences for foreign operations	**(55.4)**	186.4
Gain/(loss) taken to equity as a result of designated effective net investment hedges	**8.9**	(120.6)
Loss recognised in cash flow hedge reserve	**(6.3)**	(4.3)
Movement from cash flow hedge reserve to income statement	**7.5**	0.5
Income tax credit on other comprehensive income	**7.8**	26.8
Other comprehensive (expense)/income for the year	**(51.3)**	68.7
Total comprehensive income for the year attributable to the Company's equity holders	**97.6**	210.9

* Restated on adoption of International Financial Reporting Interpretations Committee ('IFRIC') 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (see Note 1).

Consolidated balance sheet

at 31 December 2009

	Notes	**2009 £m**	2008* £m
Assets			
Property, plant and equipment		**102.8**	111.3
Intangible assets	7	**1,196.6**	1,301.3
Investment in associates		**0.5**	0.5
Derivative assets		**28.8**	49.1
Deferred tax assets		**6.9**	4.3
Total non-current assets		**1,335.6**	1,466.5
Inventories		**429.3**	490.6
Income tax receivable		**6.5**	5.8
Trade and other receivables		**677.9**	724.8
Derivative assets		**0.9**	1.7
Cash and deposits	8	**57.9**	65.6
Total current assets		**1,172.5**	1,288.5
Total assets		**2,508.1**	2,755.0
Equity			
Share capital		**113.0**	112.6
Share premium		**131.7**	126.6
Translation reserve		**52.7**	96.0
Other reserves		**8.5**	6.2
Retained earnings		**368.2**	287.8
Total equity attributable to the Company's equity holders		**674.1**	629.2
Liabilities			
Interest bearing loans and borrowings	8	**780.3**	919.7
Retirement benefit obligations		**59.8**	55.9
Other payables		**8.0**	11.9
Derivative liabilities		**2.6**	-
Provisions		**40.7**	50.2
Deferred tax liabilities		**104.0**	134.1
Total non-current liabilities		**995.4**	1,171.8
Bank overdrafts	8	**14.9**	8.1
Interest bearing loans and borrowings	8	**7.7**	57.6
Income tax payable		**59.4**	55.0
Trade and other payables		**744.4**	813.3
Derivative liabilities		**1.9**	6.4
Provisions		**10.3**	13.6
Total current liabilities		**838.6**	954.0
Total liabilities		**1,834.0**	2,125.8
Total equity and liabilities		**2,508.1**	2,755.0

* Restated on adoption of IFRIC 14 and amendments to International Accounting Standard ('IAS') 10 'Events after the reporting period' (See Note 1).

Consolidated statement of changes in equity

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves* £m	Retained earnings** £m	Total equity £m
At 1 January 2009	112.6	126.6	96.0	6.2	287.8	629.2
Profit for the year					148.9	148.9
Actuarial loss on pension schemes					(19.3)	(19.3)
Movement in pension schemes' minimum funding liabilities					5.5	5.5
Foreign currency translation differences for foreign operations			(55.4)			(55.4)
Gain taken to equity as a result of designated effective net investment hedges			8.9			8.9
Loss recognised in cash flow hedge reserve				(6.3)		(6.3)
Movement from cash flow hedge reserve to income statement				7.5		7.5
Income tax credit on other comprehensive income			3.2	1.1	3.5	7.8
Total comprehensive (expense)/income			(43.3)	2.3	138.6	97.6
2008 interim dividend					(20.6)	(20.6)
2008 final dividend					(45.3)	(45.3)
Issue of share capital	0.4	5.1				5.5
Employee trust shares					2.8	2.8
Share based payments					4.9	4.9
At 31 December 2009	**113.0**	**131.7**	**52.7**	**8.5**	**368.2**	**674.1**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves* £m	Retained earnings** £m	Total equity £m
At 1 January 2008	112.4	124.6	9.5	10.0	238.3	494.8
Adoption of IFRIC 14					(13.0)	(13.0)
At 1 January 2008 as restated	112.4	124.6	9.5	10.0	225.3	481.8
Profit for the year					142.2	142.2
Actuarial loss on pension schemes					(32.7)	(32.7)
Movement in pension schemes' minimum funding liabilities					12.6	12.6
Foreign currency translation differences for foreign operations			186.4			186.4
Loss taken to equity as a result of designated effective net investment hedges			(120.6)			(120.6)
Loss recognised in cash flow hedge reserve				(4.3)		(4.3)
Movement from cash flow hedge reserve to income statement				0.5		0.5
Income tax credit on other comprehensive income			20.7		6.1	26.8
Total comprehensive income/(expense)			86.5	(3.8)	128.2	210.9
2007 interim dividend					(18.6)	(18.6)
2007 final dividend					(41.3)	(41.3)
Issue of share capital	0.2	2.0				2.2
Employee trust shares					(7.7)	(7.7)
Share based payments					1.9	1.9
At 31 December 2008	112.6	126.6	96.0	6.2	287.8	629.2

