

Report of the Directors

for the year ended 31 March 2007

The Directors of DCC plc present their report and the audited financial statements for the year ended 31 March 2007.

Group results

The profit for the financial year attributable to equity holders of the Company amounted to €140.2 million as set out in the Group Income Statement on page 51.

Dividends

An interim dividend of 17.87 cent per share, amounting to €14.34 million, was paid on 8 December 2006. The Directors recommend the payment of a final dividend of 31.41 cent per share, amounting to €25.26 million. Subject to shareholders' approval at the Annual General Meeting on 20 July 2007, this dividend will be paid on 26 July 2007 to shareholders on the register on 25 May 2007. The total dividend for the year ended 31 March 2007 amounts to 49.28 cent per share, a total of €39.60 million.

The profit attributable to equity holders of the Company, which has been transferred to reserves, and the dividends paid during the year ended 31 March 2007, are shown in note 41 on page 99.

Purchase of shares and treasury shares

The number of shares held in Treasury at the beginning of the year was 7,510,178 (8.51% of the issued share capital) with a nominal value of €1.878 million. The maximum number of shares held in Treasury during the year was 8,526,489 (9.66% of the issued share capital) with a nominal value of €2.132 million.

In June 2006, the Company purchased 1,038,311 of its own shares (1.18% of the issued share capital) with a nominal value of €0.260 million at a total cost of €18.818 million.

A total of 732,233 shares (0.83% of the issued share capital) with a nominal value of €0.183 million were re-issued during the year at prices ranging from €6.22 to €12.63 consequent to the exercise of share options under the DCC plc 1998 Employee Share Option Scheme and the DCC Sharesave Scheme 2001, leaving a balance held in Treasury at 31 March 2007 of 7,816,256 shares (8.86% of the issued share capital) with a nominal value of €1.954 million.

At the Company's Annual General Meeting on 10 July 2006, the Company was granted authority to purchase up to 8,822,940 of its own shares (10% of the issued share capital) with a nominal value of €2.206 million. This authority has not been exercised and will expire on 20 July 2007, the date of the next Annual General Meeting of the Company. A special resolution will be proposed at the Annual General Meeting to renew this authority.

Review of activities

The Chairman's Statement on pages 8 to 9, the Chief Executive's Review on pages 10 to 11, the Business Reviews on pages 12 to 31 and the Financial Review on pages 32 to 35 contain a review of the development of the Group's business during the year, of the state of affairs of the business at 31 March 2007, of recent events and of likely future developments.

Principal risks and uncertainties

Under Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended, DCC is required to give a description of the principal risks and uncertainties facing the Group.

As detailed throughout this Annual Report, DCC's businesses operate in a diversified range of business areas. This diversification reduces the potential impact of industry specific risk on the DCC Group as a whole.

The principal risks and uncertainties faced by the Group's businesses relate to the macro economic environment in Ireland, Britain and Continental Europe. The level of activity in these markets is sensitive to economic conditions generally, including, inter alia, economic growth, interest rates and inflation.

The principal financial risks facing the Group are addressed in the Financial Review under 'Financial Risk Management' on pages 32 to 35.

The Group has a comprehensive system of risk management and internal controls as detailed under 'Internal Control' in the Corporate Governance statement on pages 38 to 41.

Subsidiary, joint venture and associated companies

Details of the Company's principal operating subsidiaries, principal joint ventures and principal associates are set out on pages 105 to 108.

Directors

The names of the Directors and a short biographical note on each Director appear on pages 4 to 5.

Kevin Murray resigned from his position as an executive Director on 30 June 2006.

Alex Spain will retire from his position as Chairman and non-executive Director on 30 June 2007.

In accordance with Article 80 of the Articles of Association, Jim Flavin, Maurice Keane and Bernard Somers retire by rotation at the 2007 Annual General Meeting and, being eligible, offer themselves for re-election.

In compliance with Provision A.7.2 of the Combined Code on Corporate Governance, Tony Barry and Paddy Gallagher retire at the Meeting, each having served on the Board for a period in excess of nine years, and, being eligible, offer themselves for re-election.

None of the retiring Directors has a service contract with the Company or with any member of the Group, other than Jim Flavin, Chief Executive/Deputy Chairman, whose service agreement provides for one year's notice of termination by the Company.

Details of the Directors' interests in the share capital of the Company are set out in the Report on Directors' Remuneration and Interests on pages 44 to 47.

Report of the Directors (continued)

Substantial shareholdings

The Company has been advised of the following interests in its share capital as at 11 May 2007:

	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)
FMR Corp. on behalf of certain of its direct and indirect subsidiaries *	10,610,400	13.19%
Schroder Investment Management Limited, Schroder & Co. Limited and Schroder Investment Management North America Limited *	8,426,181	10.48%
Bank of Ireland Asset Management Limited *	7,624,448	9.48%
AIM Trimark Investments*	4,210,774	5.24%
Jim Flavin	2,458,416	3.06%

* *Notified as non-beneficial interests*

Corporate governance

Statements by the Directors in relation to the Company's compliance of the principles and compliance with the provisions of the Combined Code on Corporate Governance, the Group's system of internal control and the adoption of the going concern basis in preparing the financial statements are set out on pages 38 to 41.

Research and development

Certain Group companies carry out development work aimed at improving the quality, competitiveness and range of their products. This expenditure is not material in relation to the size of the Group and is written off to the profit and loss account as it is incurred.

Political contributions

There were no political contributions which require to be disclosed under the Electoral Act, 1997.

Accounting records

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at the Company's registered office, DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Alex Spain, Jim Flavin
Directors
11 May 2007

Report on Directors' Remuneration and Interests

Remuneration Committee

The Remuneration Committee comprises four independent non-executive Directors, Maurice Keane (Chairman), Tony Barry, Róisín Brennan and Michael Buckley.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on request and on the Company's website www.dcc.ie. The principal responsibilities of the Committee are determining the policy for the remuneration of the executive Directors and the Chairman and determining their remuneration packages, determining pension arrangements for the executive Directors and the granting of share options under the DCC plc 1998 Employee Share Option Scheme. The Committee also monitors the level and structure of remuneration of other senior management.

The Chief Executive/Deputy Chairman makes recommendations to the Remuneration Committee on remuneration for the other executive Directors. The Remuneration Committee is authorised to obtain access to professional advice if deemed desirable.

Remuneration policy

The Company's remuneration policy recognises that employment and remuneration conditions for the Group's senior executives must properly reward and motivate them to perform in the best interests of the shareholders.

In formulating remuneration policy, the Committee has given due regard to the provisions of the Combined Code on Corporate Governance.

The typical elements of the remuneration package for senior executives are basic salary, performance related remuneration consisting of performance related annual bonuses and share options, pension benefits and other taxable benefits (principally the use of a company car).

