News Release

Tuesday 31 August 2010

HALF YEARLY FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2010 AND ACQUISITIONS IN THE US AND BRAZIL

Bunzl plc, the international distribution and outsourcing Group, today publishes its half yearly financial report for the six months ended 30 June 2010.

	H1 10	H1 09	Growth as reported	Growth at constant exchange
Revenue	**£2,345.1m**	£2,293.3m	2%	2%
Operating profit*	**£140.5m**	£132.1m	6%	7%
Profit before tax*	**£125.1m**	£115.5m	8%	9%
Adjusted earnings per share*	**27.5p**	25.1p	10%	10%
Interim dividend	**7.15p**	6.65p	8%	
Operating profit	**£115.4m**	£111.2m	4%	
Profit before tax	**£100.0m**	£94.6m	6%	
Earnings per share	**21.6p**	20.4p	6%	

Other highlights include:

- Underlying revenue growth of 5% in North America, the largest business area
- Group operating margin improved due to significant increases in the UK & Ireland and the Rest of the World
- Eight acquisitions announced to date in 2010, six in Continental Europe
- Continued strong operating cash flow with operating cash flow to operating profit* of 94%
- Dividend growth continues with 8% increase

* Before intangible amortisation and acquisition related costs

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

"In spite of the continuing difficult economic conditions, I am pleased to report good growth in profitability and continued strong operating cash flow for the first half of 2010. This, combined with the resumption of acquisition activity which has resulted in us acquiring businesses with annual revenues of £140 million so far this year, gives us a platform and momentum for further growth."

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

The Company has acquired Cool-Pak, LLC from the Weber Family Trust, Niall Kelly, Jim Borchard and John Murphy and other members of the Weber family. Based in Oxnard, California, Cool-Pak is a leading distributor of plastic and pulp packaging to fruit and vegetable growers in the US. Revenue in the year ended 31 December 2009 was $51.4 million and the gross assets acquired are estimated to be $17 million.

The Company has also acquired A.M. Supply Comércio Representação e Serviços Ltda from Henrique and Pedro Bonan Pinaud de Oliveira. Based in Macaé, Brazil, A.M. Supply is engaged in the supply of personal protection equipment to the oil and petrochemical sectors in the state of Rio de Janeiro. Revenue in the year ended 31 December 2009 was R$7.4 million and the gross assets acquired are estimated to be R$3 million.

Commenting on these acquisitions, Michael Roney said:

"I am pleased that we have acquired a leading position in the developing market of innovative packaging solutions for both growers and food retailers in the US. The team of Cool-Pak is well known for providing quick and creative solutions for their customers and we are excited to have them as part of the Bunzl Group.

The acquisition of A.M. Supply is another step into the fast growing Brazilian market and will enable us to participate fully in the significant future investments in the offshore exploration programme recently announced by Petrobras, Brazil's state controlled oil company. The business has an excellent reputation and we are delighted to welcome all of their employees to the Group."

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Notes:
A live webcast of today's presentation to analysts will be available on the Company's website at www.bunzl.com commencing at 9.30 am. A copy of the presentation will also be available on the website.

If you require a hard copy of this report, a copy is available at www.bunzl.com or please contact the Company by email (investor@bunzl.com) or telephone (+44 (0)20 7725 5000).

CHAIRMAN'S STATEMENT

I am delighted to present my first report as Chairman of Bunzl. Challenging macroeconomic conditions continued into the first half of 2010. However, the return of some economic growth to many of the markets in which we operate, together with the impact of cost reductions implemented last year, have had a favourable impact on profitability.

Group Revenue increased 2% to £2,345.1 million, driven principally by strong underlying growth in North America and the effect of recent acquisitions in Continental Europe partly offset by lower sales in the UK & Ireland and the overall impact of currency translation which was slightly negative.

Operating profit before intangible amortisation and acquisition related costs increased 6% to £140.5 million, up 7% at constant exchange rates, as margins improved, principally in the UK & Ireland and the Rest of the World due to the impact of cost reductions previously taken and the absence of a negative transaction impact from foreign exchange which particularly affected these business areas in the first half of last year. Profit before tax, intangible amortisation and acquisition related costs was up 8% to £125.1 million, up 9% at constant exchange rates. Earnings per share rose 6% to 21.6p, up 6% at constant exchange rates, and adjusted earnings per share, after eliminating intangible amortisation and acquisition related costs, increased 10% to 27.5p, also a 10% increase at constant exchange rates.

Dividend

The Board has decided to increase the interim dividend by 8% to 7.15p. 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 focus on our strategy of pursuing organic growth, consolidating the markets in which we compete through targeted acquisitions in both existing and new geographies and continuously improving the efficiency of our operations. I am particularly pleased that the more stable economic environment has led to a resumption of acquisition activity during the first half and we expect to see more transactions being completed during the remainder of the year.

Credit facilities

The Group remains highly cash generative and we continue to have access to diverse sources of funding to be used to achieve our strategic objectives. Our undrawn committed facilities' headroom at the end of June was £532 million.

Board and employees

After more than nine years on the Board, Jeff Harris retired on 28 February 2010. During his time with us, Jeff served as Chairman of the Audit Committee, Senior Independent Director and, most recently, as Interim Chairman following Anthony Habgood's retirement last year. I was appointed to the Board as Chairman designate on 1 January 2010 and became Chairman on 1 March 2010. We thank Jeff for his guidance and wise counsel over many years and wish him all the very best for the future. Peter Johnson, who has been a non-executive director since January 2006, was appointed as Senior Independent Director in April.

