News Release

26 August 2014

HALF YEARLY FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2014

Bunzl plc, the international distribution and outsourcing Group, today publishes its half yearly financial report for the six months ended 30 June 2014.

Financial results	H1 14	H1 13	Growth as reported	Growth at constant exchange
Revenue	**£2,938.7m**	£2,956.6m	(1)%	7%
Operating profit*	**£197.2m**	£188.8m	4%	13%
Profit before tax*	**£176.6m**	£167.6m	5%	14%
Adjusted earnings per share*	**39.0p**	37.1p	5%	14%
Interim dividend	**11.0p**	10.0p	10%	

Statutory results			
Operating profit	**£152.9m**	£150.6m	2%
Profit before tax	**£132.3m**	£129.4m	2%
Earnings per share	**27.5p**	27.8p	(1)%

Other highlights include:

- Strong double digit percentage increases at constant exchange rates in operating profit* and adjusted earnings per share*
- Group operating margin* up 30 basis points to 6.7% with increased margins in all business areas
- Acquisition spend year to date of £119 million including the four acquisitions announced today
- Rest of the World operating profit* up 45% at constant exchange rates
- Continued strong cash conversion with operating cash flow† to operating profit* of 102%
- Long track record of dividend growth continues with an increase of 10%

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

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

"I am pleased that Bunzl has produced another excellent set of results at constant exchange rates. Our resilient business model and consistent and proven strategy has once again delivered strong increases in revenue and earnings.

We have announced four acquisitions today and we expect to complete a number of further acquisitions before the year end. The impact of our recent acquisition activity combined with the continued development of the underlying business should lead to further growth at constant exchange rates in the second half of the year."

Enquiries:

Bunzl plc
Michael Roney, Chief Executive
Brian May, Finance Director
Tel: +44 (0)20 7725 5000

Tulchan
David Allchurch
Stephen Malthouse
Tel: +44 (0)20 7353 4200

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. 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

Results

Against the background of mixed macroeconomic conditions in the countries where we operate and continued challenging market conditions within some of the sectors in which we compete, I am delighted to be able to report an excellent set of results at constant exchange rates. However significant adverse currency translation movements held back the reported growth rates at actual exchange rates by between 8% and 9%.

Group revenue for the first half of 2014 was £2,938.7 million (2013: £2,956.6 million), an increase of 7% at constant exchange rates, due to organic growth of 2% combined with the impact of acquisitions.

Operating profit before intangible amortisation and acquisition related costs increased to £197.2 million (2013: £188.8 million), up 13% at constant exchange rates, with the improvement in the Group operating margin being driven by both organic growth and the impact of acquisitions leading to increases in operating margin in all business areas. Adjusted earnings per share before intangible amortisation and acquisition related costs were 39.0p (2013: 37.1p), an increase of 14% at constant exchange rates.

Dividend

The Board has decided to increase the interim dividend by 10% to 11.0p. Shareholders will again have the opportunity to participate in our dividend reinvestment plan.

Strategy

Our consistent and proven strategy of developing the business through organic growth, consolidating the markets in which we compete through focused acquisitions and continuously improving the efficiency of our operations has once again delivered another successful period of growth for the Group.

We achieve our organic growth by applying our resources and expertise to enable customers to outsource to Bunzl the purchasing, consolidation and distribution of a broad range of goods not for resale. By doing so our customers are able to focus on their core business more cost effectively by achieving purchasing efficiencies and savings, freeing up working capital, improving their distribution capabilities, reducing carbon emissions and simplifying their internal administration.

Acquisition activity has continued into 2014. Including the four acquisitions announced today we have acquired 12 businesses so far this year. The committed spend in respect of these acquisitions was £119 million, adding annualised revenue of over £140 million.

CHIEF EXECUTIVE'S REVIEW

Operating performance

The overall negative translation effect of adverse currency movements has significantly decreased the reported Group growth rates of revenue and operating profit. As in previous reporting periods, the operations, including the relevant growth rates, are reviewed below at constant exchange rates to remove the distorting 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 the first half of 2013 at the average rates used for 2014. Unless otherwise stated, all references in this review to operating profit are to operating profit before intangible amortisation and acquisition related costs.

Revenue increased 7% (down 1% at actual exchange rates) to £2,938.7 million and operating profit was £197.2 million, an increase of 13% (4% at actual exchange rates). The percentage growth in operating profit was greater than that of revenue due to the improvement in Group operating margin by 30 basis points to 6.7% with improved levels of profitability in all business areas.

In North America revenue rose 5% (down 3% at actual exchange rates) due to good organic revenue growth and the effect of acquisitions, with an improvement in margins leading to an 8% increase (down 1% at actual exchange rates) in operating profit. Revenue in Continental Europe rose 3% (down 1% at actual exchange rates) as a result of organic revenue growth and the impact of acquisitions, with operating profit up 9% (5% at actual exchange rates) as margins also improved. In UK & Ireland revenue was up 5% at both constant and actual exchange rates due to good organic revenue growth and the impact of acquisitions, with operating profit rising 13% as margins continued to improve. In Rest of the World revenue increased 29% (7% at actual exchange rates) and operating profit was up 45% (19% at actual exchange rates) due to both good organic revenue growth and the substantial impact of acquisitions.

Basic earnings per share were 7% higher (down 1% at actual exchange rates) at 27.5p. Adjusted earnings per share, after eliminating the effect of intangible amortisation and acquisition related costs, were 39.0p, an increase of 14% (5% at actual exchange rates).

Once again operating cash flow was very strong with the ratio of operating cash flow before acquisition related costs to operating profit at 102%. Net debt at the end of June was £880.1 million compared to £849.5 million at the year end. The net debt to EBITDA ratio was 1.9 times compared to 1.8 times at December 2013.

Acquisitions

At the end of January we acquired Bäumer and its related company Protemo in Germany. The businesses had aggregated revenue of £10 million in 2013 and represent our first step into the cleaning and hygiene and healthcare sectors in Germany. Oskar Plast, which sells a variety of disposable packaging products to customers throughout the Czech Republic, including retail food chains, food processors and other distributors, was acquired in February and has expanded our operations in the Czech Republic. Revenue was £9 million in 2013.

In March we completed four acquisitions. Lamedid, a business principally engaged in the supply and distribution throughout Brazil of own label medical and healthcare consumable products to hospitals, clinics and laboratories as well as to distributors, had revenue in 2013 of £14 million. It has significantly increased the size of our healthcare business in Brazil, the Group having entered the healthcare sector there with the acquisition of Labor Import last year. Although relatively small, the purchase of Nelson Packaging Supplies, a business principally engaged in the distribution of packaging and cleaning and hygiene supplies to end users in the commercial and industrial market sectors, has provided additional scale to our business in New Zealand. Revenue was £3 million in the year ended March 2014. Plast Techs, which is engaged in the sale of a variety of foodservice and cleaning and hygiene supplies to distributors throughout Southern California and had revenue of £16 million in 2013, complements our existing business in the region and has provided access to additional product lines. The purchase of Tecno Boga represents a significant expansion of our operations in Chile, being a country that we entered with the acquisition of Vicsa Safety at the end of 2012. The business is a leading supplier of own label protective footwear, principally to distributors, and had revenue of £26 million in 2013.

Allshoes, a distributor of both branded and own brand safety and work shoes to a variety of wholesalers as well as to retailers, principally in the Netherlands but also in Belgium, was acquired in May. It represents an important development for our safety business in the Netherlands as it extends our product range in the safety shoes sector and provides cross selling opportunities with Majestic, our existing personal protection equipment business in the Benelux region which specialises in the supply of gloves and workwear. Revenue in 2013 was £17 million. Also in May we acquired JPLUS, a Brazilian business with revenue of £12 million in 2013 principally engaged in the distribution of cleaning and hygiene supplies and disposable products to a variety of end user customers, particularly in the contract cleaning and healthcare sectors. This acquisition expands the geographical coverage of our cleaning and hygiene supplies business in Brazil.