Directors' remuneration

Executive Directors' Remuneration Salaries

The salaries of executive Directors are reviewed annually on 1 January having regard to personal performance, Company performance and competitive market practice. No fees are payable to executive Directors.

Performance Related Annual Bonuses

Performance related annual bonuses are payable to the executive Directors, in respect of the financial year to 31 March. The maximum bonus potential, as a percentage of basic salary, for each executive Director is reviewed and set annually and amounted to 65% of basic salary for the year ended 31 March 2007.

The performance targets, which are reviewed annually, primarily relate to growth in Group earnings and also to the overall contribution and personal performance of each executive Director, including Group development.

Pension Benefits

The Company funds pension schemes which, for executive Directors, aim to provide, on the basis of actuarial advice, a pension of two thirds of pensionable salary at normal retirement date. Pensionable salary is calculated as 105% of basic salary and does not include any performance related bonuses or benefits.

Non-Executive Directors' Remuneration

The remuneration of the non-executive Directors is determined by the Board. The fees paid to non-executive Directors reflect their experience and ability and the time demands of their Board and Board Committee duties.

Report on Directors' Remuneration and Interests (continued)

Directors' Remuneration Details

The table below sets out the details of the remuneration payable in respect of Directors who held office for any part of the financial year.

	Salary and Fees ¹		Bonus		Special Bonus ⁵	Benefits ²		Pension Contribution ³		Total	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000	2006 €'000	2007 €'000	2006 €'000	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Executive Directors											
Jim Flavin	846	806	508	510	150	39	38	127	121	1,520	1,625
Tommy Breen	410	346	246	218	-	22	21	122	94	800	679
Fergal O'Dwyer	329	314	198	198	100	21	21	110	86	658	719
Kevin Murray ⁴	90	346	-	218	-	5	20	30	94	125	678
Total for executive Directors	1,675	1,812	952	1,144	250	87	100	389	395	3,103	3,701
Non-executive Directors											
Alex Spain	153	142	-	-	-	-	-	-	-	153	142
Tony Barry	57	55	-	-	-	-	-	-	-	57	55
Róisín Brennan	65	35	-	-	-	-	-	-	-	65	35
Michael Buckley	62	33	-	-	-	-	-	-	-	62	33
Paddy Gallagher	60	61	-	-	-	-	-	-	-	60	61
Maurice Keane	65	60	-	-	-	-	-	-	-	65	60
Bernard Somers	75	66	-	-	-	-	-	-	-	75	66
Total for non-executive Directors	537	452	-	-	-	-	-	-	-	537	452
Pension payment in respect of retired Director										10	10
Total										3,650	4,163

Notes

- 1 Fees are payable only to non-executive Directors and include Chairman's and Board Committee fees.
- 2 In the case of the executive Directors, benefits relate principally to the use of a company car.
- 3 Executive Director pension contributions in the year ended 31 March 2007 were made to a defined contribution arrangement for Jim Flavin and to a defined benefit scheme for the other executive Directors.
- 4 Kevin Murray resigned as a Director on 30 June 2006.
- 5 In respect of the year ended 31 March 2006, a special bonus was paid to Mr. Flavin and Mr. O'Dwyer in recognition of the exceptional demands that had been placed on them during that year arising from the successful defence of the action taken by Fyffes plc against DCC plc and others.

Directors' Defined Benefit Pensions

The table below sets out the increase in the accrued pension benefits to which executive Directors have become entitled during the year ended 31 March 2007 and the transfer value of the increase in accrued benefit, under the Company's defined benefit pension scheme:

	Increase in accrued pension benefit (excl inflation) during the year ¹	Transfer value equivalent to the increase in accrued pension benefit ²	Total accrued pension benefit at year end ³
	€'000	€'000	€'000
Executive Directors			
Tommy Breen	10	206	148
Fergal O'Dwyer	6	51	107
Kevin Murray ⁴	5	49	129
Total	21	306	384

Notes

- 1 Increases are after adjustment for inflation over the year and reflect additional pensionable service and salary.
- 2 The transfer value equivalent to the increase in accrued pension benefit has been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11. The transfer values do not represent sums paid to or due to the Directors named, but are the amounts that would transfer to another pension scheme in respect of the increase in accrued pension benefit during the year.
- 3 Figures represent the total accrued pension payable from normal retirement date, based on pensionable service at 31 March 2007.
- 4 Kevin Murray ceased accruing benefits on 30 June 2006.

Report on Directors' Remuneration and Interests

(continued)

Share options

DCC plc 1998 Employee Share Option Scheme

Executive Directors and other senior executives participate in the DCC plc 1998 Employee Share Option Scheme, which was approved by shareholders in 1998. The Scheme encourages identification with shareholders' interests by enabling management to build, over time, a shareholding in the Company which is material to their net worth.

The percentage of share capital which can be issued under the Scheme, the phasing of the grant of options and the limit on the value of options which may be granted to any individual comply with guidelines published by the institutional investment associations. The Scheme provides for the grant of both basic and second tier options, in each case up to a maximum of 5% of the Company's issued share capital. Basic tier options may not normally be exercised earlier than three years from the date of grant and second tier options not earlier than five years from the date of grant.

Basic tier options may normally be exercised only if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 2%, compound, per annum over a period of at least three years following the date of grant.

Second tier options may normally be exercised only if the growth in the adjusted earnings per share over a period of at least five years is such as would place the Company in the top quartile of companies on the ISEQ index in terms of comparison of growth in adjusted earnings per share and if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 10%, compound, per annum in that period.

Directors are encouraged to hold their options beyond the earliest exercise date.

Details of the executive Directors' and the Company Secretary's options to subscribe for shares under the DCC plc 1998 Employee Share Option Scheme are set out below:

	At 31 March 2006	Granted in year	Exercised in year	Lapsed in year	At 31 March 2007	Weighted Average Exercise Price €	Normal Exercise Period
Executive Directors							
Jim Flavin							
Basic Tier	375,000	25,000	-	-	400,000	8.9435	June 2001 - June 2016
Second Tier	395,000	-	-	-	395,000	8.1063	June 2003 - Nov 2012
Tommy Breen							
Basic Tier	190,000	15,000	-	-	205,000	10.0570	June 2001 - June 2016
Second Tier	190,000	-	-	-	190,000	8.6786	June 2003 - Nov 2012
Fergal O'Dwyer							
Basic Tier	165,000	10,000	-	-	175,000	9.7973	June 2001 - June 2016
Second Tier	165,000	-	-	-	165,000	8.4366	June 2003 - Nov 2012
Kevin Murray¹							
Basic Tier	190,000	-	165,000	25,000	-	8.4193	-
Second Tier	190,000	-	95,000	95,000	-	7.0457	-
Company Secretary							
Gerard Whyte							
Basic Tier	82,500	7,500	-	-	90,000	10.7906	June 2001 - June 2016
Second Tier	80,000	-	-	-	80,000	8.8716	June 2003 - Nov 2012

Note

¹ Kevin Murray resigned as a Director on 30 June 2006.