Philip Rogerson

Chairman

CHIEF EXECUTIVE'S REVIEW

Revenue increased 2% to £2,345.1 million and operating profit before intangible amortisation and acquisition related costs rose 6% to £140.5 million. The overall impact from currency translation was slightly negative while the percentage growth in operating profit was greater than that of revenue due to the significant improvement in operating margins in the UK & Ireland and the Rest of the World. Unless otherwise stated, all references in this review to operating profit are to operating profit before intangible amortisation and acquisition related costs.

In North America revenue rose 4% (5% at constant exchange rates), with strong underlying growth resulting from increased volumes to our existing customers, while operating profit increased 2% (4% at constant exchange rates). In the UK & Ireland revenue decreased by 6% (5% at constant exchange rates) primarily due to the persisting difficult economic conditions and weakness in some businesses, especially Ireland, Vending and Healthcare. However operating profit rose 6% due to the positive impact of earlier cost reduction initiatives and the absence of a negative transaction impact from foreign exchange. Revenue and operating profit in Continental Europe rose 2% (5% at constant exchange rates) and 4% (7% at constant exchange rates) respectively due to the impact of current year acquisitions. In the Rest of the World revenue grew by 24% (1% at constant exchange rates) and operating profit rose 70% (40% at constant exchange rates) due to a substantial margin improvement in Australasia and good growth in Brazil.

Cash flow remained strong, with cash generated from operations of £143.9 million and continued good working capital management. This, combined with a cash outflow for acquisitions of £76.7 million, kept our net debt to EBITDA ratio at 2.2 times which is the same level as December 2009. Net debt at the end of June was £745.2 million compared to £716.8 million at the year end.

Acquisitions

Acquisition activity has picked up significantly in 2010 as we have announced eight deals already this year and the current pipeline looks promising.

In January we acquired Clean Care which is 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 million. In February we expanded further into Denmark with the purchase of Hamo, a supplier of catering disposables and light catering equipment to a variety of end users in both the public and private sectors. Revenue in 2009 was DKK43 million. Both these businesses are excellent additions to our existing cleaning and hygiene and catering supplies businesses in Denmark and have extended our customer base and product offering there.

During March we significantly increased the size of our operations in Switzerland. The acquisition of Weita, a business based near Basel with revenue in 2009 of CHF71 million, expanded our business into the cleaning and safety, foodservice and healthcare consumables sectors for the first time and also increased the size of our existing retail supplies business.

In April we announced our first step into Israel when we purchased Silco, a supplier of foodservice disposables to a number of different sectors throughout the country, including restaurants, caterers and redistributors. Revenue in

2009 was ILS64 million. The business has a market leading position and a strong customer base and will provide the opportunity to develop further in the Israeli market.

Juba, which we acquired in May and had revenue in 2009 of €22 million, is a leading supplier of personal protection equipment, principally protective gloves and other workwear, to redistributors throughout Spain. It has expanded our personal protection equipment business in Spain and has strengthened our position in this market which we entered in 2008 with the acquisition of Marca.

In July we announced the acquisition of Global Net based in Belgium with revenue in 2009 of €20 million. It is principally engaged in the sale of cleaning and hygiene consumables and equipment throughout the Walloon region of Belgium to contract cleaners, local authorities and other industrial and institutional customers. As our existing business in Belgium is focused on the Flanders region, Global Net has extended our geographic coverage across the whole of the country.

Today we are announcing two further acquisitions. Cool-Pak, which had revenue of $51 million in 2009, is an exciting development for us as it will increase our presence in a specialist area of the food processor market in the US. The acquisition of A.M. Supply in Brazil expands our existing personal protection equipment business in Brazil and extends our product offering into the developing oil and petrochemical sectors there. Revenue in 2009 was R$7 million.

Prospects

While the challenging economic environment will continue to impact our businesses, the opportunities for further development through acquisition look to be promising. In North America we expect the good underlying revenue growth to continue. In the UK & Ireland the persisting difficult economic conditions, especially in Ireland, will hold back revenue but we should see continued improvement in operating margin. In Continental Europe, compared to the second half of 2009 which had a significant benefit from the sale of products related to H1N1 prevention, especially in France, we would expect underlying revenue to be sluggish but overall growth will be enhanced by the acquisitions already made in 2010. The Rest of the World should see stronger underlying growth and a further improvement in operating margin.

Acquisition growth, through consolidation of the fragmented markets in which we compete, remains a key element of our strategy and we anticipate that the current environment should enable us to complete more transactions this year.

Although economic growth in most of the countries in which we operate is expected to remain weak, the Board believes that our market leading positions and our strong balance sheet should enable us to take advantage of further acquisition opportunities as they arise and that this, together with continued underlying growth, should enable the Group to develop positively.

Operating performance

Although there has only been a minor translation impact from foreign exchange during the first half this year compared to last (with the exception of the Rest of the World business area), the operations, including the relevant growth rates, are reviewed below at constant exchange rates to remove the impact of currency movements.

Changes in the level of revenue and profits at constant exchange rates have been calculated by retranslating the results for the first half of 2009 at the average rates used for 2010.

North America

In North America revenue rose 5% to £1,269.8 million against the background of a slowly recovering economic environment that has continued to make it difficult for our customers to grow their own businesses with a consequential effect on our levels of activity. However, these challenging conditions have provided opportunities to sell our value proposition of reducing our customers' working capital, increasing their cash flow and reducing their supply chain costs. Successfully marketing this programme to new customers as well as continued growth with our current customers has contributed to our strong revenue growth. Operating profit increased 4% to £75.9 million.