Today we are announcing the completion of four more acquisitions. 365 Healthcare, which had revenue of £11 million in 2013, was acquired at the end of June. The business is engaged in the distribution of own brand healthcare products to a variety of customers in the UK and Ireland and has expanded our product offering of medical consumables to the healthcare sector. At the end of July we purchased Premiere Products, a cleaning and hygiene supplies distributor in the UK principally servicing customers in the facilities management and education sectors. Revenue was £6 million in the year ended November 2013. The business has extended the breadth of our own brand product offering and has further strengthened our cleaning and hygiene supplies business in the UK. Finally we acquired two safety businesses in the UK also at the end of July. Lee Brothers, which had revenue of £9 million in 2013, supplies a variety of personal protection equipment and workplace consumables to customers in the construction and engineering sectors. Guardsman, which had revenue of £9 million in the year ended July 2014, is engaged in the sale of safety equipment and workwear to customers in various manufacturing industries as well as the construction and engineering sectors. Together these businesses have further extended our safety business in the UK.

North America

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Growth at constant exchange
Revenue	**1,590.1**	1,645.5	5%
Operating profit*	**97.4**	98.6	8%
Operating margin*	**6.1%**	6.0%	

* Before intangible amortisation and acquisition related costs

In North America revenue increased by 5% to £1,590.1 million due to sales growth with both new and existing customers and the impact of additional sales from the acquisitions completed in the second half of 2013 and during the first half of this year. Each business that we have recently acquired has allowed us to extend our product and service offerings and improve margins through its strong market presence and capabilities. Operating profit improved 8% to £97.4 million, principally due to the contribution from higher margin acquisitions as well as increased profits in the underlying business.

Our largest business, which serves the grocery sector, produced an increase in sales despite the severe winter weather impacting much of the US and Canada in the first quarter of the year. We benefited from this growth as we experienced increased demand from our many leading North American grocery customers. Our customers continue to recognise the value we provide through our sourcing capabilities, high fill rates, short lead times and

customised reporting capabilities. Our extensive branch network, private transport fleet and IT platform continue to provide the foundations needed to execute our flexible programmes both in this and other sectors.

Unfavourable weather conditions also negatively impacted the foodservice sector. The resulting decline in restaurant patronage, coupled with lower margins for foodservice operators, weakened demand at foodservice distributors, an important customer base in our redistribution business. However, we were able to offset these pressures with sales from SAS Safety, a distributor of own label personal protection equipment, principally imported safety shoes, which was acquired in December 2013. As a result, we saw a slight overall increase in our redistribution sector sales. Our committed sales team, nationwide distribution network, superior supply chain performance and category management capabilities continue to provide us and our major foodservice and cleaning and hygiene distributor customers with a competitive advantage in the North American redistribution market.

Our extensive range of own brand products continues to add value for all of our markets, particularly for our foodservice customers through our ongoing development of innovative food safety solutions. Our investment in marketing initiatives, including an updated, mobile-optimised FoodHandler website featuring food safety expert blogs, instructional videos and product selection tools, expands our reach and demonstrates our leadership in safety for the food industry.

In the food processor sector, we experienced sales growth through new customer wins and increased product penetration within existing accounts. The establishment of a National Accounts team in this sector last year has provided greater focus on selling our value to key national customers. Additionally we have initiated a process to provide our customers with new high-tech products. We continue to do business with customers in all areas of this sector, including international food, meat, fresh cut produce and home meal processors, bakeries and other specialty food processors. We are able to help our customers manage our product categories in a more cost effective and efficient manner and help them achieve their profitability objectives.

Sales increased significantly in our businesses serving the agriculture sector as we continued to implement a long term contract between our rigid packaging business and a large produce grower with a significant brand and market presence. We are now approaching this market in a more unified manner in order to bring our complete rigid and flexible packaging design and distribution expertise to produce growers, packers and shippers in Mexico and along the west coast of the US and Canada.

Our business supplying the convenience store sector experienced strong organic growth, mostly due to new programmes distributing products from two of our preferred suppliers through our largest convenience store wholesale customer.

Finally, our non-food retail business continues to drive strong organic growth, particularly through winning and developing new business with a leading national home improvement retailer. In addition to providing our non-food retail customers with sourcing and supply chain efficiencies and bespoke packaging capabilities through Bunzl Retail and Keenpac, we offer store fixture logistics programmes through Schwarz Supply Source and expertise in designing and sourcing in-store visual displays, props and décor and online gift packaging from CDW Merchants. Having this breadth of operational and merchandising services enables our business in North America to provide a complete end-to-end solution that helps to differentiate us from our competitors in this sector.

Continental Europe

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Growth at constant exchange
Revenue	**573.3**	577.4	3%
Operating profit*	**50.1**	47.7	9%
Operating margin*	**8.7%**	8.3%	

* Before intangible amortisation and acquisition related costs

Revenue rose 3% to £573.3 million with operating profit up 9% to £50.1 million. Although the organic revenue growth was relatively low, given the current macroeconomic conditions in many of the countries in the Continental Europe business area, improved gross margins and lower operating costs resulted in strong underlying profit growth. The results were also supplemented by the addition of the recent acquisitions of pka Klöcker in late 2013 and Bäumer, Oskar Plast and Allshoes during the first half of 2014.

In France sales in our cleaning and hygiene supplies business declined slightly as growth in the healthcare and public sectors was offset by lower sales to contract cleaners who continue to be under pressure. However the impact of ongoing cost reduction measures resulted in a significant increase in operating profit. Our personal protection equipment business increased sales which, together with improved margins and tight cost management, delivered strong profit growth.

In the Netherlands good growth in the healthcare and cleaning and hygiene sectors partly offset the lower sales in the horeca (hotel/restaurant/catering) and retail sectors. Lower overall sales were mostly compensated for by improved margins and lower costs. Our personal protection equipment business enjoyed another strong performance with sales ahead, aided by the continued success of our own brand ranges and new product launches, and improved margins leading to a significant increase in operating profit. Allshoes, a distributor of safety and work shoes, was acquired at the end of May and is integrating well.

In Belgium weaker sales in the retail sector were more than offset by strong growth in the cleaning and hygiene, horeca and healthcare sectors. Margin pressure was offset by tight cost management and profits grew well.

In Germany organic sales growth was strong driven in particular by gains in the hotel sector as well as with national accounts. This led to good profit growth with stable margins. Both pka Klöcker (acquired in November 2013) and Bäumer (acquired in January 2014) are integrating well and benefiting from a number of synergies as a result of joining the Group.

In Switzerland our businesses recorded some sales growth with good performances in the retail and horeca sectors being partly offset by lower sales to the industrial and healthcare sectors. We continue, however, to face margin pressure from increased cost prices due to the strength of the Swiss franc, particularly in the retail sector.

In Denmark sales declined in the retail, wholesale and public sectors and this was only partially compensated for by growth in personal protection equipment and horeca sales to end users. However significant cost reductions led to an overall increase in operating profit.

In Spain sales progressed well in our cleaning and hygiene and horeca businesses although margins remained under pressure. Sales increased significantly in the personal protection equipment business as continued good growth in exports was supplemented by a return to growth in the local market and margins also improved leading to significantly higher profits.

In central Europe sales grew well in Hungary and Romania although margins remained under pressure. Oskar Plast was acquired in the Czech Republic in February and is being integrated with our existing retail business there to deliver synergies.

In Israel sales in both of our businesses have been under pressure but this has been partly offset by improved margin management.