* Other reserves comprises merger reserve of £2.5m (2008: £2.5m), capital redemption reserve of £8.6m (2008: £8.6m) and cash flow hedge reserve of £(2.6)m (2008: £(4.9)m).

** Restated for amendments to IAS 10.

Consolidated cash flow statement

for the year ended 31 December 2009

	Notes	**2009 £m**	2008 £m
Cash flow from operating activities			
Profit before income tax		**216.0**	206.9
Adjustments for non-cash items:			
depreciation		**23.5**	19.7
intangible amortisation		**41.8**	36.0
share based payments		**4.6**	5.3
Working capital movement		**17.5**	(15.9)
Finance income		**(16.8)**	(27.6)
Finance cost		**54.7**	65.2
Provisions and pensions		**(17.4)**	(15.8)
Other		**(1.1)**	(1.5)
Cash generated from operations		**322.8**	272.3
Income tax paid		**(75.0)**	(66.4)
Cash inflow from operating activities		**247.8**	205.9
Cash flow from investing activities			
Interest received		**1.6**	7.0
Purchase of property, plant and equipment		**(23.9)**	(20.9)
Sale of property, plant and equipment		**3.0**	5.7
Purchase of businesses		**(6.4)**	(115.9)
Investment in associates		**-**	(0.5)
Cash outflow from investing activities		**(25.7)**	(124.6)
Cash flow from financing activities			
Interest paid		**(37.0)**	(48.4)
Dividends paid		**(62.3)**	(59.9)
Decrease in short term loans		**(48.2)**	(76.7)
(Decrease)/increase in long term loans		**(83.3)**	165.8
Realised losses on foreign exchange contracts		**(7.3)**	(62.5)
Net proceeds from/(purchase of) from employee shares		**3.5**	(7.2)
Cash outflow from financing activities		**(234.6)**	(88.9)
Exchange (loss)/gain on cash and cash equivalents		**(2.0)**	9.4
(Decrease)/increase in cash and cash equivalents		**(14.5)**	1.8
Cash and cash equivalents at start of year		**57.5**	55.7
(Decrease)/increase in cash and cash equivalents		**(14.5)**	1.8
Cash and cash equivalents at end of year	8	**43.0**	57.5

Notes

1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2009 have been approved by the directors and prepared in accordance with EU endorsed International Financial Reporting Standards ('IFRS') and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'). The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, with the exception of certain items which are measured at fair value.

Bunzl plc's 2009 Annual Report will be despatched to shareholders at the end of March 2010. The financial information set out herein does not constitute the Company's statutory accounts for the year ended 31 December 2009 but is derived from those accounts and the accompanying directors' report. Statutory accounts for 2009 will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 21 April 2010. The auditors have reported on those accounts; their report was unqualified and did not contain statements under Section 495 (4)(b) of the Companies Act 2006.

The comparative figures for the year ended 31 December 2008 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.

International Accounting Standard ('IAS') 1 (revised) 'Presentation of Financial Statements' has been adopted during the year. The adoption of this Standard has resulted in some presentational changes to the primary financial statements which have had no impact on the reported net result or financial position of the Group.

IFRS 8 'Operating Segments' has been adopted during the year. The Group is managed through four business areas based on geographic regions which represent the reporting segments under IFRS 8. Each of these business areas supplies a range of products to customers operating primarily in the foodservice, grocery, cleaning & safety, non-food retail and healthcare markets. The performance of the four business areas is assessed by reference to operating profit before intangible amortisation and this measure also represents the segment results for the purposes of reporting in accordance with IFRS 8. Accordingly, on the adoption of IFRS 8, no changes were required to be made to any segment's revenue or results previously presented in accordance with IAS 14 'Segment Reporting'.

IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' has been adopted during 2009 and as a result the comparative figures have been restated. The impact on the balance sheet at 31 December 2008 was to increase the retirement benefit obligations by £5.5m (£18.1m at 31 December 2007), increase deferred tax assets by £1.5m (£5.1m at 31 December 2007) and reduce retained earnings by £4.0m (£13.0m at 31 December 2007). As a result of a change to the trust deed for the UK defined benefit pension plan in the second half of 2009, IFRIC 14 no longer impacts the financial position of the Group and consequently there is no additional retirement benefit obligation (or related deferred tax asset) to recognise at 31 December 2009.

Following amendments to IAS 10 'Events after the Reporting Period', it is no longer appropriate to recognise interim dividends payable as an outstanding creditor based on the constructive obligations created by the announcement of such dividends by the Board. Accordingly the interim dividend declared in August and paid in January of the following year is no longer recognised as a liability at 31 December and is now accounted for when paid. The comparative balance sheet at 31 December 2008 has been restated, resulting in an increase in net assets as at that date of £20.6m. This change has no impact on the reported cash flow or the income statement for the year ended 31 December 2008.

2. Segment analysis

Year ended 31 December 2009	**North America £m**	**UK & Ireland £m**	**Continental Europe £m**	**Rest of the World £m**	**Corporate £m**	**Total £m**
Revenue	**2,454.1**	**1,068.4**	**910.2**	**216.0**		**4,648.7**
Operating profit/(loss) before intangible amortisation	**155.3**	**57.8**	**81.7**	**17.0**	**(16.1)**	**295.7**
Intangible amortisation	**(7.3)**	**(7.9)**	**(23.2)**	**(3.4)**	**-**	**(41.8)**
Operating profit/(loss)	**148.0**	**49.9**	**58.5**	**13.6**	**(16.1)**	**253.9**
Finance income						**16.8**
Finance cost						**(54.7)**
Profit before income tax						**216.0**
Profit before income tax and intangible amortisation						**257.8**
Income tax						**(67.1)**
Profit for the year						**148.9**

Year ended 31 December 2008	North America £m	UK & Ireland £m	Continental Europe £m	Rest of the World £m	Corporate £m	Total £m
Revenue	2,055.1	1,100.0	822.8	199.4		4,177.3
Operating profit/(loss) before intangible amortisation	134.0	78.0	67.2	17.6	(16.3)	280.5
Intangible amortisation	(6.3)	(7.3)	(19.6)	(2.8)	-	(36.0)
Operating profit/(loss)	127.7	70.7	47.6	14.8	(16.3)	244.5
Finance income						27.6
Finance cost						(65.2)
Profit before income tax						206.9
Profit before income tax and intangible amortisation						242.9
Income tax						(64.7)
Profit for the year						142.2

3. Finance income/(cost)

	2009 £m	2008 £m
Deposits	**0.9**	1.2
Interest income from foreign exchange contracts	**0.8**	5.4
Expected return on pension scheme assets	**14.7**	17.1
Other finance income	**0.4**	3.9
Finance income	**16.8**	27.6
Loans and overdrafts	**(36.1)**	(43.4)
Interest expense from foreign exchange contracts	**(2.4)**	(5.5)
Interest charge on pension scheme liabilities	**(15.2)**	(14.2)
Fair value gain/(loss) on US dollar bonds in a hedge relationship	**8.7**	(36.6)
Fair value (loss)/gain on interest rate swaps in a hedge relationship	**(8.7)**	36.6
Foreign exchange (loss)/gain on intercompany funding	**(31.9)**	79.5
Foreign exchange gain/(loss) on external debt not in a hedge relationship	**32.7**	(80.2)
Other finance expense	**(1.8)**	(1.4)
Finance cost	**(54.7)**	(65.2)

The foreign exchange (loss)/gain on intercompany funding arises as a result of foreign currency intercompany loans and deposits. This is substantially matched by external debt to minimise this foreign currency exposure in the income statement.

4. Income tax

A tax charge of 30.5% (2008: 30.8%) on the profit on underlying operations excluding the impact of intangible amortisation of £41.8m (2008: £36.0m) and the related deferred tax of £11.6m (2008: £10.0m), has been provided. Including the impact of intangible amortisation and related deferred tax, the overall rate is 31.1% (2008: 31.3%).

5. Dividends

	2009 **£m**	2008 £m
2007 interim		18.6
2007 final		41.3
2008 interim	**20.6**	
2008 final	**45.3**	
Total	**65.9**	59.9

Total dividends per share for the year to which they relate are:

	Per share	
	2009	2008
Interim	**6.65p**	6.45p
Final	**14.90p**	14.15p
Total	**21.55p**	20.60p

The 2009 interim dividend of 6.65p per share was paid on 4 January 2010 and comprised £20.2m of cash and £1.2m of scrip shares.