Report on Directors' Remuneration and Interests (continued)

DCC Sharesave Scheme

The Group established the DCC Sharesave Scheme in 2000. On 15 June 2001, options were granted under the Scheme to those Group employees, including executive Directors, who entered into associated savings contracts. The options were granted at an option price of €8.79 per share, which represented a discount of 20% to the then market price as provided for by the rules of the Scheme. There are no options outstanding under the June 2001 grant. On 10 December 2004, a second grant of options under this Scheme was made to Group employees, not including executive Directors, at an option price of €12.63 per share, which represented a discount of 20% to the then market price. These options are exercisable between December 2007 and March 2011. At 31 March 2007, Group employees held options to subscribe for 563,635 ordinary shares under the DCC Sharesave Scheme.

Details of the executive Directors' and the Company Secretary's options to subscribe for shares under the DCC Sharesave Scheme are set out below:

	No. of Sharesave Options At 31 March 2007	No. of Sharesave Options At 31 March 2006
Executive Directors		
Jim Flavin	-	2,383
Tommy Breen	-	2,383
Fergal O'Dwyer	-	2,383
Company Secretary		
Gerard Whyte	815	2,006

The market price of DCC shares on 30 March 2007 was €26.36 and the range during the year was €17.68 to €28.00.

Additional information in relation to the DCC plc 1998 Employee Share Option Scheme and the DCC Sharesave Scheme appears in note 10 on page 74.

Directors' and Company Secretary's interests

The interests of the Directors and the Company Secretary (including their respective family interests) in the share capital of DCC plc at 31 March 2007, together with their interests at 31 March 2006, were:

	No. of Ordinary Shares At 31 March 2007	No. of Ordinary Shares At 31 March 2006
Directors		
Alex Spain	25,634	25,634
Jim Flavin	2,458,416	2,456,033
Tony Barry	17,000	17,000
Tommy Breen	213,895	211,512
Róisín Brennan	-	-
Michael Buckley	10,000	10,000
Paddy Gallagher	5,040	5,040
Maurice Keane	5,000	5,000
Fergal O'Dwyer	214,889	212,506
Bernard Somers	-	-
Company Secretary		
Gerard Whyte	126,544	125,353

All of the above interests were beneficially owned. There were no changes in the interests of the Directors and the Company Secretary between 31 March 2007 and 11 May 2007.

Apart from the interests disclosed above, the Directors and the Company Secretary had no interests in the share capital or loan stock of the Company or any other Group undertaking at 31 March 2007.

The Company's Register of Directors Interests (which is open to inspection) contains full details of Directors' shareholdings and share options.

Directors' Service Agreements

Other than for the Chief Executive/Deputy Chairman, there are no service agreements between any Director of the Company and the Company or any of its subsidiaries. The Chief Executive/Deputy Chairman's service agreement provides for one year's notice of termination by the Company.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the statement of Directors' and Auditors' responsibilities set out within their report on pages 49 and 50, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with applicable IFRS as adopted by the European Union; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the website. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Independent Auditors

for the year ended 31 March 2007

To the Members of DCC plc

We have audited the Group and Company financial statements (the 'financial statements') of DCC plc for the year ended 31 March 2007 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statement of Recognised Income and Expense and the related notes. We also audited the detailed information on Directors' remuneration, interests in shares and share options on pages 44 to 47. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union. We report to you our opinion as to whether the Company financial statements give a true and fair view,

in accordance with IFRSs as adopted by the European Union, as applied in accordance with the provisions of the Companies Acts, 1963 to 2006. We also report to you whether the financial statements have been properly prepared in accordance with Irish statute comprising the Companies Act, 1963 to 2006 and Article 4 of the IAS Regulation. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account;
- whether the Directors' Report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting of the Company; such a financial situation may exist if the net assets of the Company, as stated in the Company Balance Sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance statement reflects the Company's compliance with the nine provisions of the Financial Reporting Council's 2006 Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the

effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Chief Executive's Review, the Business Reviews, the Financial Review, the Corporate Social Responsibility statement, the Corporate Governance statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Independent Auditors

for the year ended 31 March 2007 (continued)

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2007 and of its profit and cash flows for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts, 1963 to 2006, of the state of the Parent Company's affairs as at 31 March 2007 and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Balance Sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2007 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

PricewaterhouseCoopers

Chartered Accountants and
Registered Auditors
Dublin
11 May 2007

Group Income Statement

for the year ended 31 March 2007

	Note	2007			2006		
		Pre	Exceptionals	Total	Pre	Exceptionals	Total
		exceptionals	(note 11)		exceptionals	(note 11)	
€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Revenue	4	4,046,118	-	4,046,118	3,436,292	-	3,436,292
Cost of sales		(3,544,403)	-	(3,544,403)	(2,992,240)	-	(2,992,240)
Gross profit		501,715	-	501,715	444,052	-	444,052
Operating costs	5	(358,721)	24,516	(334,205)	(320,457)	2,841	(317,616)
Operating profit before amortisation of intangible assets	4	142,994	24,516	167,510	123,595	2,841	126,436
Amortisation of intangible assets	4	(6,660)	-	(6,660)	(4,956)	-	(4,956)
Operating profit		136,334	24,516	160,850	118,639	2,841	121,480
Finance costs	12	(31,338)	-	(31,338)	(22,947)	(1,145)	(24,092)
Finance income	12	20,488	-	20,488	15,906	-	15,906
Share of associates' profit after tax	14	11,800	-	11,800	25,474	-	25,474
Profit before tax		137,284	24,516	161,800	137,072	1,696	138,768
Income tax expense	15	(12,995)	(7,700)	(20,695)	(13,479)	-	(13,479)
Profit after tax for the financial year		124,289	16,816	141,105	123,593	1,696	125,289
Profit attributable to:							
Equity holders of the Company				140,186			123,764
Minority interest				919			1,525
				141,105			125,289
Earnings per ordinary share							
Basic	18			174.59c			153.92c
Diluted	18			170.83c			150.46c

Alex Spain, Jim Flavin, Directors

Group Statement of Recognised Income and Expense

for the year ended 31 March 2007

	Note	2007 €'000	2006 €'000
Items of income and expense recognised directly within equity:			
Currency translation effects		7,430	(4,779)
Group defined benefit pension obligations:			
- actuarial gain	32	1,576	1,779
- movement in deferred tax asset	15	(169)	82
Deferred tax on share based payment	15	25	25
(Losses)/gains relating to cash flow hedges (net)		(159)	23
Movement in deferred tax liability on cash flow hedges	15	22	(3)
Net income/(expense) recognised directly in equity		8,725	(2,873)
Profit after tax for the financial year		141,105	125,289
Total recognised income and expense for the financial year		149,830	122,416
Attributable to:			
Equity holders of the Company		148,911	120,891
Minority interest		919	1,525
Total recognised income and expense for the financial year		149,830	122,416