UK & Ireland

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Growth at constant exchange
Revenue	**507.8**	483.9	5%
Operating profit*	**33.7**	29.7	13%
Operating margin*	**6.6%**	6.1%	

* Before intangible amortisation and acquisition related costs

As a result of steadily increasing volumes leading to good organic growth and improved performances in all of our businesses, revenue increased by 5% to £507.8 million and operating profit rose by 13% to £33.7 million. The improvement in operating margin reflected the benefit of efficiency gains made in recent years and also the initial stabilisation and then subsequent growth in demand from our customers.

The cleaning and safety supplies business has benefited from a recovery in the construction sector and the recent acquisition of Premiere Products, announced today, is complementary to our existing cleaning and hygiene supplies operations, bringing both a new customer base and additional products to our offering. We have continued to develop our range of branded and own brand products, particularly in the safety sector. Investment by Bunzl in safety supplies companies globally, including Lee Brothers and Guardsman in the UK the acquisition of which has also been announced today, has resulted in an extended network around the world. Projects undertaken in conjunction with some of our other safety businesses have resulted in enhanced new ranges being introduced into our UK business, notably flame retardant workwear and gloves.

Our spread of customers across the grocery sector has delivered some growth and our ability to service the global demand of non-food retail customers has resulted in fast development of our sales office in China. This represents a good growth prospect for the future as this office can invoice direct to our customers who are based in China and elsewhere in Asia. MDA and TFS, which distribute marketing materials and were acquired in 2013, have integrated well into the Group and are performing strongly.

The hospitality business also performed well and we continued to invest in marketing and own brands for our catering equipment and catering disposables offering. This included a newly introduced, high quality, own brand

range of glassware which has had positive feedback in the market. Amongst a broad customer base, the business serves various large catering companies who in turn provide their services to corporate clients and major sporting and entertainment events. During the first half of this year we have successfully renewed our contracts with a number of these customers.

Our healthcare business continued to progress strongly. Our consolidated offering with a constantly developing range of own brand products alongside the manufacturers' brands is proving attractive to customers that are looking to save money in their supply chain. The acquisition of 365 Healthcare in June has further enhanced our own brand offering and has also brought established relationships with key customers and suppliers that are complementary to our existing healthcare businesses.

In Ireland we have also seen strong growth, particularly in the hospitality sector. Having set the cost base accordingly during the reduction in the size of the Irish economy, we are well positioned as the trading environment starts to recover.

As leases mature on existing properties, we continue to take advantage of the opportunity to consolidate our portfolio, resulting in fewer locations that are larger and more efficient while also providing a good working environment for our employees. In the past six months we have commissioned a new facility in Tamworth, West Midlands for our catering supplies business and also a new facility in Blackburn for one of our retail supplies businesses. Each of these projects has allowed us to consolidate three separate warehouses into one.

Rest of the World

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Growth at constant exchange
Revenue	**267.5**	249.8	29%
Operating profit*	**26.1**	22.0	45%
Operating margin*	**9.8%**	8.8%	

* Before intangible amortisation and acquisition related costs

In Rest of the World revenue increased 29% to £267.5 million and operating profit rose 45% to £26.1 million with the results benefiting significantly from the impact of acquisitions, particularly in Latin America.

Overall our operations in Latin America have performed strongly. In Brazil our safety businesses have developed well with both revenue and operating profits ahead of the comparable period last year. Our new distribution centre for Prot Cap in São Paulo is on schedule and is due to start operating in the second half of the year. De Santis, acquired in December 2013, has integrated well and Danny and Vicsa Brasil have also developed positively and are implementing a programme to streamline their ranges of own label products to enhance synergies between both businesses and to add further value for our customers.

Ideal, our cleaning and hygiene supplies business in Brazil, saw sales increase although there was some pressure on margins due to the competitive environment in the sector. The acquisition of JPLUS in May has increased our market penetration in this sector and established a platform for future growth. The business is integrating well and is expected to benefit from a number of synergies.

The acquisition in March of Lamedid, a market leading company principally supplying hospitals, laboratories and health clinics in Brazil, has extended our presence in the healthcare sector. Both Lamedid and our existing Brazilian healthcare business, Labor Import, are performing strongly despite some margin pressures.

The businesses in the rest of Latin America are performing in line with expectations against the background of weaker markets in Chile and Mexico. Tecno Boga, which was also acquired in March and is a market leader in the supply of safety shoes in Chile, brings a portfolio of premium brands and know-how in product development and sourcing to our Group. The business is integrating well.

Vicsa Safety, with operations in Chile, Colombia, Peru, Mexico and Argentina, saw revenue increase strongly despite challenging trading conditions caused by softer markets in some countries but margins were under pressure due to some volatility in the exchange rates in all countries.

Espomega, our safety business in Mexico which was acquired in August 2013, is also facing a difficult economic environment but has been able to increase margins. We believe that the business is well placed for when the economy in Mexico starts to recover. Vicsa Mexico and Espomega are working together to maximise synergies, expand into new sectors and better serve our customers, while at the same time looking to position our overall safety business in Mexico to leverage on our extensive portfolio of products and brands.

In Australia the slowdown in the mining and resources sectors has continued and demand from major infrastructure developments has reduced as they near completion. Our business has some direct exposure to these economic factors and is also affected indirectly since a number of our customers themselves supply into these sectors. The rest of the market remains relatively flat which, combined with the devaluation of the Australian dollar pushing up the cost of imported goods, has created a challenging economic environment.

While impacted by these difficult trading conditions, our largest business, Outsourcing Services, which supplies the healthcare, cleaning and hygiene, catering and retail sectors, continued to develop its position as a consolidator in the market providing value added supply solutions for disposable consumables across Australia and New Zealand. The business grew due to wins with major national customers and continued gains in the healthcare sector where the business has developed a strong position following the acquisitions of Atlas and McNeil Surgical in 2012 and 2013 respectively.

Our food processor business continued to build successfully on its strategy to diversify its business outside traditional meat processors into other food processor sectors. The merger of Network Packaging into the food processor business last year has gone well and the appointment of specialist sales resources in produce packaging has enabled the business to expand into national customers across the east coast branch network. In March we acquired Nelson Packaging, an industrial packaging business in New Zealand. The business has a strong presence in the food processor and packaging sector and gives our existing business additional scale and reach in the New Zealand market. The addition of these specialist businesses is fast tracking our strategy and consolidating our position as a leading national supplier into this sector.

Our industrial and safety business has been impacted the most from the downturn in the mining and resources sectors. While there is still a large demand for resources, the business is concentrating its focus into areas of the

market which continue to deliver solid growth, such as iron ore, oil and gas and energy. In turn, the resulting slowdown is creating opportunities with customers where we had previously been excluded because they now need to reduce costs and challenge existing supplier relationships. The business is well positioned to capitalise on these opportunities and maintain our current position in the market through the development of a quality own brand programme.

Prospects

Overall trading for the year is anticipated to be in line with expectations. Bunzl's strong position in the international markets in which we compete and the impact of recent acquisitions should lead to further growth at constant exchange rates in the second half of 2014. If current exchange rates prevail for the rest of the year, the reported results will continue to be adversely affected by the translation impact of the relative strength of sterling.

At constant exchange rates each of the business areas should continue to grow with their operating margins expected to be at similar levels to the second half of last year.

We have already experienced a good level of acquisition activity this year. With a promising pipeline of opportunities and ongoing discussions taking place with various targets, we would expect to complete a number of further acquisitions during the rest of the year.

The Board is confident that the Group will continue to build the business and increase shareholder value due to a combination of underlying growth and the impact from acquisitions.