Although pressure on gross margins has continued, our more resilient businesses, including those serving the grocery and food processor sectors, have performed well during the first half of the year as consumers continue to change their buying habits due to the current economic conditions, choosing to eat more meals at home. As retail sales grow in these areas, so does the demand from our customers for additional products and services. Our customers continue to partner with us due to our financial strength and ability to execute the programmes necessary to meet their needs thereby providing us with new opportunities. The acquisition of Cool-Pak which we have announced today will further strengthen our food processor supplies business.

The business continues to reduce its operating costs to sales ratio. Facility consolidations and improvements in productivity both in the warehouse and in our delivery services have contributed towards these gains. We are undertaking a project to determine the optimum location of our distribution facilities based on business sector and customer location. Once the plan has been finalised, it will be implemented as existing property leases expire. Additionally, we continue to develop best practices in all areas of the business delivering better operating results as well as improved levels of customer service.

Our ongoing investment in sales training programmes and the development of IT based sales tools have contributed to improved new customer targeting and subsequent follow up and the development of specific solutions to customers' needs during these challenging times. The ability to create programmes for our customers that will generate increased sales for them and reduce their supply chain costs has once again proven to be successful and has helped drive some of our additional business. We have also continued to partner with several of our suppliers on new products and systems to meet the ever changing needs of our customer base.

As our customers' needs change we are able to provide solutions, including expanded product lines sourced through our buying office in China as well as freight and logistics solutions via our Chinese consolidation centre. Our investment in people and facilities together with our experience in this area provide us with the opportunity to handle these programmes exclusively for several national customers. We will continue to invest in and expand these services.

Environmental concerns have also impacted our customers' businesses in various areas of the market. Our ability to provide products that meet their specific needs, as well as satisfy the relevant food safety requirements, has allowed us to expand our product offering in this area with many large customers. Additionally we continue to look for ways to reduce our carbon footprint and operate our locations in an increasingly environmentally friendly manner through the use of recycling programmes and the adoption of energy saving techniques and other green initiatives.

UK and Ireland

Our UK & Ireland business area has continued to face a tough trading environment during the first half of the year. The adverse economic conditions have impacted revenue which fell by 5% to £493.7 million. However the favourable impact of earlier cost reduction initiatives and the absence of a negative transaction impact from foreign currency which particularly affected the first half of last year has led to a significant improvement in operating margins. As a result, operating profit rose 6% to £25.6 million.

Despite a reduction in sales to some customers caused by weaker retail sales on the high street, our food and non-food retail supplies businesses, which supply a broad range of goods not for resale, have seen strong profit growth. This has been achieved by good cost control and by adding both new customers and more products to existing ranges. In our food retail supplies business, we have completed the installation of a warehouse management system that will further enhance our quality of service while improving our efficiency.

In our cleaning and safety business, we have seen sales to the construction sector continue to trend downwards as a direct result of less building activity and fewer infrastructure projects. This decline has been offset by further reducing our cost base and also by increased sales to those sectors that have been more resilient, particularly contract cleaning as a result of which our cleaning and hygiene business has increased its profits. We have taken advantage of the expiry of some property leases to consolidate our infrastructure and move to new facilities in Bristol, Croydon and Glasgow. These transitions have all gone smoothly.

In our horeca (hotel, restaurant and catering) business volumes have been soft in the supply of disposable products but we have seen stronger demand for catering equipment. We have also made efficiency savings through closing a branch and consolidating operations.

The healthcare business has experienced challenging trading conditions with restrictions on spending imposed by some customers as their purchasing budgets have been reduced. We have also seen some reduction in demand as a result of the non-repeat of orders related to the outbreak of the H1N1 virus which began to pick up towards the end of the first half last year.

Our vending business continues to operate in a very competitive and demanding environment, with key corporate clients continuously looking to reduce levels of spend. The process of implementing a new fully integrated computer system is now complete and this is assisting us to drive improved efficiencies and enhance customer service levels.

The economy in Ireland has continued to be particularly challenging during the first half, especially in the hotel sector, which has once again impacted our business. We have an excellent position in the Irish market and have continued to take steps to realign the business with the reduced levels of activity. We are well positioned for when the economy starts to improve.

Across the business area our product offering for customers continues to develop, especially as we focus on specific product categories and enhance our branded product ranges with own brand products sourced from low cost manufacturing countries.

Continental Europe

Revenue grew 5% to £459.1 million and operating profit rose 7% to £37.4 million. This was achieved by good organic revenue growth in some businesses and a return to acquisition growth. Margin management has continued to be strong.

In France, the cleaning and hygiene business has seen a decline in sales in continuing difficult economic circumstances which has been exacerbated by customers destocking following exceptional purchases of products relating to H1N1 prevention during the latter part of last year. Improvements in the gross margin have not been able to offset this sales decline. The implementation of the new IT system is now complete and the business will drive through operational efficiencies going forward. Our personal protection equipment business has achieved strong sales growth during the period due to new business wins and has also improved margins.

In the Netherlands we have benefited from a recovery in the hotel sector and a significant increase in sales to the food retail sector although the healthcare sector remains under pressure due to customers' cost-cutting measures. Overall good revenue growth, gross margin improvement and lower costs have led to strong profit growth.

In Belgium our retail business delivered good sales growth although margins remain under pressure. The cleaning and hygiene business achieved higher profits from better margins and lower costs on flat sales. It will benefit from future synergies which we expect to achieve following the acquisition in July of Global Net in the French speaking part of Belgium.