Group Balance Sheet

as at 31 March 2007

	Note	2007 €'000	2006 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	19	319,621	267,494
Intangible assets	20	321,369	248,475
Investments in associates	21	90,332	76,789
Deferred income tax assets	31	8,305	4,596
Derivative financial instruments	28	3,091	8,989
		<u>742,718</u>	<u>606,343</u>
Current assets			
Inventories	23	177,450	138,734
Trade and other receivables	24	597,257	522,143
Derivative financial instruments	28	51	144
Cash and cash equivalents	27	337,079	345,280
		<u>1,111,837</u>	<u>1,006,301</u>
Total assets		<u>1,854,555</u>	<u>1,612,644</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Equity share capital	36	22,057	22,057
Share premium account	37	124,687	124,687
Other reserves - share options	38	4,807	3,392
Cash flow hedge reserve	38	(117)	20
Foreign currency translation reserve	38	(2,914)	(10,344)
Other reserves	38	1,400	1,400
Retained earnings	39	531,994	439,477
		<u>681,914</u>	<u>580,689</u>
Minority interest	40	5,816	4,714
Total equity	41	<u>687,730</u>	<u>585,403</u>
LIABILITIES			
Non-current liabilities			
Borrowings	29	268,579	292,793
Derivative financial instruments	28	45,944	27,077
Deferred income tax liabilities	31	14,748	10,718
Retirement benefit obligations	32	16,372	20,679
Provisions for liabilities and charges	34	6,122	-
Deferred acquisition consideration	33	18,523	18,808
Capital grants	35	2,393	1,991
		<u>372,681</u>	<u>372,066</u>
Current liabilities			
Trade and other payables	25	601,404	543,913
Current income tax liabilities		50,849	36,697
Borrowings	29	125,978	67,151
Derivative financial instruments	28	236	73
Provisions for liabilities and charges	34	4,807	3,785
Deferred acquisition consideration	33	10,870	3,556
		<u>794,144</u>	<u>655,175</u>
Total liabilities		<u>1,166,825</u>	<u>1,027,241</u>
Total equity and liabilities		<u>1,854,555</u>	<u>1,612,644</u>

Alex Spain, Jim Flavin, Directors

Group Cash Flow Statement

for the year ended 31 March 2007

	Note	2007 €'000	2006 €'000
Cash generated from operations	42	127,421	142,922
Exceptionals		(4,916)	(15,377)
Interest paid		(29,331)	(20,573)
Income tax paid		(10,058)	(12,157)
Net cash flows from operating activities		83,116	94,815
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment		44,394	11,223
Capital grants received	35	-	1,174
Interest received		20,211	13,650
		64,605	26,047
Outflows			
Purchase of property, plant and equipment		(60,651)	(57,652)
Acquisition of subsidiaries		(100,213)	(48,625)
Purchase of minority interests		(1,276)	(506)
Deferred acquisition consideration paid		(4,176)	(5,580)
		(166,316)	(112,363)
Net cash flows from investing activities		(101,711)	(86,316)
Financing activities			
Inflows			
Proceeds from issue of shares		6,098	3,344
Increase in finance lease liabilities		3,545	-
Increase in interest-bearing loans and borrowings		56,303	36,624
		65,946	39,968
Outflows			
Share buyback	39	(18,818)	-
Repayment of interest-bearing loans and borrowings		(1,240)	(663)
Repayment of finance lease liabilities		(4,801)	(5,973)
Dividends paid to equity holders of the Company	17	(36,381)	(31,568)
Dividends paid to minority interests	40	(38)	(201)
		(61,278)	(38,405)
Net cash flows from financing activities		4,668	1,563
Change in cash and cash equivalents		(13,927)	10,062
Translation adjustment		4,196	(4,541)
Cash and cash equivalents at beginning of year		319,918	314,397
Cash and cash equivalents at end of year	30	310,187	319,918
Cash and cash equivalents consists of:			
Cash and short term bank deposits	27	337,079	345,280
Overdrafts	30	(26,892)	(25,362)
	30	310,187	319,918

Company Balance Sheet

as at 31 March 2007

	Note	2007 €'000	2006 €'000
ASSETS			
Non-current assets			
Investments in associates	21	1,300	1,300
Investments in subsidiary undertakings	22	161,065	161,072
		<u>162,365</u>	<u>162,372</u>
Current assets			
Trade and other receivables	24	296,303	263,187
Cash and cash equivalents	27	8	157
		<u>296,311</u>	<u>263,344</u>
Total assets		<u>458,676</u>	<u>425,716</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Equity share capital	36	22,057	22,057
Share premium account	37	124,687	124,687
Other reserves	38	344	344
Retained earnings	39	46,758	55,556
Total equity	41	<u>193,846</u>	<u>202,644</u>
LIABILITIES			
Non-current liabilities			
Amounts due to subsidiary undertakings		10,387	10,387
		<u>10,387</u>	<u>10,387</u>
Current liabilities			
Trade and other payables	25	254,443	212,685
		<u>254,443</u>	<u>212,685</u>
Total liabilities		<u>264,830</u>	<u>223,072</u>
Total equity and liabilities		<u>458,676</u>	<u>425,716</u>

Alex Spain, Jim Flavin, Directors

Company Statement of Recognised Income and Expense for the year ended 31 March 2007

	Note	2007 €'000	2006 €'000
Profit after tax for the financial year	16	40,303	42,848
Total recognised income and expense for the financial year		40,303	42,848
Attributable to:			
Equity holders of the Company		40,303	42,848

Company Cash Flow Statement for the year ended 31 March 2007

	Note	2007 €'000	2006 €'000
Cash generated from operations	42	44,219	43,385
Interest paid		(1,199)	(907)
Income tax received/(paid)		1,319	(1,199)
Net cash flows from operating activities		44,339	41,279
Investing activities			
Inflows			
Interest received		4,613	5,075
		4,613	5,075
Outflows			
Deferred acquisition consideration paid		-	(2,963)
Additional investment in subsidiary undertakings	22	-	(15,258)
		-	(18,221)
Net cash flows from investing activities		4,613	(13,146)
Financing activities			
Inflows			
Proceeds from issue of shares		6,098	3,344
		6,098	3,344
Outflows			
Share buyback	39	(18,818)	-
Dividends paid to equity holders of the Company	17	(36,381)	(31,568)
		(55,199)	(31,568)
Net cash flows from financing activities		(49,101)	(28,224)
Change in cash and cash equivalents		(149)	(91)
Cash and cash equivalents at beginning of year		157	248
Cash and cash equivalents at end of year		8	157

Notes to the Financial Statements

1. Summary of significant accounting policies

Statement of Compliance

The consolidated financial statements of DCC plc have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and those parts of the Companies Acts, 1963 to 2006 applicable to companies reporting under IFRS. Both the Parent Company and the Group financial statements have been prepared in accordance with IFRS as adopted by the EU. In presenting the Parent Company financial statements together with the Group financial statements, the Company has availed of the exemption in Section 148(8) of the Companies Act 1963 not to present its individual Income Statement and related notes that form part of the approved Company financial statements.

