

BUHRMANN NV
Form 6-K
August 08, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

August 8, 2005

Buhrmann NV

(Translation of Registrant's Name Into English)

Hoogoorddreef 62

1101 BE Amsterdam ZO

The Netherlands

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-)

Enclosure: Press Release dated August 4, 2005

PRESS RELEASE

Date 4 August 2005
Number 011

Buhrmann NV

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BUHRMANN REPORTS SIGNIFICANT SALES GROWTH ACROSS

ALL BUSINESSES

Organic sales global office products up 6%, driven by organic sales growth Corporate Express North America (7%), Office Products Europe (5%) and Office Products Australia (11%)

Continuous investment in successful execution key strategic initiatives

Net profit* up 17% to EUR 26.6 million; EPS of EUR 0.15 (EPS of EUR 0.16 in second quarter 2004 favourably affected by a significant incidental tax benefit)

SECOND QUARTER FINANCIAL HIGHLIGHTS

Amounts in EUR million	Q2 2005	Q2 2004	change in EUR	change at constant rates
Net sales	1,477.1	1,431.8	3.2%	5.5%
Gross contribution	432.7	414.7	4.3%	6.6%
Operating result (EBITE)	61.8	52.7	17.4%	19.8%
Net profit *	26.6	22.7	17.2%	
Net profit * per ordinary share (EPS)(in euro)	0.15	0.16		
Net result	17.3	13.1	32.1%	

** Net results before changes in fair values and exceptional results (see also remarks under Basis of Presentation)*

CEO s STATEMENT

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Commenting on the second quarter 2005 figures, Frans Koffrie, Buhrmann President and CEO, said: Our focus on generating profitable sales growth is paying off, with significant organic sales growth across all our businesses. Corporate Express North America enjoyed a particularly good quarter with strong sales performance, reflecting our competitive position and the success of our single-source supplier strategy. Having made investments in growth opportunities, it is encouraging to see that our mid-market initiative also contributed positively. Sales development at Office Products Europe has turned positive despite challenging market conditions in most European markets. Corporate Express Australia resumed its double-digit growth rate. Graphic Systems' improved sales performance was underpinned by a healthy order portfolio. As indicated previously, Group gross contribution developed in line with sales growth, which we expect to continue for the second half of this year.

We remain positive about prospects for ongoing sales growth in 2005, based on our expectations of continued, steady improvement of market conditions in North America and further positive effects of our measures to enhance European performance. Growth is forecast to continue in the Australian economy.

SECOND QUARTER 2005 FINANCIAL PERFORMANCE

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Organic sales growth for global office products was 6%, compared with 3% in the first quarter of 2005. Total Group gross contribution developed in line with sales, improving 6.6% at constant rates to EUR 432.7 million. Operating result (EBIT) improved to EUR 54.8 million, a 6.5% increase at constant rates. Excluding a EUR 7.0 million exceptional charge at Office Products Europe, operating result (EBITE) grew 19.8% at constant rates.

Taxes were EUR 16.5 million higher than last year. The effective tax rate was 22% in the second quarter excluding fair value effects, exceptionals and dividend on Preference Shares A. Net profit increased 17% to EUR 26.6 million excluding exceptional items and fair value changes. Various exceptional items totalling EUR 2.3 million negative and unfavourable fair value changes amounting to EUR 7.0 million impacted net result at EUR 17.3 million, up 32%.

Cash flow available for financing activities, excluding interest paid and dividend on preference shares, was EUR 87.5 million in the second quarter. Working capital as a percentage of sales on a four-quarter rolling average remained stable at 8.3%. Buhrmann realised a return on capital employed before goodwill and exceptionals of 30.3% and 9.8% when including goodwill and exceptional items.

SECOND QUARTER 2005 OPERATIONAL PERFORMANCE

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The second quarter of 2005 showed a continuation of the encouraging performance in the previous quarters. Corporate Express North America saw improvement across almost all aspects of its business. It was able to build on favourable market conditions by further market share wins in the large account segment, strong growth in furniture and double-digit growth in facility supplies. The mid-market segment contributed modestly to sales growth, turning positive. Despite challenging market conditions in most European markets, Office Products Europe continued its momentum and posted positive sales growth, driven mainly by new customer wins resulting in market share gains in the large account segment, notably in Germany and the UK. Corporate Express Australia resumed its growth pattern, with organic sales up strongly for the quarter benefiting from increased sales through its single-source supplier model. Graphic Systems sales were up slightly, reflecting the gradually improving market conditions.

ADDITIONAL FINANCIAL INFORMATION

For the second half of 2005 we expect cash interest expenses (i.e. including dividends on Preference Shares A) of approximately EUR 40 million (first half 2005: EUR 40.8 million). For the third and fourth quarter 2005 the effective tax rate is expected to be between 20-25%. For the full year 2005, cash tax payments are estimated between EUR 20-25 million. Capital expenditure is expected to be about EUR 70 million and depreciation to be EUR 87 million. The full year outflow reported under Other operational payments (from current provisions for restructuring) is expected to be between EUR 20-25 million.