FINANCIAL REVIEW

Group performance

Revenue increased to £2,938.7 million, up 7% at constant exchange rates (down 1% at actual exchange rates), reflecting organic growth of 2% and the benefit of acquisitions. Operating profit before intangible amortisation and acquisition related costs increased to £197.2 million, an increase of 13% at constant exchange rates (4% at actual exchange rates), as a result of the revenue growth and the operating profit margin increasing from 6.4% to 6.7%. Currency translation had a negative impact of between 8% and 9% on the results for the period due to the strengthening of sterling relative to the main currencies of the Group's operations, notably the US dollar, the euro, the Australian dollar, the Canadian dollar and the Brazilian real.

Intangible amortisation and acquisition related costs of £44.3 million increased by £6.1 million due to a £3.0 million increase in net deferred consideration payments relating to the continued employment of former owners of businesses acquired, a £1.6 million increase in intangible amortisation and a reduction of £5.3 million in the credit from adjustments to previously estimated earn outs, partially offset by a £3.8 million decrease in transaction costs. The net interest charge increased by 2% at constant exchange rates (down 3% at actual exchange rates) to £20.6 million. Interest cover increased to 9.6 times compared to 8.9 times in 2013.

Profit before income tax, intangible amortisation and acquisition related costs was £176.6 million, up 14% at constant exchange rates (5% at actual exchange rates) due to the growth in operating profit before intangible amortisation and acquisition related costs partly offset by the small increase in the interest charge.

Tax

A tax charge at a rate of 28.0% (30 June 2013: 27.9%) has been provided on the profit before tax, intangible amortisation and acquisition related costs. Including the impact of intangible amortisation of £30.1 million, acquisition related costs of £14.2 million and the associated tax of £6.9 million, the overall tax rate is 32.1% (30 June 2013: 30.1%). The underlying tax rate of 28.0% is higher than the nominal UK rate of 21.5% for 2014 principally because many of the Group's operations are in countries with higher tax rates.

Profit for the period

Profit after tax increased 7% at constant exchange rates (down 1% at actual exchange rates) to £89.8 million.

Earnings

The weighted average number of shares increased to 326.2 million from 326.0 million at 30 June 2013 due to employee share option exercises largely offset by shares being purchased from the market into the Company's employee benefit trust. Earnings per share were 27.5p, up 7% at constant exchange rates (down 1% at actual exchange rates). After adjusting for intangible amortisation, acquisition related costs and the respective associated tax, adjusted earnings per share increased by 14.0% at constant exchange rates (5% at actual exchange rates) to 39.0p. The intangible amortisation, acquisition related costs and the respective associated tax are items which are not taken into account by management when assessing the underlying performance of the business. Accordingly, such items are removed in calculating the adjusted earnings per share on which management assesses the performance of the Group.

Dividends

The interim dividend has increased by 10% to 11.0p from 10.0p in 2013.

Acquisitions

The acquisitions completed in the first half of 2014 were Bäumer and its related company Protemo, Oskar Plast, Lamedid, Nelson Packaging, Plast Techs, Tecno Boga, Allshoes, JPLUS, and 365 Healthcare. Annualised revenue and operating profit before intangible amortisation and acquisition related costs of the businesses acquired were £118.4 million and £14.6 million respectively, with a total committed spend of £104.2 million. A summary of the effect of acquisitions made in the six months to 30 June 2014 is as follows:

	£m
Fair value of assets acquired	52.0
Goodwill	31.0
Consideration	83.0
Satisfied by:	
cash consideration	80.1
deferred consideration	2.9
	83.0
Contingent payments to former owners	15.9
Net bank overdrafts acquired	3.9
Transaction costs and expenses	1.4
Total committed spend in respect of current year acquisitions	**104.2**
The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	80.1
Net bank overdrafts acquired	3.9
Deferred consideration in respect of prior year acquisitions	23.3
Net cash outflow in respect of acquisitions	107.3
Acquisition related costs	11.4
Total cash outflow in respect of acquisitions	**118.7**

Cash flow

Cash generated from operations before acquisition related costs was £211.5 million, a £4.5 million increase from 2013, primarily due to an £8.4 million increase in operating profit before intangible amortisation and acquisition related costs. The Group's free cash flow of £133.4 million was down £5.5 million from 2013 with increases in interest and tax payments offsetting the increase in operating cashflow. After payment of dividends of £32.6 million in respect of 2013, an acquisition cash outflow of £118.7 million and a £34.7 million outflow on employee share schemes, the net cash outflow was £52.6 million. The summary cash flow for the period was as follows:

	Six months to 30.6.14 £m	Six months to 30.6.13 £m
Cash generated from operations*	**211.5**	207.0
Net capital expenditure	**(11.3)**	(13.1)
Operating cash flow*	**200.2**	193.9
Operating cash flow* to operating profit†	**102%**	103%
Interest	**(19.7)**	(17.1)
Tax	**(47.1)**	(37.9)
Free cash flow	**133.4**	138.9
Dividends	**(32.6)**	(28.8)
Acquisitions	**(118.7)**	(150.0)
Employee share schemes	**(34.7)**	(54.5)
Net cash outflow	**(52.6)**	(94.4)

*Before acquisition related costs

†Before intangible amortisation and acquisition related costs

Balance sheet

Return on average operating capital employed before intangible amortisation and acquisition related costs increased to 57.8% from 56.9% at 31 December 2013, with the impact of the lower return on operating capital from acquisitions being more than offset by improvements in the return on operating capital in the rest of the Group. Return on invested capital was 17.9%, in line with 31 December 2013, with improved returns in the underlying business offsetting the adverse impact of recent acquisitions. Intangible assets have increased by £12.8 million since 31 December 2013 to £1,469.7 million, reflecting goodwill and customer relationships arising on acquisitions in the period of £72.9 million partially offset by an amortisation charge of £30.1 million and a negative exchange impact of £30.0 million. The Group's pension deficit at 30 June 2014 of £59.2 million was £14.2 million higher than at 31 December 2013, mainly due to an actuarial loss of £16.0 million arising from a reduction in discount rates partly offset by higher than expected returns on pension scheme assets. The movements in shareholders' equity and net debt during the period were as follows:

Shareholders' equity	**£m**
At 1 January 2014	939.9
Profit for the period	89.8
Dividends	(105.6)
Currency	(21.3)
Actuarial loss on pension schemes (net of tax)	(13.2)
Share based payments	9.8
Employee trust shares	(33.3)
At 30 June 2014	**866.1**

Net debt	**£m**
At 1 January 2014	(849.5)
Net cash outflow	(52.6)
Currency	22.0
At 30 June 2014	**(880.1)**

Net debt to EBITDA (times)	**1.9**

The Group continually monitors net debt and forecast cash flows to ensure that sufficient facilities are in place to meet the Group's requirements in the short, medium and long term and, in order to do so, arranges borrowings from a variety of sources. Additionally, the Group monitors compliance with its debt covenants, principally net debt to EBITDA of no more than 3.5 times and interest cover of no less than 3.0 times. For the six months to 30 June 2014 all covenants have been complied with. The Group has substantial committed borrowing facilities available to it comprising multi-currency credit facilities from the Group's banks and US dollar and sterling bonds. As at 30 June 2014 the Group had undrawn committed bank facilities of £575.4 million. During the next 12 months £273.0 million of the committed bank facilities and bonds mature. The Group recently raised $300 million in the US private placement market. $118 million of these bonds was drawn down in May 2014, $112 million is due to be drawn in September 2014 and the remaining $70 million is to be drawn in December 2014. Once these US dollar bonds have been drawn, the Group's committed bank facilities and bonds will mature at various times over the period up to December 2026.

Based on the expected future profit generation, cash conversion and facilities' headroom over the next 12 months, the condensed set of financial statements for the six months to 30 June 2014 has been prepared on the going concern basis.