In Germany revenue grew as the hotel sector recovered and we benefited from a number of customer wins. Margin pressure, however, resulted in profits being only slightly ahead of last year.

In Denmark our retail business has increased profits despite slightly lower sales due to lower costs and an improved operating margin. Our horeca and cleaning and hygiene business achieved good sales growth which with lower costs led to substantially higher profits. The Hamo business acquired in February has been fully integrated into our main warehouse and the Clean Care business acquired in January is delivering significant synergies.

In Spain our personal protection equipment business has experienced a strong recovery in both revenue and profits while our cleaning and hygiene business has continued to grow and increase its profitability. The acquisition of Juba in May is a significant addition to our personal protection equipment business and should generate significant opportunities for the enlarged business.

After an extremely difficult 2009 due to the significant economic contraction in the region, performance at our businesses in central Europe has improved. While revenue remains weak in the retail sector, higher gross margins and the impact of substantial cost reduction measures undertaken last year have delivered strong profit growth. The cleaning and hygiene business has benefited from increased revenue and lower costs.

In March we acquired the Weita business based near Basel. It operates in the cleaning and safety, foodservice, retail and healthcare consumables sectors and has significantly increased our presence in Switzerland. The business is trading in line with our expectations.

In April we acquired the foodservice disposables business, Silco, based near Tel Aviv. This is our first acquisition in Israel, a market with exciting development prospects. Silco has integrated well into the Group and is also trading as expected.

Rest of the World

In the Rest of the World revenue increased 1% to £122.5 million. Margins have improved substantially in Australasia due to the impact of previous cost reductions and the absence of a negative transaction impact from foreign exchange which affected the results in the first half of 2009. Profits were also boosted by a particularly strong performance in Brazil. As a result operating profit rose 40% to £10.2 million.

In Australasia, although sales were below those of the first half of last year, profits have improved significantly. As the economy recovers, our focus on cost control and efficiency improvements, supported by a stronger currency, has helped offset reduced demand. Our largest business, Outsourcing Services, has seen profits increase and is now benefiting from some significant sales gains made earlier in the year. This business continues to develop its position in the more resilient sectors and is also benefiting from growth in support services to the resources sector. Our food processor supplies business, while performing below expectations, is now showing some improvement and recent sales gains are helping to offset the downturn within the major food processor customers. This business will continue to improve as these customers come back into full production. In addition we will benefit from operational efficiencies following implementation of the business area's IT system into our New Zealand branch network this year. Our catering equipment business, while still affected by the softer hospitality and catering sectors, has improved its performance since last year. This business will also continue to develop as these sectors recover and confidence builds for investment in equipment and refurbishment projects. Going forward we will increasingly use our consolidation facility in China which will enhance our competitive position on a wider range of product categories and increase our flexibility, while improving supply chain efficiencies throughout the region.

In Brazil the strong rebound in the economy, especially in the industrial and construction sectors, has led to exceptional growth in both revenue and profits. Our business, which is a leading distributor of personal protection equipment, has continued to expand its presence in the market through the introduction of new products and services. This expansion will be further enhanced by the acquisition of A.M. Supply which we have announced today.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group for the remaining six months of the financial year remain those detailed in the section entitled 'Principal risks and uncertainties' on pages 1 and 2 of the Directors' Report and Accounts for the year ended 31 December 2009. These include the impact of general economic conditions and the ongoing competitive pressures in the countries in which we operate, the impact of product price changes, the translation and transaction impacts of movements in exchange rates on the Group's results, the ability of the Group to complete and successfully integrate acquisitions and the availability of funding to enable the Group to meet its financial obligations as they fall due. A copy of the 2009 Directors' Report and Accounts is available on the Company's website at www.bunzl.com. Set out above is a commentary on the prospects for the Group for the remaining six months of the financial year.

Michael Roney

Chief Executive

Consolidated income statement

	Notes	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Growth Actual exchange rates	Growth Constant exchange rates	Year to 31.12.09 £m
Revenue	2	**2,345.1**	2,293.3	2%	2%	4,648.7
Operating profit before intangible amortisation and acquisition related costs		**140.5**	132.1	6%	7%	295.7
Intangible amortisation and acquisition related costs	2	**(25.1)**	(20.9)			(41.8)
Operating profit	2	**115.4**	111.2	4%	4%	253.9
Finance income	3	**10.4**	11.0			16.8
Finance cost	3	**(25.8)**	(27.6)			(54.7)
Profit before income tax		**100.0**	94.6	6%	6%	216.0
Profit before income tax, intangible amortisation and acquisition related costs		**125.1**	115.5	8%	9%	257.8
UK income tax		**(0.2)**	0.5			(12.1)
Overseas income tax		**(30.2)**	(30.0)			(55.0)
Total income tax	4	**(30.4)**	(29.5)			(67.1)
Profit for the period attributable to the Company's equity holders		**69.6**	65.1	7%	7%	148.9
Earnings per share attributable to the Company's equity holders						
Basic	6	**21.6p**	20.4p	6%	6%	46.4p
Diluted	6	**21.5p**	20.3p	6%	6%	46.3p