Basis of Preparation

The consolidated financial statements, which are presented in euro, rounded to the nearest thousand, have been prepared under the historical cost convention, as modified by the measurement at fair value of share options and derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2007 are set out below. These policies have been applied consistently by the Group's subsidiaries, joint ventures and associates for all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are documented in the relevant accounting policies below.

Standards, interpretations and amendments to published standards that are not yet effective

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include the following:

IFRS 7 *Financial Instruments: Disclosures*;
 IFRS 8 *Operating Segments*;
 Amendment to IAS 1 *Capital Disclosures*;
 IFRIC Interpretation 8 *Scope of IFRS 2*;
 IFRIC Interpretation 9 *Reassessment of Embedded Derivatives*;
 IFRIC Interpretation 10 *Interim Financial Reporting*;
 IFRIC Interpretation 11 *Group and Treasury Share Transactions*;
 IFRIC Interpretation 12 *Service Concession Arrangements*; and
 IAS 23R *Borrowing Costs*.

Basis of Consolidation

Subsidiaries

The results of subsidiary undertakings acquired or disposed of during the year are included in the Group Income Statement from the date of their acquisition or up to the date of their disposal.

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

Joint ventures

In accordance with IAS 31 *Interests in Joint Ventures*, the Group's share of results and net assets of joint ventures, which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised and are derecognised when joint control ceases. All of the Group's joint ventures are jointly controlled entities within the meaning of IAS 31. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

Notes to the Financial Statements

(continued)

1. Summary of significant accounting policies - continued

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill attributable to investments in associates is treated in accordance with the accounting policy for goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Group Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from such transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue Recognition

Revenue comprises the fair value of the sale of goods and services to external customers net of value added tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally arises on delivery, or in accordance with specific terms and conditions agreed with customers. Revenue from the rendering of services is recognised in the period in which the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when shareholders' rights to receive payment have been established.

Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those other segments. Arising from the Group's internal organisational structure and its system of internal financial reporting, segmentation by business is regarded as being the predominant source and nature of the risks and returns facing the Group and is thus the primary segment. Geographical segmentation is the secondary segment.

Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in euro which is the Company's functional and the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Currency translation differences on monetary assets and liabilities are taken to the Group Income Statement except when cash flow and net investment hedge accounting is applied.

Group companies

Results and cash flows of subsidiaries, joint ventures and associates which do not have the euro as their functional currency are translated into euro at average exchange rates for the year. Average exchange rates are a reasonable approximation of the cumulative effect of the rates on the transaction dates. The related balance sheets are translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of such subsidiaries, joint ventures and associates at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency instruments designated as hedges of such investments.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies - continued

On disposal of a foreign operation, such cumulative currency translation differences are recognised in the Income Statement as part of the overall gain or loss on disposal. In accordance with IFRS 1, cumulative currency translation differences arising prior to the transition date to IFRS (1 April 2004) have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Exceptional Items

The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. Such items may include restructuring, profit or loss on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, profit or loss on disposal of property, plant and equipment and impairment of assets. Judgment is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the Income Statement and related notes as exceptional items.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis at the rates stated below, which are estimated to reduce each item of property, plant and equipment to its residual value level by the end of its useful life:

	Annual Rate
Freehold and long term leasehold buildings	2%
Plant and machinery	5 - 33 ¹ / ₃ %
Cylinders	62 ² / ₃ %
Motor vehicles	10 - 33 ¹ / ₃ %
Fixtures, fittings & office equipment	10 - 33 ¹ / ₃ %

Land is not depreciated. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

In accordance with IAS 36 *Impairment of Assets*, the carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset or cash-generating unit is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets.

Notes to the Financial Statements

(continued)

1. Summary of significant accounting policies - continued

Business Combinations

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries by the Group. The Group elected to avail of the exemption under IFRS 1 *First-time Adoption of International Financial Reporting Standards*, whereby business combinations prior to the transition date of 1 April 2004 are not restated. IFRS 3 *Business Combinations* was therefore applied with effect from the transition date of 1 April 2004 and goodwill amortisation ceased from that date.

The cost of a business combination is measured as the aggregate of the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control together with any directly attributable expenses. Where acquisitions involve further payments which are deferred or contingent on levels of performance achieved in the years following the acquisition, the fair value of the deferred component is determined through discounting the amounts payable to their present value. The discount component is unwound as an interest charge in the Income Statement over the life of the obligation. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to assets and liabilities are made within twelve months of the acquisition date and reflected as a restatement of the acquisition balance sheet.

Minority Interests

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against interests of the parent.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the Income Statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary.

Goodwill

Goodwill arising in respect of acquisitions completed prior to 1 April 2004 (being the transition date to IFRS) is included at its carrying amount, which equates to its net book value recorded under previous GAAP. In accordance with IFRS 1, the accounting treatment of business combinations undertaken prior to the transition date (1 April 2004) was not reconsidered and goodwill amortisation ceased with effect from the transition date.

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill acquired in a business combination is allocated, from the acquisition date, to the respective cash-generating units.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The carrying amount of goodwill in respect of associates, net of any impairment, is included in investments in associates under the equity method in the Group Balance Sheet.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist; the goodwill impairment tests are undertaken at a consistent time in each annual period. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, which has not been amortised through the Income Statement is included in determining the profit or loss arising on disposal.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies - continued

Intangible Assets (other than Goodwill)

Intangible assets acquired separately are capitalised at cost. Intangible assets acquired in the course of a business combination are capitalised at fair value being their deemed cost as at the date of acquisition.

Following initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses. Where amortisation is charged on assets with finite lives this expense is taken to the Income Statement.

The amortisation of intangible assets is calculated to write-off the book value of intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, definite-lived intangible assets are amortised over periods ranging from two to five years, depending on the nature of the intangible asset.

The carrying amount of definite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Leases

Property, plant and equipment, acquired under a lease which transfers substantially all of the risks and rewards of ownership to the Group, are capitalised as property, plant and equipment and are depreciated over their useful lives with any impairment being recognised in the Income Statement.

Amounts payable under such leases (finance leases), net of finance charges, are shown as short, medium or long term lease obligations, as appropriate. Finance charges on finance leases are charged to the Income Statement over the term of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a first in first out basis and in the case of raw materials, bought-in goods and expense inventories comprises purchase price plus transport and handling costs less trade discounts and subsidies. Cost, in the case of products manufactured by the Group, consists of direct material and labour costs together with the relevant production overheads based on normal levels of activity. Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary, for slow moving, obsolete and defective inventories.