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 30 and 31 of the Annual Report for the year ended 31 December 2013. 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 2013 Annual Report is available on the Company's website at www.bunzl.com. Set out in the Chief Executive's Review is a commentary on the prospects for the Group for the second half of the financial year.

Consolidated income statement

	Notes	**Six months to 30.6.14 £m**	Six months to 30.6.13 £m	Growth Actual exchange rates	Growth Constant exchange rates	Year to 31.12.13 £m
Revenue	2	**2,938.7**	2,956.6	(1)%	7%	6,097.7
Operating profit before intangible amortisation and acquisition related costs	2	**197.2**	188.8	4%	13%	414.4
Intangible amortisation and acquisition related costs	2	**(44.3)**	(38.2)			(82.3)
Operating profit	2	**152.9**	150.6	2%	10%	332.1
Finance income	3	**1.4**	1.2			2.6
Finance cost	3	**(22.0)**	(22.4)			(44.8)
Profit before income tax		**132.3**	129.4	2%	11%	289.9
Profit before income tax, intangible amortisation and acquisition related costs		**176.6**	167.6	5%	14%	372.2
Income tax	4	**(42.5)**	(38.9)			(83.1)
Profit for the period attributable to the Company's equity holders		**89.8**	90.5	(1)%	7%	206.8
Earnings per share attributable to the Company's equity holders						
Basic	6	**27.5p**	27.8p	(1)%	7%	63.5p
Diluted	6	**27.3p**	27.5p	(1)%	7%	62.7p

Consolidated statement of comprehensive income

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m
Profit for the period	**89.8**	90.5	206.8
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on pension schemes	**(16.0)**	17.4	26.9
Tax on items that will not be reclassified to profit or loss	**2.8**	(7.6)	(10.1)
Total items that will not be reclassified to profit or loss	**(13.2)**	9.8	16.8
Items that may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations	**(34.9)**	36.2	(68.6)
Gain/(loss) taken to equity as a result of designated effective net investment hedges	**14.0**	(20.6)	14.4
(Loss)/gain recognised in cash flow hedge reserve	**(1.5)**	2.6	-
Movement from cash flow hedge reserve to income statement	**0.7**	0.8	0.8
Tax on items that may be reclassified to profit or loss	**0.4**	(0.4)	1.3
Total items that may be reclassified subsequently to profit or loss	**(21.3)**	18.6	(52.1)
Other comprehensive (expense)/income for the period	**(34.5)**	28.4	(35.3)
Total comprehensive income attributable to the Company's equity holders	**55.3**	118.9	171.5

Consolidated balance sheet

	Notes	**30.6.14 £m**	30.6.13 £m	31.12.13 £m
Assets				
Property, plant and equipment		**117.0**	123.7	118.8
Intangible assets	7	**1,469.7**	1,457.2	1,456.9
Derivative financial assets		**8.8**	7.7	6.2
Deferred tax assets		**7.1**	5.4	7.5
Total non-current assets		**1,602.6**	1,594.0	1,589.4
Inventories		**659.2**	622.9	645.1
Income tax receivable		**0.4**	0.5	0.7
Trade and other receivables		**836.4**	873.1	863.0
Derivative financial assets		**0.1**	2.5	0.2
Cash and deposits	8	**89.2**	93.1	73.1
Total current assets		**1,585.3**	1,592.1	1,582.1
Total assets		**3,187.9**	3,186.1	3,171.5
Equity				
Share capital		**107.5**	114.4	107.2
Share premium		**157.6**	147.0	153.0
Translation reserve		**(66.1)**	23.3	(45.4)
Other reserves		**17.2**	12.3	17.8
Retained earnings		**649.9**	571.7	707.3
Total equity attributable to the Company's equity holders		**866.1**	868.7	939.9
Liabilities				
Interest bearing loans and borrowings	8	**846.1**	894.6	855.8
Retirement benefit obligations		**59.2**	59.6	45.0
Other payables		**18.5**	20.8	24.8
Derivative financial liabilities		**0.3**	1.4	0.5
Provisions		**23.4**	25.3	23.8
Deferred tax liabilities		**123.8**	144.9	129.5
Total non-current liabilities		**1,071.3**	1,146.6	1,079.4
Bank overdrafts	8	**33.8**	24.7	26.3
Interest bearing loans and borrowings	8	**98.1**	54.2	46.5
Income tax payable		**57.5**	56.1	62.2
Trade and other payables		**1,048.5**	1,020.5	1,004.4
Derivative financial liabilities		**1.7**	-	0.8
Provisions		**10.9**	15.3	12.0
Total current liabilities		**1,250.5**	1,170.8	1,152.2
Total liabilities		**2,321.8**	2,317.4	2,231.6
Total equity and liabilities		**3,187.9**	3,186.1	3,171.5

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 2014	107.2	153.0	(45.4)	17.8	707.3	939.9
Profit for the period					89.8	89.8
Actuarial loss on pension schemes					(16.0)	(16.0)
Foreign currency translation differences for foreign operations			(34.9)			(34.9)
Gain taken to equity as a result of designated effective net investment hedges			14.0			14.0
Loss recognised in cash flow hedge reserve				(1.5)		(1.5)
Movement from cash flow hedge reserve to income statement				0.7		0.7
Income tax credit on other comprehensive income			0.2	0.2	2.8	3.2
Total comprehensive income			(20.7)	(0.6)	76.6	55.3
2013 interim dividend					(32.6)	(32.6)
2013 final dividend					(73.0)	(73.0)
Issue of share capital	0.3	4.6				4.9
Employee trust shares					(38.2)	(38.2)
Share based payments					9.8	9.8
At 30 June 2014	**107.5**	**157.6**	**(66.1)**	**17.2**	**649.9**	**866.1**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves* £m	Retained earnings £m	Total Equity £m
At 1 January 2013	114.2	143.9	7.3	9.7	610.4	885.5
Profit for the period					90.5	90.5
Actuarial gain on pension schemes					17.4	17.4
Foreign currency translation differences for foreign operations			36.2			36.2
Loss taken to equity as a result of designated effective net investment hedges			(20.6)			(20.6)
Gain recognised in cash flow hedge reserve				2.6		2.6
Movement from cash flow hedge reserve to income statement				0.8		0.8
Income tax credit/(charge) on other comprehensive income			0.4	(0.8)	(7.6)	(8.0)
Total comprehensive income			16.0	2.6	100.3	118.9
2012 interim dividend					(28.8)	(28.8)
2012 final dividend					(63.0)	(63.0)
Issue of share capital	0.2	3.1				3.3
Employee trust shares					(56.5)	(56.5)
Share based payments					9.3	9.3
At 30 June 2013	114.4	147.0	23.3	12.3	571.7	868.7

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 2013	114.2	143.9	7.3	9.7	610.4	885.5
Profit for the year					206.8	206.8
Actuarial gain on pension schemes					26.9	26.9
Foreign currency translation differences for foreign operations			(68.6)			(68.6)
Gain taken to equity as a result of designated effective net investment hedges			14.4			14.4
Movement from cash flow hedge reserve to income statement				0.8		0.8
Income tax credit/(charge) on other comprehensive income			1.5	(0.2)	(10.1)	(8.8)
Total comprehensive (expense)/income			(52.7)	0.6	223.6	171.5
2012 interim dividend					(28.8)	(28.8)
2012 final dividend					(63.0)	(63.0)
Issue of share capital	0.5	9.1				9.6
Cancellation of treasury shares	(7.5)			7.5		-
Employee trust shares					(50.1)	(50.1)
Share based payments					15.2	15.2
At 31 December 2013	107.2	153.0	(45.4)	17.8	707.3	939.9

* Other reserves comprise merger reserve £2.5m (30 June 2013: £2.5m; 31 December 2013: £2.5m), capital redemption reserve £16.1m (30 June 2013: £8.6m; 31 December 2013: £16.1m) and cash flow hedge reserve £(1.4)m (30 June 2013: £1.2m; 31 December 2013: £(0.8)m).