Consolidated statement of comprehensive income

	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m
Profit for the period	**69.6**	65.1	148.9
Other comprehensive (expense)/income			
Actuarial loss on pension schemes	**(19.5)**	(24.0)	(19.3)
Movement in pension schemes' minimum funding liabilities		5.5	5.5
Foreign currency translation differences for foreign operations	**(35.1)**	(96.9)	(55.4)
Gain taken to equity as a result of designated effective net investment hedges	**6.2**	24.8	8.9
Gain/(loss) recognised in cash flow hedge reserve	**1.1**	(4.8)	(6.3)
Movement from cash flow hedge reserve to income statement	**1.5**	1.3	7.5
Income tax credit on other comprehensive income	**7.5**	9.7	7.8
Other comprehensive expense for the period	**(38.3)**	(84.4)	(51.3)
Total comprehensive income/(expense) attributable to the Company's equity holders	**31.3**	(19.3)	97.6

Consolidated balance sheet

	Notes	**30.6.10 £m**	30.6.09 £m	31.12.09 £m
Assets				
Property, plant and equipment		**119.7**	101.4	102.8
Intangible assets	7	**1,209.7**	1,183.2	1,196.6
Investment in associates		**0.5**	0.5	0.5
Derivative assets		**30.0**	27.2	28.8
Deferred tax assets		**10.1**	0.6	6.9
Total non-current assets		**1,370.0**	1,312.9	1,335.6
Inventories		**439.4**	392.2	429.3
Income tax receivable		**5.7**	4.9	6.5
Trade and other receivables		**682.2**	645.7	677.9
Derivative assets		**2.1**	0.6	0.9
Cash and deposits	8	**63.7**	70.9	57.9
Total current assets		**1,193.1**	1,114.3	1,172.5
Total assets		**2,563.1**	2,427.2	2,508.1
Equity				
Share capital		**113.1**	112.7	113.0
Share premium		**133.2**	127.2	131.7
Translation reserve		**25.8**	26.1	52.7
Other reserves		**10.3**	5.1	8.5
Retained earnings		**365.2**	279.4	368.2
Total equity attributable to the Company's equity holders		**647.6**	550.5	674.1
Liabilities				
Interest bearing loans and borrowings	8	**715.2**	819.4	780.3
Retirement benefit obligations		**78.8**	68.2	59.8
Other payables		**9.6**	12.2	8.0
Derivative liabilities		**2.2**	2.9	2.6
Provisions		**40.8**	38.2	40.7
Deferred tax liabilities		**104.6**	105.6	104.0
Total non-current liabilities		**951.2**	1,046.5	995.4
Bank overdrafts	8	**11.5**	10.6	14.9
Interest bearing loans and borrowings	8	**112.9**	22.4	7.7
Income tax payable		**60.7**	44.9	59.4
Trade and other payables		**769.3**	729.6	744.4
Derivative liabilities		**0.3**	5.5	1.9
Provisions		**9.6**	17.2	10.3
Total current liabilities		**964.3**	830.2	838.6
Total liabilities		**1,915.5**	1,876.7	1,834.0
Total equity and liabilities		**2,563.1**	2,427.2	2,508.1

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 2010	113.0	131.7	52.7	8.5	368.2	674.1
Profit for the period					69.6	69.6
Actuarial loss on pension schemes					(19.5)	(19.5)
Foreign currency translation differences for foreign operations			(35.1)			(35.1)
Gain taken to equity as a result of designated effective net investment hedges			6.2			6.2
Gain recognised in cash flow hedge reserve				1.1		1.1
Movement from cash flow hedge reserve to income statement				1.5		1.5
Income tax credit/(charge) on other comprehensive income			2.0	(0.8)	6.3	7.5
Total comprehensive (expense)/income			(26.9)	1.8	56.4	31.3
2009 interim dividend					(21.4)	(21.4)
2009 final dividend					(48.2)	(48.2)
Issue of share capital	0.1	1.5				1.6
Employee trust shares					4.5	4.5
Share based payments					2.2	2.2
Scrip dividend					3.5	3.5
At 30 June 2010	**113.1**	**133.2**	**25.8**	**10.3**	**365.2**	**647.6**

	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 period					65.1	65.1
Actuarial loss on pension schemes					(24.0)	(24.0)
Movement in pension schemes minimum funding liabilities					5.5	5.5
Foreign currency translation differences for foreign operations			(96.9)			(96.9)
Gain taken to equity as a result of designated effective net investment hedges			24.8			24.8
Loss recognised in cash flow hedge reserve				(4.8)		(4.8)
Movement from cash flow hedge reserve to income statement				1.3		1.3
Income tax credit on other comprehensive income			2.2	2.4	5.1	9.7
Total comprehensive (expense)/income			(69.9)	(1.1)	51.7	(19.3)
2008 interim dividend					(20.6)	(20.6)
2008 final dividend					(45.3)	(45.3)
Issue of share capital	0.1	0.6				0.7
Employee trust shares					0.7	0.7
Share based payments					1.5	1.5
Scrip dividend					3.6	3.6
At 30 June 2009	112.7	127.2	26.1	5.1	279.4	550.5

* Other reserves comprise merger reserve £2.5m (31 December 2009: £2.5m; 30 June 2009: £2.5m), capital redemption reserve £8.6m (31 December 2009: £8.6m; 30 June 2009: £8.6m) and cash flow hedge reserve £(0.8)m (31 December 2009 £(2.6)m; 30 June 2009: £(6.0)m).

Consolidated statement of changes in equity (continued)

	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

* Other reserves comprise merger reserve £2.5m (31 December 2009: £2.5m; 30 June 2009: £2.5m), capital redemption reserve £8.6m (31 December 2009: £8.6m; 30 June 2009: £8.6m) and cash flow hedge reserve £(0.8)m (31 December 2009 £(2.6)m; 30 June 2009: £(6.0)m).