Trade Receivables

Trade and other receivables are stated at cost, which approximates to fair value given the short-dated nature of these assets less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the Income Statement.

Trade Payables

Trade and other payables are stated at cost, which approximates to fair value given the short-dated nature of these liabilities.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above net of bank overdrafts.

Notes to the Financial Statements

(continued)

1. Summary of significant accounting policies - continued

Derivative Financial Instruments

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge its exposure to interest rate and foreign exchange risks and to changes in the prices of certain commodity products arising from operational, financing and investment activities.

Derivative financial instruments are recognised on inception at fair value, being the present value of estimated future cash flows. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Hedging

For the purposes of hedge accounting, hedges are designated either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognised asset or liability or a firm commitment that are attributable to hedged risks) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability or a highly probable forecast transaction).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 28 and the movements on the hedging reserve in shareholders' equity are shown in note 38. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months, and as a current asset or liability if the remaining maturity of the hedged item is less than twelve months.

Fair value hedge

In the case of fair value hedges which satisfy the conditions for hedge accounting, any gain or loss arising from the re-measurement of the fair value of the hedging instrument is reported in the Income Statement within 'Finance Costs'.

In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement within 'Finance Costs'.

If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the Income Statement over the period to maturity.

Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity with the ineffective portion being reported in the Income Statement. When a forecast transaction results in the recognition of an asset or a liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise, the associated gains or losses that had previously been recognised in equity are transferred to the Income Statement in the same reporting period as the hedged transaction.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recorded at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies - continued

Provisions

A provision is recognised in the Balance Sheet when the Group has a present obligation (either legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and announced its main provisions.

Provisions arising on business combinations are only recognised to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to the acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Environmental Provisions

The Group's waste management and recycling activities are subject to various laws and regulations governing the protection of the environment. Full provision is made for the net present value of the Group's estimated costs in relation to restoration liabilities at its landfill sites. The net present value of the estimated costs is capitalised as property, plant and equipment and the unwinding of the discount element on the restoration provision is reflected as a finance cost in the Income Statement.

Finance Costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, gains and losses on hedging instruments that are recognised in the Income Statement and the unwinding of discounts on provisions. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest rate method. The finance cost on defined benefit pension scheme liabilities is recognised in the Income Statement in accordance with IAS 19.

Finance Income

Interest income is recognised in the Income Statement as it accrues, using the effective interest method. The expected return on defined benefit pension scheme assets is recognised in the Income Statement in accordance with IAS 19.

Income Tax

Current tax

Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the year in which the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the following:

- (i) where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- (ii) where, in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary difference is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items except:

- (i) where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- (ii) where, in respect of deductible temporary differences associated with investment in subsidiaries, joint ventures and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilised.

Notes to the Financial Statements

(continued)

1. Summary of significant accounting policies - continued

Pension and other Post Employment Obligations

The Group operates defined contribution and defined benefit pension schemes.

The costs arising in respect of the Group's defined contribution schemes are charged to the Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions after payment of fixed contributions.

The Group operates a number of defined benefit pension schemes which require contributions to be made to separately administered funds. The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted.

The discount rate employed in determining the present value of the schemes' liabilities is determined by reference to market yields at the balance sheet date on high quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The net surplus or deficit arising in the Group's defined benefit pension schemes are shown within either non-current assets or liabilities on the face of the Group Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax liabilities or assets as appropriate. In accordance with IAS 19 *Employee Benefits* the Group recognises actuarial gains and losses immediately in the Statement of Recognised Income and Expense.

When the benefits of a defined benefit plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the Income Statement.

Share-Based Payment Transactions

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares.

The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity. The fair value at the grant date is determined using a binomial model for the DCC plc 1998 Employee Share Option Scheme and the Black Scholes option valuation model for the DCC Sharesave Scheme.

Non-market based vesting conditions are not taken into account when estimating the fair value of entitlements as at the grant date. The expense in the Income Statement represents the product of the total number of options anticipated to vest and the fair value of those options. This amount is allocated on a straight-line basis over the vesting period to the Income Statement with a corresponding credit to Other Reserves - Share Options. The cumulative charge to the Income Statement is only reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

The proceeds received by the Company on the vesting of share entitlements are credited to Share Capital (nominal value) and Share Premium when the share entitlements are exercised. When the share-based payments give rise to the re-issue of shares from treasury shares, the proceeds of issue are credited to shareholders equity.

The measurement requirements of IFRS 2 have been implemented in respect of share options entitlements granted after 7 November 2002. In accordance with the standard, the disclosure requirements of IFRS 2 have been applied to all outstanding share-based payments regardless of their grant date. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Notes to the Financial Statements (continued)

1. Summary of significant accounting policies - continued

Grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to capital grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Shareholders' Equity

Treasury Shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders of the Company. Dividends declared after the balance sheet date are disclosed in the dividends note.

2. Financial risk management

Financial Risk Factors

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge certain risk exposures, as detailed below, arising from operational, financing and investment activities. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

Financial risk management within the Group is governed by policies and guidelines reviewed and approved annually by the Board of Directors. These policies and guidelines primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate risk. Monitoring of compliance with the policies and guidelines is managed by the Group Risk Management function.

(i) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to sterling and the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign currency exposures within approved policies and guidelines using forward currency contracts.

The Group generally hedges between 50% and 90% of transactions in each major currency for the subsequent 2 months. The Group also hedges approximately 50% of anticipated transactions in certain subsidiaries generally for periods up to 6 months with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

The Group has investments in sterling operations which are highly cash generative. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in or swapped (utilising currency swaps or cross currency interest rate swaps) into sterling, although this is more than offset by the strong cumulative cash flow from the Group's sterling operations.

Price risk

The Group is exposed to commodity price risk in its LPG and oil distribution businesses. The Group generally hedges approximately 50% of its anticipated LPG commodity price exposure for the subsequent month with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

Certain customers occasionally require fixed price oil supply contracts generally for periods less than six months. In such circumstances, the Group enters into matching forward commodity contracts, not designated as hedges under IAS 39.

The Group is not exposed to equity securities price risk.

Notes to the Financial Statements

(continued)

2. Financial risk management - continued

(ii) Credit risk

The Group has no significant concentrations of credit risk. The Group primarily sells to business customers and has policies in place to ensure that customers have an appropriate credit history. Sales, principally comprising home heating fuels, to non-business customers are made in cash, by direct debit or via major credit cards. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(iii) Liquidity risk

The Group consistently pursues a policy of maintaining a strong balance sheet with long term debt funding and cash balances with deposit maturities up to six months. In addition, the Group maintains significant uncommitted credit lines with its relationship banks.