Note to editors

A live **video web cast** of the analyst & investor meeting starting at 12 a.m. CET today can be accessed via www.buhrmann.com within the investor relations section under Conference Calls and Presentations .

The **analyst and investor presentation** is also available in this section.

It is also possible to listen to the proceedings of the analyst conference call via telephone number: +31 (0)45 631 69 15

Financial calendar:

Publication of third quarter results 2005 10 November 2005

Publication of fourth quarter results 2005 9 February 2006

Annual General Meeting of Shareholders 13 April 2006

Publication of first quarter results 2006 3 May 2006

Amounts in EUR millions	CE North America			ASAP Software			North America - Total		
	second quarter 2005	change in euro	change at constant rates	second quarter 2005	change in euro	change at constant rates	second quarter 2005	change in euro	change at constant rates
Net sales	743.0	2.9%	6.8%	221.7	(8.7)%	(5.2)%	964.7	0.0%	3.8%
Organic growth	7%			1%			5%		
Gross contribution	251.9	3.1%	7.1%	21.7	(0.7)%	3.0%	273.6	2.8%	6.8%
Operating result (EBITE) (1)	35.1	4.1%	7.8%	10.3	0.7%	4.6%	45.4	3.3%	7.1%
Average Capital Employed (2)	519.2	(3.5)%	(0.5)%	3.7	n/a	n/a	522.9	0.7%	3.8%
Ratios									
Gross contribution / net sales	33.9%			9.8%			28.4%		
EBITE / net sales	4.7%			4.6%			4.7%		
EBITE / Avg. Cap. Employed	27.1%			n/a			34.8%		

(1) *Earnings before Interest and Tax and Exceptional results*

(2) *Average Capital Employed excludes goodwill and exceptionals (see also the remarks under Basis of Presentation)*

CORPORATE EXPRESS NORTH AMERICA CE NORTH AMERICA EXPERIENCED INCREASING SALES MOMENTUM

Corporate Express North America experienced steady improvement in overall market conditions. Organic sales were up 7%, with positive year-over-year growth in almost all regions and product lines. In recent quarters, Corporate Express North America has made significant investments in marketing and sales initiatives, which are beginning to bear fruit. Although these investments have not yet achieved a full return, they are driving the positive sales momentum Corporate Express North America is experiencing.

The large account segment achieved significant growth, underlining the strong competitive position of Corporate Express North America. Facility supplies and furniture product lines both had double-digit sales growth versus prior year, while promotional marketing and document and print management showed strong sales performances. The mid-market segment also contributed to the sales increase, with growth turning positive in the second quarter.

Private brands now account for 24% of sales compared to 16% in the second quarter of 2004. Our customers' response to these product lines remains very encouraging. Building on this, Corporate Express North America is launching a dated goods product line consisting of over 100 sku s - planners, calendars, organizers, etc. - this summer.

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Gross contribution grew 7% at constant rates, in line with organic sales growth. As indicated, gross contribution percentage remained relatively stable year-on-year. The gross contribution is now growing in line with sales. Gross contribution percentage was impacted negatively by new wins in the large account segment, and by a higher portion of computer supplies in the sales mix. Our private brands programme, margin management and our preferred supplier initiative including global sourcing served to offset this.

Operating result was up 8% at constant rates, impacted by EUR 1.2 million in incidental costs mostly for a facilities optimisation programme of the document and print management business. Excluding these costs, operating result was up 12% at constant rates. Operating result was also impacted by investments made for future growth, primarily the roll-out of our Integrated Sales Teams and commercial programmes supporting our mid-market initiative.

ASAP SOFTWARE

ORGANIC GROWTH 1%, WITH OPERATING RESULT AT CONSTANT RATES UP 5%

Reported sales for ASAP Software declined 5.2% at constant rates to EUR 221.7 million. Gross contribution amounted to EUR 21.7 million, an increase of 3.0% at constant rates. Operating result increased to EUR 10.3 million, up 4.6% at constant rates.

Organic growth was 1%, adjusted for the impact of the ongoing shift to an agency model by a number of software publishers. ASAP Software earns an agent fee on software products sales billed by software publishers, in contrast to invoiced sales. The agent model has no impact on gross contribution or operating result in absolute terms.

Amounts in EUR millions	second quarter 2005	Europe change in euro	change at constant rates	second quarter 2005	Australia change in euro	change at constant rates	Global Office Products		
							second quarter 2005	change in euro	change at constant rates
Net sales	230.5	4.3%	4.6%	182.5	24.2%	21.3%	1,377.6	3.4%	5.9%
Organic growth	5%			11%			6%		
Gross contribution	75.4	1.4%	1.7%						