Consolidated cash flow statement

	Notes	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
Cash flow from operating activities				
Profit before income tax		**100.0**	94.6	216.0
Adjustments:				
depreciation		**12.1**	11.2	23.5
intangible amortisation and acquisition related costs		**25.1**	20.9	41.8
share based payments		**3.0**	2.8	4.6
Working capital movement		**(7.5)**	17.3	17.5
Finance income		**(10.4)**	(11.0)	(16.8)
Finance cost		**25.8**	27.6	54.7
Provisions and pensions		**(4.4)**	(6.3)	(17.4)
Other		**0.2**	0.8	(1.1)
Cash generated from operations		**143.9**	157.9	322.8
Cash outflow from acquisition related costs		**(5.8)**		
Income tax paid		**(37.2)**	(35.0)	(75.0)
Cash inflow from operating activities		**100.9**	122.9	247.8
Cash flow from investing activities				
Interest received		**0.5**	0.7	1.6
Purchase of property, plant and equipment		**(12.6)**	(9.5)	(23.9)
Sale of property, plant and equipment		**0.4**	0.7	3.0
Purchase of businesses	10	**(70.9)**	(6.6)	(6.4)
Cash outflow from investing activities		**(82.6)**	(14.7)	(25.7)
Cash flow from financing activities				
Interest paid		**(17.9)**	(18.8)	(37.0)
Dividends paid		**(20.0)**	(20.6)	(62.3)
Increase/(decrease) in short term loans		**103.8**	(34.7)	(48.2)
Decrease in long term loans		**(96.2)**	(2.6)	(83.3)
Realised gain/(loss) on foreign exchange contracts		**17.1**	(24.4)	(7.3)
Net proceeds from employee shares		**4.6**	0.7	3.5
Cash outflow from financing activities		**(8.6)**	(100.4)	(234.6)
Exchange loss on cash and cash equivalents		**(0.5)**	(5.0)	(2.0)
Increase/(decrease) in cash and cash equivalents		**9.2**	2.8	(14.5)
Cash and cash equivalents at start of the period		**43.0**	57.5	57.5
Increase/(decrease) in cash and cash equivalents		**9.2**	2.8	(14.5)
Cash and cash equivalents at end of the period	8	**52.2**	60.3	43.0

Notes

1. Basis of preparation

The condensed set of financial statements for the six months to 30 June 2010, with comparative figures for the six months to 30 June 2009, is unaudited and does not constitute statutory accounts. However the auditors have carried out a review of the condensed set of financial statements and their report in respect of the six months to 30 June 2010 is set out in the Independent review report. The comparative figures for the year to 31 December 2009 do not constitute the Company's statutory accounts for the year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 495(4)(b) of the Companies Act 2006.

The directors continue to believe that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, that it is appropriate to continue to adopt the going concern basis in the preparation of the condensed set of financial statements. Except as stated below, the condensed set of financial statements has been prepared on the basis of the accounting policies set out in the Group's 2009 statutory accounts, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS'), International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the EU and the Disclosure and Transparency Rules of the UK's Financial Services Authority.

IFRS 3 'Business Combinations' was revised with effect from 1 January 2010 the principal effect of which for the Group has been to change the accounting treatment of certain acquisition related costs. IFRS 3 now requires that transaction costs and expenses such as professional fees are expensed and charged to the Income Statement and that adjustments to deferred consideration and payments which are contingent on the continued employment of former owners of businesses acquired are also recognised in income. Prior to 1 January 2010 these items were treated as part of the cost of investment and, as a result, were capitalised with any subsequent changes being accounted for as an adjustment to goodwill. In accordance with the revised requirements of IFRS 3, the comparative figures for the six months to 30 June 2009 and the year to 31 December 2009 have not been restated.

2. Segment analysis

			Revenue			**Operating profit**
	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
North America	**1,269.8**	1,222.3	2,454.1	**75.9**	74.3	155.3
UK & Ireland	**493.7**	523.0	1,068.4	**25.6**	24.2	57.8
Continental Europe	**459.1**	449.2	910.2	**37.4**	36.0	81.7
Rest of the World	**122.5**	98.8	216.0	**10.2**	6.0	17.0
	2,345.1	2,293.3	4,648.7	**149.1**	140.5	311.8
Corporate				**(8.6)**	(8.4)	(16.1)
Intangible amortisation and acquisition related costs				**(25.1)**	(20.9)	(41.8)
	2,345.1	2,293.3	4,648.7	**115.4**	111.2	253.9

The amounts of intangible amortisation and acquisition related costs were as follows:

			Intangible amortisation			**Acquisition related costs**
	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
North America	**3.8**	3.8	7.3	**-**		
UK & Ireland	**3.9**	3.9	7.9	**-**		
Continental Europe	**12.0**	11.6	23.2	**3.5**		
Rest of the World	**1.9**	1.6	3.4	**-**		
	21.6	20.9	41.8	**3.5**		

Acquisition related costs for the six months to 30 June 2010 include transaction costs and expenses of £3.0m and deferred consideration payments which are contingent on the continued employment of former owners of businesses acquired of £0.5m.

The Group's financial results have not historically been subject to significant seasonal trends.