The 2009 final dividend of 14.9p per share will be paid on 1 July 2010 to shareholders on the register at the close of business on 7 May 2010.

6. Earnings per share

	2009 **£m**	2008 £m
Profit for the year	**148.9**	142.2
Adjustment	**30.2**	26.0
Adjusted profit*	**179.1**	168.2
Basic weighted average ordinary shares in issue (million)	**320.5**	319.4
Dilutive effect of employee share plans (million)	**0.9**	1.2
Diluted weighted average ordinary shares (million)	**321.4**	320.6
Basic earnings per share	**46.4p**	44.5p
Adjustment	**9.5p**	8.2p
Adjusted earnings per share*	**55.9p**	52.7p
Diluted basic earnings per share	**46.3p**	44.4p
Adjustment	**9.4p**	8.1p
Adjusted diluted earnings per share*	**55.7p**	52.5p

* Adjusted profit, adjusted earnings per share and adjusted diluted 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.

7. Intangible assets

Goodwill	**2009 £m**	2008 £m
Beginning of year	**785.9**	606.6
Acquisitions	**0.4**	62.3
Deferred consideration	**(2.1)**	-
Currency translation	**(34.8)**	117.0
End of year	**749.4**	785.9

Customer relationships	**2009 £m**	2008 £m
Cost		
Beginning of year	**646.7**	452.0
Acquisitions	**3.3**	68.2
Currency translation	**(39.1)**	126.5
End of year	**610.9**	646.7
Amortisation		
Beginning of year	**131.3**	68.3
Charge in year	**41.8**	36.0
Currency translation	**(9.4)**	27.0
End of year	**163.7**	131.3
Net book value at 31 December	**447.2**	515.4
Total net book value of intangible assets at 31 December	**1,196.6**	1,301.3

Both goodwill and customer relationships have been acquired as part of business combinations. Customer relationships are amortised over their estimated useful lives which range from 10 to 19 years.

8. Cash and cash equivalents and net debt

	2009 £m	2008 £m
Cash at bank and in hand	**47.2**	60.4
Short term deposits repayable in less than three months	**10.7**	5.2
Cash and deposits	**57.9**	65.6
Bank overdrafts	**(14.9)**	(8.1)
Cash and cash equivalents	**43.0**	57.5
Current liabilities	**(7.7)**	(57.6)
Non-current liabilities	**(780.3)**	(919.7)
Derivative assets - fair value of interest rate swaps hedging fixed interest rate borrowings	**28.2**	49.1
Interest bearing loans & borrowings	**(759.8)**	(928.2)
Net debt	**(716.8)**	(870.7)

Movement in net debt	**2009 £m**	2008 £m
Beginning of year	**(870.7)**	(667.6)
Net cash inflow/(outflow)	**126.3**	(34.2)
Realised losses on foreign exchange contracts	**(7.3)**	(62.5)
Currency translation	**34.9**	(106.4)
End of year	**(716.8)**	(870.7)

9. Contingent liabilities

	2009 **£m**	2008 £m
Bank guarantees	**0.7**	0.1

10. Related party disclosures

The Group has identified the directors of the Company, the Group pension schemes and its key management as related parties for the purpose of IAS 24 'Related Party Disclosures'. There have been no transactions with those related parties during the year ended 31 December 2009 that have materially affected the financial position or performance of the Group during this period. All transactions with subsidiaries are eliminated on consolidation.

11. Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's business, financial condition or results of operations. The Group has specific policies and procedures which are designed to identify, evaluate, manage and mitigate business risk. The principal risks and uncertainties faced by the Group and the steps taken by the Group to mitigate such risks and uncertainties include the following:

Economic environment – The Group's business is partially dependent on general economic conditions in the US, the UK, France and other important markets. A significant deterioration in these conditions could have an adverse effect on the Group's business and results of operations.

The Group's operations and its customer base are diverse, with a variable and flexible cost base, and many of the sectors in which it competes are traditionally, by their nature, relatively resilient to economic downturns.

Competitive pressures – The Group operates in highly competitive markets and faces competition from international companies as well as national, regional and local companies in the countries in which it operates. Increased competition and unanticipated actions by competitors or customers could lead to an adverse effect on results and hinder the Group's growth potential.

The Group seeks to remain competitive by maintaining high service levels and close contacts with its customers to ensure that their needs and demands are being met satisfactorily, developing a national presence in the markets in which the Group operates and maintaining strong relationships with a variety of different suppliers thereby enabling the Group to offer a broad range of products to its customers.