Consolidated cash flow statement

	Notes	**Six months to 30.6.14 £m**	Six months to 30.6.13 £m	Year to 31.12.13 £m
Cash flow from operating activities				
Profit before income tax		**132.3**	129.4	289.9
Adjustments:				
depreciation		**11.7**	12.9	25.9
intangible amortisation and acquisition related costs		**44.3**	38.2	82.3
share based payments		**3.8**	3.2	6.2
Working capital movement		**5.5**	5.1	16.8
Finance income		**(1.4)**	(1.2)	(2.6)
Finance cost		**22.0**	22.4	44.8
Provisions		**(2.1)**	(2.1)	(7.8)
Retirement benefit obligations		**(1.5)**	(3.5)	(7.3)
Other		**(3.1)**	2.6	(1.8)
Cash generated from operations before acquisition related costs		**211.5**	207.0	446.4
Cash outflow from acquisition related costs	9	**(11.4)**	(11.4)	(26.1)
Income tax paid		**(47.1)**	(37.9)	(80.3)
Cash inflow from operating activities		**153.0**	157.7	340.0
Cash flow from investing activities				
Interest received		**1.2**	0.5	1.5
Purchase of property, plant and equipment		**(11.9)**	(13.4)	(26.5)
Sale of property, plant and equipment		**0.6**	0.3	1.2
Purchase of businesses	9	**(107.3)**	(138.6)	(253.8)
Cash outflow from investing activities		**(117.4)**	(151.2)	(277.6)
Cash flow from financing activities				
Interest paid		**(20.9)**	(17.6)	(40.5)
Dividends paid		**(32.6)**	(28.8)	(91.8)
Increase in loans		**53.4**	118.0	116.3
Realised gains/(losses) on foreign exchange contracts		**10.4**	(11.9)	(9.7)
Issue of ordinary shares to settle share options		**4.9**	3.3	9.6
Net purchase of employee shares		**(39.6)**	(57.8)	(52.9)
Cash (outflow)/inflow from financing activities		**(24.4)**	5.2	(69.0)
Increase/(decrease) in cash and cash equivalents		**11.2**	11.7	(6.6)
Cash and cash equivalents at start of the period		**46.8**	55.8	55.8
Increase/(decrease) in cash and cash equivalents		**11.2**	11.7	(6.6)
Exchange (loss)/gain on cash and cash equivalents		**(2.6)**	0.9	(2.4)
Cash and cash equivalents at end of the period	8	**55.4**	68.4	46.8

Notes

1. Basis of preparation

The condensed set of financial statements for the six months to 30 June 2014, with comparative figures for the six months to 30 June 2013, is unaudited and does not constitute statutory accounts. However the auditor, PricewaterhouseCoopers LLP who was appointed on 19 May 2014, has carried out a review of the condensed set of financial statements and their report in respect of the six months to 30 June 2014 is set out in the Independent review report. The comparative figures for the year to 31 December 2013 do not constitute the Company's statutory accounts for the year. Those accounts have been reported on by the Company's previous auditors, KPMG Audit Plc, and delivered to the Registrar of Companies. The report of the previous auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498(2)(3) 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. The condensed set of financial statements has been prepared in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the EU and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority. Except as described below, the condensed set of financial statements has been prepared on the basis of the accounting policies set out in the Group's 2013 statutory accounts which were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

The following accounting standards and amendments, issued by the International Accounting Standards Board, have been adopted by the Group from 1 January 2014 with no significant impact on its consolidated results or financial position:

IFRS 10 'Consolidated Financial Statements'
IFRS 11 'Joint Arrangements'
IFRS 12 'Disclosure of Interests in Other Entities'
IAS 27 (Revised) 'Separate Financial Statements'
IAS 28 (Revised) 'Investments in Associates and Joint Ventures'

There are no other new standards or amendments to existing standards that are effective that have had an impact on the Group.

2. Segment analysis

	Revenue			Operating profit†		
	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m	**Six months to 30.6.14 £m**	Six months to 30.6.13 £m	Year to 31.12.13 £m
North America	**1,590.1**	1,645.5	3,401.7	**97.4**	98.6	213.6
Continental Europe	**573.3**	577.4	1,151.5	**50.1**	47.7	97.0
UK & Ireland	**507.8**	483.9	1,018.5	**33.7**	29.7	71.6
Rest of the World	**267.5**	249.8	526.0	**26.1**	22.0	51.2
	2,938.7	2,956.6	6,097.7	**207.3**	198.0	433.4
Corporate				**(10.1)**	(9.2)	(19.0)
Operating profit†				**197.2**	188.8	414.4
Intangible amortisation and acquisition related costs				**(44.3)**	(38.2)	(82.3)
Operating profit				**152.9**	150.6	332.1

† Before intangible amortisation and acquisition related costs

2. Segment analysis (continued)

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

	Intangible amortisation			Acquisition related costs		
	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m	**Six months to 30.6.14 £m**	Six months to 30.6.13 £m	Year to 31.12.13 £m
North America	**6.5**	6.4	12.6	**2.2**	3.1	6.8
Continental Europe	**14.3**	14.5	29.1	**2.5**	2.0	3.5
UK & Ireland	**3.6**	3.4	7.1	**0.2**	1.0	1.6
Rest of the World	**5.7**	4.2	9.5	**9.3**	3.6	12.1
	30.1	28.5	58.3	**14.2**	9.7	24.0

Acquisition related costs for the six months to 30 June 2014 include transaction costs and expenses of £1.4m (30 June 2013: £5.2m; 31 December 2013: £8.4m), deferred consideration payments relating to the continued employment of former owners of businesses acquired of £13.3m (30 June 2013: £10.3m; 31 December 2013: £22.0m) and a credit of £0.5m (30 June 2013: £5.8m credit; 31 December 2013: £6.4m credit) from adjustments to previously estimated earn outs.

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

3. Finance income/(cost)

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m
Interest on deposits	**0.7**	0.2	0.8
Interest income from foreign exchange contracts	**0.7**	0.9	1.4
Other finance income	**-**	0.1	0.4
Finance income	**1.4**	1.2	2.6
Interest on loans and overdrafts	**(20.0)**	(19.6)	(39.9)
Interest expense from foreign exchange contracts	**(0.9)**	(0.8)	(1.5)
Interest charge on retirement benefit obligations	**(0.9)**	(1.5)	(2.8)
Fair value (loss)/gain on US dollar bonds in a hedge relationship	**(3.8)**	2.0	2.0
Fair value gain/(loss) on interest rate swaps in a hedge relationship	**3.8**	(2.0)	(2.0)
Foreign exchange (loss)/gain on intercompany funding	**(10.6)**	23.6	10.9
Foreign exchange gain/(loss) on external debt not in a hedge relationship	**10.6**	(23.5)	(11.0)
Other finance expense	**(0.2)**	(0.6)	(0.5)
Finance cost	**(22.0)**	(22.4)	(44.8)

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
In assessing the underlying performance of the Group, management uses adjusted profit which excludes intangible amortisation and acquisition related costs. Similarly the tax effect of these items is excluded in monitoring the tax rate on the adjusted profit of the Group which is shown in the table below:

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m
Income tax on profit	**42.5**	38.9	83.1
Tax associated with intangible amortisation and acquisition related costs	**6.9**	7.8	20.7
Tax on adjusted profit	**49.4**	46.7	103.8
Profit before income tax	**132.3**	129.4	289.9
Intangible amortisation and acquisition related costs	**44.3**	38.2	82.3
Adjusted profit before income tax	**176.6**	167.6	372.2
Reported tax rate	**32.1%**	30.1%	28.7%
Tax rate on adjusted profit	**28.0%**	27.9%	27.9%

5. Dividends

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m
2012 interim		28.8	28.8
2012 final		63.0	63.0
2013 interim	**32.6**		
2013 final	**73.0**		
	105.6	91.8	91.8

Dividends per share for the periods to which they relate are:

			Per share
	Six months to 30.6.14	Six months to 30.6.13	Year to 31.12.13
2013 interim		10.0p	10.0p
2013 final			22.4p
2014 interim	**11.0p**		
	11.0p	10.0p	32.4p

The 2014 interim dividend of 11.0p will be paid on 2 January 2015 to shareholders on the register on 7 November 2014.