3. Finance income/(cost)

	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m
Deposits	**0.5**	0.5	0.9
Interest income from foreign exchange contracts	**0.6**	-	0.8
Expected return on pension scheme assets	**8.3**	7.4	14.7
Other finance income	**1.0**	3.1	0.4
Finance income	**10.4**	11.0	16.8
Loans and overdrafts	**(16.5)**	(18.5)	(36.1)
Interest expense from foreign exchange contracts	**(0.9)**	(2.0)	(2.4)
Interest charge on pension scheme liabilities	**(8.1)**	(7.7)	(15.2)
Fair value (loss)/gain on US dollar bonds in a hedge relationship	**(2.4)**	21.9	8.7
Fair value gain/(loss) on interest rate swaps in a hedge relationship	**2.4**	(21.9)	(8.7)
Foreign exchange gain/(loss) on intercompany funding	**21.5**	(40.2)	(31.9)
Foreign exchange (loss)/gain on external debt not in a hedge relationship	**(21.7)**	40.8	32.7
Other finance expense	**(0.1)**	-	(1.8)
Finance cost	**(25.8)**	(27.6)	(54.7)

4. Income tax

	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m
Profit before income tax	**100.0**	94.6	216.0
Intangible amortisation and acquisition related costs	**25.1**	20.9	41.8
Profit before income tax, intangible amortisation and acquisition related costs	**125.1**	115.5	257.8
Total income tax	**(30.4)**	(29.5)	(67.1)
Intangible amortisation related deferred tax	**(5.9)**	(5.7)	(11.6)
	(36.3)	(35.2)	(78.7)
Reported tax rate	**30.4%**	31.2%	31.1%
Underlying tax rate	**29.0%**	30.5%	30.5%

5. Dividends

	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m
2008 final		45.3	45.3
2009 interim			21.4
2009 final	**48.2**		
	48.2	45.3	66.7

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

			Per share
	Six months to 30.6.10	Six months to 30.6.09	Year to 31.12.09
2009 interim		6.65p	6.65p
2009 final			14.90p
2010 interim	**7.15p**		
	7.15p	6.65p	21.55p

The 2010 interim dividend of 7.15p will be paid on 4 January 2011 to shareholders on the register on 12 November 2010.

6. Earnings per share

	Six months to 30.6.10 £m	Six months to 30.6.09 £m	Year to 31.12.09 £m
Profit for the period	**69.6**	65.1	148.9
Adjustment	**19.2**	15.2	30.2
Adjusted profit*	**88.8**	80.3	179.1
Basic weighted average ordinary shares in issue (million)	**322.7**	319.7	320.5
Dilutive effect of employee share plans (million)	**0.7**	0.7	0.9
Diluted weighted average ordinary shares (million)	**323.4**	320.4	321.4
Basic earnings per share	**21.6p**	20.4p	46.4p
Adjustment	**5.9p**	4.7p	9.5p
Adjusted basic earnings per share*	**27.5p**	25.1p	55.9p
Diluted earnings per share	**21.5p**	20.3p	46.3p
Adjustment	**5.9p**	4.7p	9.4p
Adjusted diluted earnings per share*	**27.4p**	25.0p	55.7p

* Adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share exclude the charge for intangible amortisation (and related deferred tax) and acquisition related costs. This adjustment removes charges which are not taken into account by management when assessing the underlying performance of the businesses.

7. Intangible assets

Goodwill	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
Beginning of the period	**749.4**	785.9	785.9
Acquisitions	**21.4**	2.8	0.4
Deferred consideration	**-**	-	(2.1)
Currency translation	**(5.0)**	(57.1)	(34.8)
End of the period	**765.8**	731.6	749.4

Customer relationships	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
Cost			
Beginning of the period	**610.9**	646.7	646.7
Acquisitions	**31.7**	3.4	3.3
Currency translation	**(20.6)**	(60.9)	(39.1)
End of the period	**622.0**	589.2	610.9
Amortisation			
Beginning of the period	**163.7**	131.3	131.3
Charge in the period	**21.6**	20.9	41.8
Currency translation	**(7.2)**	(14.6)	(9.4)
End of the period	**178.1**	137.6	163.7
Net book value at end of the period	**443.9**	451.6	447.2
Total net book value of intangible assets at end of the period	**1,209.7**	1,183.2	1,196.6

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

	30.6.10	30.6.09	31.12.09
	£m	£m	£m
Cash at bank and in hand	**63.7**	70.6	47.2
Short term deposits repayable in less than three months	**-**	0.3	10.7
Cash and deposits	**63.7**	70.9	57.9
Bank overdrafts	**(11.5)**	(10.6)	(14.9)
Cash and cash equivalents	**52.2**	60.3	43.0
Current liabilities	**(112.9)**	(22.4)	(7.7)
Non-current liabilities	**(715.2)**	(819.4)	(780.3)
Derivative assets – fair value of interest rate swaps on fixed interest rate borrowings	**30.7**	27.2	28.2
Interest bearing loans and borrowings	**(797.4)**	(814.6)	(759.8)
Net debt	**(745.2)**	(754.3)	(716.8)

Movement in net debt	**Six months to 30.6.10 £m**	Six months to 30.6.09 £m	Year to 31.12.09 £m
Beginning of the period	**(716.8)**	(870.7)	(870.7)
Net cash (outflow)/inflow	**(15.0)**	69.5	126.3
Realised gain/(loss) on foreign exchange contracts	**17.1**	(24.4)	(7.3)
Currency translation	**(30.5)**	71.3	34.9
End of the period	**(745.2)**	(754.3)	(716.8)

9. Acquisitions

2010

The principal acquisitions made during the six months to 30 June 2010 were Clean Care, Hamo, Weita, Silco and Juba.