Product price changes – The purchase price and availability of products distributed by the Group can fluctuate from time to time, thereby potentially affecting the results of operations. Adverse economic conditions resulting in a period of commodity price deflation and increased levels of imported products may lead to reductions in the price and value of the Group's products. If this were to occur, the Group's revenue and, as a result, its profits, could be reduced and the value of inventory held in stock may not be fully recoverable.

The Group endeavours, whenever possible, to pass on price increases from its suppliers to its customers and to source its products from a number of different suppliers so that it is not dependent on any one source of supply for any particular product. Increased focus on the Group's own import programmes and brands, together with the reinforcement of Bunzl's service and product offering to customers, helps to minimise the impact of price deflation.

The Group mitigates against the risk of holding overvalued inventory in a deflationary environment by managing stock levels efficiently and ensuring they are kept to a minimum.

Foreign exchange – The majority of the Group's sales are made and income is earned in US dollars, euros and other foreign currencies. As a result, movements in exchange rates may have a material translation impact on the Group's reported results.

Bunzl believes that the benefits of its geographical spread outweigh the associated risks.

Bunzl may also be subject to transaction exposures where products are purchased in one currency and sold in another and movements in exchange rates may also adversely affect the value of the Group's net assets.

The majority of the Group's transactions are carried out in the functional currency of the Group's operations. As a result, transaction exposures are usually limited and exchange rate fluctuations have minimal effect on the quality of earnings unless there is a sudden and significant adverse movement of a foreign currency in which products are purchased which may lead to a delay in passing on to customers the resulting price increases.

Acquisitions – A significant portion of the Group's historical growth has been achieved through the acquisition of businesses and the Group's growth strategy includes additional acquisitions. Although the Group operates in a number of fragmented markets which provide future acquisition opportunities, there can be no assurance that the Group will be able to make acquisitions in the future or that any acquisitions made will be successful.

The Group's acquisition strategy is to focus on those businesses which operate in sectors where it has or can develop competitive advantage and which have good growth opportunities. The Group continually reviews acquisition targets and has established processes and procedures with regard to detailed pre-acquisition due diligence and post-acquisition integration.

Financial liquidity and debt covenants – The Group needs continuous access to funding in order to meet its trading obligations, to support investment in organic growth and to make acquisitions when appropriate opportunities arise. There is a risk that Bunzl may be unable to obtain the necessary funds when required or that such funds will only be available on unfavourable terms.

The Group arranges a mixture of borrowings from different sources and continually monitors net debt and forecast cash flows to ensure that it will be able to meet its financial obligations as they fall due and that sufficient facilities are in place to meet the Group's requirements in the short, medium and long term.

The Group's borrowing facilities include a requirement to comply with certain specified covenants in relation to the level of net debt and interest cover. A breach of these covenants could result in a significant proportion of the Group's borrowings becoming repayable immediately.

Compliance with the Group's biannual debt covenants is monitored on a monthly basis based on the management accounts. Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants.

Business continuity – The Group would be affected if there was a significant failure of its major distribution facilities or information systems.

The Group seeks to reduce this risk through the use of multi-site facilities with products stocked in more than one location and the adoption of detailed back up plans which are periodically tested and which would be implemented in the event of any such failure.

Laws and regulations – The international nature of the Group's operations exposes it to potential claims as the Group is subject to a broad range of laws and regulations in each of the jurisdictions in which it operates.

Although the Group does not operate in particularly litigious market sectors, it has in place processes to report, manage and mitigate against third party litigation using external advisers where necessary.

In addition the Group faces potential claims from customers in relation to the supply of defective products or breaches of their contractual arrangements. The sourcing of products from lower cost countries increases the risk of the Group being unable to recover any potential losses relating thereto from the relevant supplier.

The use of reputable suppliers and internal quality assurance and quality control procedures reduce the risks associated with defective products.

12. Forward-looking statements

This announcement contains certain statements about the future outlook for the Group. Although the Company believes that the expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

13. Responsibility statements

The Annual Review and Summary Financial Statement and the Directors' Report and Accounts comply with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority in respect of the requirement to produce an annual financial report.

We confirm on behalf of the Board that to the best of our knowledge:

- the Group and parent company financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Annual Review and Summary Financial Statement and the Directors' Report and Accounts include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Michael Roney	**Brian May**
Chief Executive	Finance Director
22 February 2010	