6. Earnings per share

	Six months to 30.6.14 £m	Six months to 30.6.13 £m	Year to 31.12.13 £m
Profit for the period	**89.8**	90.5	206.8
Adjustment	**37.4**	30.4	61.6
Adjusted profit*	**127.2**	120.9	268.4
Basic weighted average ordinary shares in issue (million)	**326.2**	326.0	325.8
Dilutive effect of employee share plans (million)	**3.2**	3.4	4.0
Diluted weighted average ordinary shares (million)	**329.4**	329.4	329.8
Basic earnings per share	**27.5p**	27.8p	63.5p
Adjustment	**11.5p**	9.3p	18.9p
Adjusted basic earnings per share*	**39.0p**	37.1p	82.4p
Diluted earnings per share	**27.3p**	27.5p	62.7p
Adjustment	**11.3p**	9.2p	18.7p
Adjusted diluted earnings per share*	**38.6p**	36.7p	81.4p

* Adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share exclude the charges for intangible amortisation, acquisition related costs and the respective associated tax. The intangible amortisation, acquisition related costs and the respective associated tax are items which are not taken into account by management when assessing the underlying performance of the business. Accordingly, such items are removed in calculating the adjusted earnings per share on which management assess the performance of the Group.

7. Intangible assets

Goodwill	**Six months to 30.6.14 £m**	Six months to 30.6.13 £m	Year to 31.12.13 £m
Beginning of the period	**901.0**	823.2	823.2
Acquisitions	**31.0**	48.1	97.4
Currency translation	**(17.7)**	24.3	(19.6)
End of the period	**914.3**	895.6	901.0
Customer relationships			
Cost			
Beginning of the period	**887.2**	793.1	793.1
Acquisitions	**41.9**	55.6	111.1
Currency translation	**(22.1)**	28.6	(17.0)
End of the period	**907.0**	877.3	887.2
Amortisation			
Beginning of the period	**331.3**	275.7	275.7
Charge in the period	**30.1**	28.5	58.3
Currency translation	**(9.8)**	11.5	(2.7)
End of the period	**351.6**	315.7	331.3
Net book value at end of the period	**555.4**	561.6	555.9
Total net book value of intangible assets at end of the period	**1,469.7**	1,457.2	1,456.9

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. Further details of acquisitions made in the period are set out in Note 9.

8. Cash and cash equivalents and net debt

	30.6.14	30.6.13	31.12.13
	£m	£m	£m
Cash at bank and in hand	**89.2**	84.3	73.1
Short term deposits repayable in less than three months	**-**	8.8	-
Cash and deposits	**89.2**	93.1	73.1
Bank overdrafts	**(33.8)**	(24.7)	(26.3)
Cash and cash equivalents	**55.4**	68.4	46.8
Current liabilities	**(98.1)**	(54.2)	(46.5)
Non-current liabilities	**(846.1)**	(894.6)	(855.8)
Derivative assets – fair value of interest rate swaps on fixed interest rate borrowings	**8.7**	7.7	6.0
Interest bearing loans and borrowings	**(935.5)**	(941.1)	(896.3)
Net debt	**(880.1)**	(872.7)	(849.5)

	Six months to	Six months to	Year to
	30.6.14	30.6.13	31.12.13
Movement in net debt	**£m**	£m	£m
Beginning of the period	**(849.5)**	(738.1)	(738.1)
Net cash outflow	**(52.6)**	(94.4)	(113.2)
Realised gains/(losses) on foreign exchange contracts	**10.4**	(11.9)	(9.7)
Currency translation	**11.6**	(28.3)	11.5
End of the period	**(880.1)**	(872.7)	(849.5)

9. Acquisitions

2014

The acquisitions completed in the six months to 30 June 2014 were Bäumer and its related company Protemo, Oskar Plast, Lamedid, Nelson Packaging, Plast Techs, Tecno Boga, Allshoes, JPLUS and 365 Healthcare.

Bäumer, a business principally engaged in the distribution of cleaning and hygiene and healthcare supplies to end users in various market sectors in Germany, together with its related company Protemo, a business focusing on the sale of healthcare related products to the healthcare sector, were acquired on 31 January 2014. Oskar Plast, a business selling a variety of disposable packaging products to customers throughout the Czech Republic, including retail chains, food processors and other distributors, was acquired on 20 February 2014. Lamedid, a business principally engaged in the supply and distribution throughout Brazil of own label medical and healthcare consumable products to hospitals, clinics and laboratories as well as to distributors, was acquired on 13 March 2014. Nelson Packaging, a business principally engaged in the distribution of packaging and cleaning and hygiene supplies to end users in the commercial and industrial market sectors in New Zealand, was acquired on 27 March 2014. Plast Techs, a business engaged in the sale of a variety of foodservice and cleaning and hygiene supplies to distributors throughout Southern California, was acquired on 31 March 2014. Tecno Boga, a leading supplier in Chile of own label protective footwear, principally to distributors, was acquired on 31 March 2014. Allshoes, a distributor of both branded and own brand safety and work shoes to a variety of wholesalers as well as to retailers, principally in the Netherlands but also in Belgium, was acquired on 30 May 2014. JPLUS, a Brazilian business principally engaged in the distribution of cleaning and hygiene supplies and disposable products to a variety of end user customers, particularly in the contract cleaning and healthcare sectors, was acquired on 30 May 2014. 365 Healthcare, a UK business principally engaged in the distribution of own brand healthcare products to distributors and hospitals, was acquired on 30 June 2014.

Acquisitions, involving the purchase of the acquiree's share capital or the relevant assets of the businesses acquired, have been accounted for under the acquisition method of accounting. 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. At 30 June 2014 the allocation period for all acquisitions completed since 1 July 2013 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. Adjustments made have impacted assets acquired to reflect more accurately the estimated realisable or settlement value and liabilities acquired to record provisions for onerous commitments or other liabilities existing at the

9. Acquisitions (continued)

acquisition date but not recognised by the acquiree. Adjustments have also been made to reflect the associated tax effects.

The consideration paid or payable in respect of acquisitions comprises amounts paid on completion, deferred consideration and payments which are contingent on the continued employment of former owners of businesses acquired. IFRS 3 requires that any payments that are contingent on future employment are charged to the income statement. All other consideration has been allocated against the identified net assets, with the balance recorded as goodwill. Transaction costs and expenses such as professional fees are charged to the income statement. The acquisitions provide opportunities for further development of the Group's activities and create enhanced returns. Such opportunities and the workforces inherent in each of the acquired businesses do not translate to separately identifiable intangible assets but do represent much of the assessed value that supports the recognised goodwill.