Clean Care, a business principally engaged in the supply of cleaning and hygiene consumable products and equipment in Denmark, was acquired on 15 January 2010. Hamo, a distributor of catering disposables and light catering equipment in Denmark, was acquired on 12 February 2010. Weita, a supplier of cleaning and hygiene, foodservice, retail, healthcare and safety consumable products in Switzerland, was acquired on 12 March 2010. Silco, a supplier of foodservice disposables in Israel, was acquired on 21 April 2010. Juba, a supplier of personal protection equipment in Spain, was acquired on 27 May 2010.

Acquisitions have been accounted for under the purchase method of accounting, involving the purchase of 100% of the acquiree's share capital or, as the case may be, all of the relevant assets of the businesses acquired. Part of the Group's strategy is to grow through acquisition. The Group has developed a process to assist with the identification of the fair values of the assets acquired and liabilities assumed, including the separate identification of intangible assets in accordance with IFRS 3 'Business Combinations'. This formal process is applied to each acquisition and involves an assessment of the assets acquired and liabilities assumed with assistance provided by external valuation specialists where appropriate. Until this assessment is complete, the allocation period remains open up to a maximum of 12 months from the relevant acquisition date. As at 30 June 2010, the allocation period for all acquisitions completed since 1 January 2010 remained open and accordingly the fair values presented are provisional.

Adjustments are made to the assets acquired and liabilities assumed during the allocation period to the extent that further information and knowledge come to light that more accurately reflect conditions at the acquisition date. To date the adjustments made have impacted assets acquired to reflect more accurately the estimated realisable or settlement value. Similarly adjustments have been made to acquired liabilities to record onerous commitments or other commitments existing at the acquisition date but not recognised by the acquiree. Adjustments have also been made to reflect the associated tax effects.

The consideration for the acquisitions has been allocated against the identified net assets, with the balance recorded as intangible assets. The identified intangible assets principally relate to the acquired businesses' customer relationships. Goodwill arising relates to the potential synergies that can be derived following acquisition and the value inherent in the workforces of the acquired businesses.

A summary of the effect of acquisitions is detailed below:-

	Book value at acquisition £m	Provisional fair value adjustments £m	Fair value of assets acquired £m
Intangible assets		**31.7**	**31.7**
Property, plant and equipment	**14.3**	**2.5**	**16.8**
Inventories	**14.7**	**(3.0)**	**11.7**
Trade and other receivables	**16.2**	**(0.1)**	**16.1**
Trade and other payables	**(8.0)**	**(0.8)**	**(8.8)**
Net bank overdrafts	**(3.8)**		**(3.8)**
Provisions for liabilities and charges	**(0.4)**	**(1.3)**	**(1.7)**
Deferred tax	**(1.4)**	**(9.4)**	**(10.8)**
Tax	**(0.4)**	**(1.2)**	**(1.6)**
	31.2	**18.4**	**49.6**
Goodwill			**21.4**
Consideration			**71.0**

Satisfied by:	
cash consideration	**67.1**
deferred cash consideration	**3.9**
	71.0
The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	**67.1**
Net bank overdrafts acquired	**3.8**
Net cash outflow in respect of acquisitions	**70.9**

During the period there was also a net cash outflow from acquisition related costs of £5.8m.

Acquisitions made during the six months to 30 June 2010 contributed £21.6m to the Group's revenue and £3.0m to the Group's operating profit before intangible amortisation and acquisition related costs.

The estimated contributions of acquired businesses to the results of the Group, as if the acquisitions had been made at the beginning of the period, are as follows:

	£m
Revenue	**41.4**
Operating profit before intangible amortisation and acquisition related costs	**5.6**

2009

The principal acquisitions made during the year ended 31 December 2009 were Industrial Supplies, a distributor of cleaning and hygiene products in England, and W.K. Thomas, a distributor of foodservice products in the UK, both acquired on 19 March 2009. The total cost of acquisitions made in 2009 was £6.4m. During the six months to 30 June 2010 there have been no further adjustments to the acquired net assets reported in the Group's 2009 statutory accounts.

10. Contingent liabilities

There were no contingent liabilities at 30 June 2010 required to be disclosed in the Group's financial statements.

11. Related party transactions

As disclosed in the Directors' Report and Accounts for the year to 31 December 2009, the Group has identified the directors of the Company, its key management and the Group pension schemes as related parties for the purpose of IAS 24 'Related Party Disclosure'. There have been no significant changes in those related parties identified at the year end and there have been no transactions with those related parties during the six months to 30 June 2010 that have materially affected or are expected to materially affect the financial position or performance of the Group during this period. Details of the relevant relationships with those related parties will be disclosed in the Directors' Report and Accounts for the year ending 31 December 2010. All transactions with subsidiaries are eliminated on consolidation.

Responsibility statement of the directors in respect of the half yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;
- the half yearly financial report includes a fair review of the important events during the first six months of the year, and their impact on the condensed set of financial statements, and a description of principal risks and uncertainties for the remaining six months of the year as required by Disclosure and Transparency Rule ('DTR') 4.2.7R; and
- the half yearly financial report includes a fair review of the disclosure of related party transactions and changes therein as required by DTR 4.2.8R.

For and on behalf of the Board

Michael Roney	**Brian May**
Chief Executive	Finance Director
31 August 2010	

Independent review report
by KPMG Audit Plc to Bunzl plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half yearly financial report for the six months to 30 June 2010 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules (‘the DTR’) of the UK's Financial Services Authority (‘the UK FSA’). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report or for the conclusions we have reached.

Directors' responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard (‘IAS’) 34 ‘Interim Financial Reporting’ as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the UK. A review of half yearly financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months to 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

D V Matthews
for and on behalf of KPMG Audit Plc
Chartered Accountants
London
31 August 2010