(iv) Cash flow and fair value interest rate risk

The Group borrows at both fixed and floating rates of interest. The Group has swapped its fixed rate borrowings to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. The Group mitigates interest rate risk on its borrowings by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

The Group also utilises interest rate swaps to swap certain floating rate sterling assets and liabilities into fixed rate sterling assets and liabilities. The notional principal amounts on these swaps offset.

Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of techniques and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

3. Critical Accounting Estimates and Judgments

The Group's main accounting policies affecting its results of operations and financial condition are set out on pages 57 to 65. Judgments and assumptions have been made by management in applying the Group's accounting policies in certain areas. Actual results may differ from the estimates calculated using these judgments and assumptions. Key sources of estimation uncertainty and critical accounting judgments are as follows:

Goodwill

The Group has capitalised goodwill of €307.4 million at 31 March 2007. Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. The Company uses the present value of future cash flows to determine implied fair value. In calculating the implied fair value, management judgment is required in forecasting cash flows of reporting units, in estimating terminal growth values and in selecting an appropriate discount rate. No impairment resulted from the annual impairment test in 2007.

Post-Retirement Benefits

The Group operates a number of defined benefit retirement plans. The Group's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries, updated at least annually and totals €91.4 million at 31 March 2007. At 31 March 2007 the Group also has plan assets totalling €75.0 million, giving a net pension liability of €16.4 million. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the plan assets is also sensitive to asset return levels and the level of contributions from the Group.

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgments - continued

Taxation

The Group is subject to income taxes in a number of jurisdictions. Provisions for tax liabilities require management to make judgments and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax laws and the likelihood of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into account applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

Business Combinations

The Group uses the purchase method of accounting for acquisitions which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of the purchase method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

Provision for Impairment of Trade Receivables

The Group trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Group uses estimates based on historical experience and current information in determining the level of debts for which a provision for impairment is required. The level of provision required is reviewed on an ongoing basis.

Useful Lives for Property, Plant and Equipment and Intangible Assets

Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the period.

4. Segment information

Analysis by Business Segment and by Geography

The Group is analysed into five main business segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Food & Beverage and DCC Environmental.

DCC Energy markets and sells liquefied petroleum gas and oil products for commercial/industrial, transport and domestic use in Britain and Ireland. DCC Energy also includes a fuel card services business.

DCC SerCom markets and sells a broad range of IT and consumer electronic products in Britain, Ireland and Continental Europe to computer resellers, high street retailers, computer superstores, on-line retailers and mail order companies. DCC SerCom also includes a supply chain management business.

DCC Healthcare markets and sells medical, surgical, laboratory, intravenous pharmaceutical, rehabilitation and independent living products to the acute care, community care and laboratory sectors in Britain and Ireland. DCC Healthcare is also a leading provider of contract manufacturing services to the health and beauty industry in Europe.

DCC Food & Beverage markets and sells food and beverages in Ireland and wine in Britain. These include healthy foods, snackfoods, fresh coffee and wine to a broad range of catering, convenience store, food service and multiple grocer customers. DCC Food & Beverage is also a leading provider of frozen food distribution in Ireland.

DCC Environmental provides a broad range of waste management services to the industrial/commercial sectors in Britain and Ireland.

Intersegment revenue is not material and thus not subject to separate disclosure.

Notes to the Financial Statements

(continued)

4. Segment information - continued

The segment results for the year ended 31 March 2007 are as follows:

Income Statement items

	Year ended 31 March 2007					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
Segment revenue	2,247,858	1,218,047	234,276	279,471	66,466	4,046,118
Operating profit*	60,538	33,842	22,942	15,123	10,549	142,994
Amortisation of intangible assets	(1,480)	(2,136)	(1,529)	(1,008)	(507)	(6,660)
	59,058	31,706	21,413	14,115	10,042	136,334
Net exceptionals (note 11)						24,516
Operating profit						160,850
Finance costs						(31,338)
Finance income						20,488
Share of associates' profit after tax						11,800
Profit before income tax						161,800
Income tax expense						(20,695)
Profit for the year						141,105

* Operating profit before amortisation of intangible assets and net exceptionals

	Year ended 31 March 2006					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
Segment revenue	1,831,608	1,084,606	211,701	276,917	31,460	3,436,292
Operating profit*	55,965	25,015	21,636	15,467	5,512	123,595
Amortisation of intangible assets	(1,043)	(1,580)	(1,325)	(1,008)	-	(4,956)
	54,922	23,435	20,311	14,459	5,512	118,639
Net operating exceptionals (note 11)						2,841
Operating profit						121,480
Finance costs (including non-operating exceptionals)						(24,092)
Finance income						15,906
Share of associates' profit after tax						25,474
Profit before income tax						138,768
Income tax expense						(13,479)
Profit for the year						125,289

* Operating profit before amortisation of intangible assets and net exceptionals

Notes to the Financial Statements (continued)

4. Segment information - continued

Balance Sheet items

	As at 31 March 2007					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
	Segment assets	572,247	411,615	178,901	143,332	
<i>Reconciliation to total assets as reported in the Group Balance Sheet</i>						
Investment in associates						90,332
Derivative financial instruments (current and non-current)						3,142
Deferred income tax assets						8,305
Cash and cash equivalents						337,079
Total assets as reported in the Group Balance Sheet						1,854,555
Segment liabilities	320,924	162,180	49,621	74,248	21,732	628,705
<i>Reconciliation to total liabilities as reported in the Group Balance Sheet</i>						
Interest-bearing loans and borrowings (current and non-current)						394,557
Derivative financial instruments (current and non-current)						46,180
Income tax liabilities (current and deferred)						65,597
Deferred acquisition consideration (current and non-current)						29,393
Capital grants						2,393
Total liabilities as reported in the Group Balance Sheet						1,166,825

	As at 31 March 2006					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
	Segment assets	483,616	372,834	151,076	128,894	
<i>Reconciliation to total assets as reported in the Group Balance Sheet</i>						
Investment in associates						76,789
Derivative financial instruments (current and non-current)						9,133
Deferred income tax assets						4,596
Cash and cash equivalents						345,280
Total assets as reported in the Group Balance Sheet						1,612,644
Segment liabilities	278,138	185,090	40,746	59,567	4,836	568,377
<i>Reconciliation to total liabilities as reported in the Group Balance Sheet</i>						
Interest-bearing loans and borrowings (current and non-current)						359,944
Derivative financial instruments (current and non-current)						27,150
Income tax liabilities (current and deferred)						47,415
Deferred acquisition consideration (current and non-current)						22,364
Capital grants						1,991
Total liabilities as reported in the Group Balance Sheet						1,027,241

Notes to the Financial Statements

(continued)

4. Segment information - continued

Net tangible capital employed

The denominator in the Group's return on tangible capital employed calculations is the average of the Group's opening and closing net tangible capital employed. The following tables provide an analysis of the net tangible capital employed positions at 31 March 2007 and 31 March 2006.