A summary of the effect of acquisitions made in the six months to 30 June 2014 is detailed below:

	Book value at acquisition £m	**Provisional fair value adjustments £m**	**Fair value of assets acquired £m**
Intangible assets	**-**	**41.9**	**41.9**
Property, plant and equipment	**1.0**	**-**	**1.0**
Inventories	**14.8**	**(2.4)**	**12.4**
Trade and other receivables	**20.0**	**(0.3)**	**19.7**
Trade and other payables	**(7.3)**	**(1.4)**	**(8.7)**
Net bank overdrafts	**(3.9)**	**-**	**(3.9)**
Provisions for liabilities and charges	**-**	**(0.9)**	**(0.9)**
Tax and deferred tax	**0.2**	**(9.7)**	**(9.5)**
	24.8	**27.2**	**52.0**
Goodwill			**31.0**
Consideration			**83.0**
Satisfied by:			
cash consideration			**80.1**
deferred consideration			**2.9**
			83.0
Contingent payments to former owners			**15.9**
Net bank overdrafts acquired			**3.9**
Transaction costs and expenses			**1.4**
Total committed spend in respect of current year acquisitions			**104.2**

The net cash outflow in the period in respect of acquisitions comprised:	
Cash consideration	**80.1**
Net bank overdrafts acquired	**3.9**
Deferred consideration in respect of prior year acquisitions	**23.3**
Net cash outflow in respect of acquisitions	**107.3**
Acquisition related costs	**11.4**
Total cash outflow in respect of acquisitions	**118.7**

Cash flow on acquisition related costs relates to £1.8m of transaction costs paid and £9.6m of payments relating to continued employment of former owners.

Acquisitions made during the six months to 30 June 2014 contributed £25.0m 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 for the period had the acquisitions been made at the beginning of the year are as follows:

	£m
Revenue	**59.2**
Operating profit before intangible amortisation and acquisition related costs	**7.3**

9. Acquisitions (continued)

2013
The acquisitions completed in the year ended 31 December 2013 were McNeil Surgical, Vicsa Brasil, Labor Import, MDA, most of the Industrial & Safety division of Jeminex, TFS, Espomega, ProEpta, Wesclean Equipment & Cleaning Supplies, pka Klöcker, De Santis and SAS Safety.

McNeil Surgical, a business principally engaged in the sale of healthcare consumables and equipment to aged care facilities, hospitals and medical centres as well as to redistributors throughout South Australia, was acquired on 31 January 2013. Vicsa Brasil, the proposed acquisition of which was agreed in December 2012, was acquired on 19 February 2013. The business is engaged in the sale of personal protection equipment throughout Brazil. Labor Import, which is principally engaged in the supply and distribution of own label medical and healthcare consumable products to distributors as well as to hospitals, clinics, laboratories and care homes throughout Brazil, was acquired on 1 March 2013. MDA, which is engaged in the procurement and fulfilment of promotional products and marketing point of sale materials for a variety of customers in the UK, principally in the food and drinks industries, was acquired on 15 March 2013. Three businesses which formed part of the Industrial & Safety division of Jeminex in Australia were acquired on 30 April 2013. The workwear and personal safety business distributes an extensive range of specialist personal protection equipment and workwear to the mining, resources, construction and general industrial sectors. The lifting, rigging and height safety business is principally engaged in the supply of lifting chains and ropes, slings and load restraints as well as the provision of accredited testing and repair services. The third business is involved in the supply of industrial packaging products to a variety of customers in different market sectors. TFS, a business engaged in the procurement and fulfilment of promotional products and marketing point of sale materials for customers in the UK across various market sectors, was acquired on 31 July 2013. Espomega, a business supplying a variety of safety products, including gloves and protective clothing, to distributors throughout Mexico, was acquired on 30 August 2013. ProEpta, a leading distributor of catering equipment throughout Mexico, principally to luxury hotels and restaurants, was acquired on 27 September 2013. Wesclean, a business principally engaged in the distribution of cleaning and hygiene equipment and supplies to a variety of customer markets throughout Western Canada, was acquired on 1 November 2013. pka Klöcker, a business based in Germany engaged in the sale to distributors of personal protection equipment, principally own label workwear, was acquired on 29 November 2013. De Santis, a business based in Brazil and principally engaged in the sale of personal protection equipment to end user customers in a number of different market sectors, was acquired on 20 December 2013. SAS Safety, a business specialising in the sourcing and sale of a variety of own label personal protection equipment, principally safety gloves, to distributors in the US was acquired on 23 December 2013.

10. Financial instruments

The following financial assets and liabilities are held at fair value:

	30.6.14	30.6.13	31.12.13
	£m	£m	£m
Derivative financial assets			
Interest rate swaps	**8.7**	7.7	6.0
Interest rate options	**0.1**	-	-
Foreign exchange contracts for net investment hedging	**-**	3.7	0.2
Foreign exchange contracts for cash flow hedging	**0.1**	2.5	-
	8.9	13.9	6.2
Derivative financial liabilities			
Cross currency interest rate swaps	**(0.3)**	(6.7)	(9.2)
Foreign exchange contracts for net investment hedging	**(1.2)**	-	-
Foreign exchange contracts for cash flow hedging	**(1.7)**	-	(0.7)
	(3.2)	(6.7)	(9.9)

All financial assets and liabilities in the table above have carrying amounts where the fair value component is, and has been throughout the relevant period, a level two fair value measurement. Level two fair value measurements use inputs other than quoted prices that are observable for the relevant asset or liability, either directly or indirectly. The fair values of both financial assets and liabilities are calculated by discounting expected future cash flows using observable inputs and translating at the appropriate balance sheet date exchange rates. The Group has taken into account its own credit risk in the valuation of financial assets and liabilities carried at fair value.

The fair values of all financial instruments equate to their book values, with the exception of the US dollar, euro and sterling bonds. The fair value of US dollar, euro and sterling bonds using market prices at 30 June 2014 was £626.3m (30 June 2013: £711.2m; 31 December 2013: £635.7m), compared to a carrying value of £588.6m (30 June 2013: £659.5m; 31 December 2013: £607.1m).

11. Related party transactions
As disclosed in the Annual Report for the year to 31 December 2013, 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 Disclosures'. 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 2014 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 Annual Report for the year ending 31 December 2014. All transactions with subsidiaries are eliminated on consolidation.

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

The directors confirm that to the best of their 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 DTR4.2.8R.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of a condensed set of financial statements may differ from legislation in other jurisdictions.

For and on behalf of the Board

Michael Roney
Chief Executive
26 August 2014

Brian May
Finance Director

Independent review report by PricewaterhouseCoopers LLP to Bunzl plc
Report on the condensed set of financial statements

Our conclusion
We have reviewed the condensed set of financial statements, defined below, in the half yearly financial report of Bunzl plc for the six months ended 30 June 2014. Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements is not prepared, in all material respects, in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the European Union ('the EU') and the Disclosure and Transparency Rules ('the DTR') of the United Kingdom's Financial Conduct Authority ('the UK FCA').

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed
The condensed set of financial statements, which is prepared by Bunzl plc, comprise:

- the consolidated income statement and consolidated statement of comprehensive income for the six months to 30 June 2014;
- the consolidated balance sheet as at 30 June 2014;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated cash flow statement for the period then ended; and
- the explanatory notes to the condensed set of financial statements.

As disclosed in note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards as adopted by the EU.

The condensed set of interim financial statements included in this half yearly financial report has been prepared in accordance with IAS 34, as adopted by the EU and the DTR of the UK FCA.

What a review of condensed financial statements involves
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 United Kingdom. A review of interim 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.

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.

Responsibilities for the condensed interim financial statements and the review

Our responsibilities and those of the directors
The half yearly financial report, including the condensed set of financial statements, is the responsibility of, and has been approved by, the directors of Bunzl plc. The directors are responsible for preparing the half yearly financial report in accordance with the DTR of the UK FCA.

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. This report, including the conclusion, has been prepared for and only for Bunzl plc for the purpose of complying with the DTR of the UK FCA and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
26 August 2014
London