	As at 31 March 2007					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
Segment assets	572,247	411,615	178,901	143,332	109,602	1,415,697
Intangible assets	(104,668)	(59,171)	(76,105)	(35,331)	(46,094)	(321,369)
Deferred income tax assets	2,411	635	4,214	912	133	8,305
Assets employed	469,990	353,079	107,010	108,913	63,641	1,102,633
Segment liabilities	320,924	162,180	49,621	74,248	21,732	628,705
Income tax liabilities (current and deferred)	19,577	18,014	16,047	4,889	7,070	65,597
Capital grants	-	275	1,227	-	891	2,393
Liabilities employed	340,501	180,469	66,895	79,137	29,693	696,695
Net tangible capital employed	129,489	172,610	40,115	29,776	33,948	405,938

	As at 31 March 2006					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
Segment assets	483,616	372,834	151,076	128,894	40,426	1,176,846
Intangible assets	(75,827)	(59,898)	(63,621)	(35,987)	(13,142)	(248,475)
Deferred income tax assets	1,141	-	2,811	644	-	4,596
Assets employed	408,930	312,936	90,266	93,551	27,284	932,967
Segment liabilities	278,138	185,090	40,746	59,567	4,836	568,377
Income tax liabilities (current and deferred)	21,853	8,485	9,866	5,486	1,725	47,415
Capital grants	-	322	1,246	-	423	1,991
Liabilities employed	299,991	193,897	51,858	65,053	6,984	617,783
Net tangible capital employed	108,939	119,039	38,408	28,498	20,300	315,184

Notes to the Financial Statements (continued)

4. Segment information - continued

Other segment information

	Year ended 31 March 2007					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
	Capital expenditure	32,827	4,807	5,760	6,943	
Depreciation	22,519	2,948	5,515	3,348	5,131	39,461
Amortisation of intangible assets	1,480	2,136	1,529	1,008	507	6,660

	Year ended 31 March 2006					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	
	Capital expenditure	26,884	11,303	10,305	5,028	
Depreciation	21,321	2,748	4,194	3,491	2,388	34,142
Amortisation of intangible assets	1,043	1,580	1,325	1,008	-	4,956

Geographical analysis

The following is a geographical analysis of the segment information presented above.

	Year ended 31 March 2007							
	Republic of Ireland		UK		Rest of the World		Total	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Income Statement items								
Revenue	1,040,456	995,848	2,734,464	2,259,954	271,198	180,490	4,046,118	3,436,292
Operating profit*	57,580	51,683	80,835	68,904	4,579	3,008	142,994	123,595
Amortisation of intangible assets	(2,284)	(1,703)	(4,103)	(3,071)	(273)	(182)	(6,660)	(4,956)
Segment result	55,296	49,980	76,732	65,833	4,306	2,826	136,334	118,639
Balance Sheet items								
Segment assets	447,015	435,089	872,681	670,101	96,001	71,656	1,415,697	1,176,846
Segment liabilities	212,463	215,994	376,068	330,018	40,174	22,365	628,705	568,377
Other segment information								
Capital expenditure	15,124	18,667	45,505	38,823	530	362	61,159	57,852
Depreciation	12,282	12,060	26,767	21,597	412	485	39,461	34,142

* Operating profit before amortisation of intangible assets and net exceptionals

Notes to the Financial Statements

(continued)

5. Operating costs

	2007 €'000	2006 €'000
Selling and distribution costs	186,599	168,758
Administrative expenses	178,453	157,349
Other expenses	1,881	1,931
Other income	(8,212)	(7,581)
Total operating costs *	358,721	320,457

* before net operating exceptionals (note 11)

Other operating expenses and income comprise the following charges/(credits):

<i>Other expenses</i>		
Expensing of employee share options (note 10)	1,415	1,840
Other operating expenses	466	91
	1,881	1,931
<i>Other income</i>		
Fair value gains on undesignated derivative financial instruments		
- forward foreign exchange contracts (net)	(244)	(297)
- commodity contracts (net)	-	(55)
Other operating income	(7,968)	(7,229)
	(8,212)	(7,581)

6. Group operating profit

Group operating profit has been arrived at after charging/(crediting) the following amounts (including the Group's share of joint ventures accounted for on the basis of proportionate consolidation):

	2007 €'000	2006 €'000
Amortisation of capital grants (note 35)	(276)	(112)
Operating lease rentals		
- land and buildings	6,142	5,758
- plant and machinery	594	265
- motor vehicles	3,082	3,079
	9,818	9,102
Audit fees	1,256	1,075
Acquisition related due diligence and litigation support	636	166
Tax compliance and advisory services	1,875	1,711
	3,767	2,952

7. Directors' emoluments and interests

Directors' emoluments and interests (which are included in operating costs) are presented in the Report on Directors' Remuneration and Interests on pages 44 to 47.

Notes to the Financial Statements (continued)

8. Proportionate consolidation of joint ventures

Impact on Group Income Statement

Year ended 31 March	2007	2006
Group share of:	€'000	€'000
Revenue	39,116	20,283
Cost of sales	(25,179)	(11,985)
Gross profit	13,937	8,298
Operating costs	(7,133)	(5,495)
Operating profit	6,804	2,803
Finance costs (net)	117	(66)
Profit before income tax	6,921	2,737
Income tax expense	(1,616)	(404)
Group profit for the financial year	5,305	2,333

Impact on Group Balance Sheet

As at 31 March		
Group share of:		
Non-current assets	22,636	9,597
Current assets	14,043	2,983
Total assets	36,679	12,580
Total equity	20,687	8,077
Non-current liabilities	7,300	1,224
Current liabilities	8,692	3,279
Total liabilities	15,992	4,503
Total equity and liabilities	36,679	12,580

Impact on Group Cash Flow Statement

Year ended 31 March		
Group share of:		
Net cash flow from operating activities	4,139	2,484
Net cash flow from investing activities	(3,243)	(1,314)
Net cash flow from financing activities	(1,055)	(125)
Net (decrease)/increase in cash and cash equivalents	(159)	1,045
Joint venture becoming a subsidiary	14	-
Cash acquired on acquisition of joint venture	3,864	-
Cash and cash equivalents at beginning of year	1,524	479
Cash and cash equivalents at end of year	5,243	1,524
Reconciliation of cash and cash equivalents to net cash		
Cash and cash equivalents as above	5,243	1,524
Interest-bearing loans and borrowings (current and non-current)	-	(1,055)
Net cash at 31 March	5,243	469

Details of the Group's principal joint ventures are shown on page 108.

Notes to the Financial Statements

(continued)

9. Employment

The average weekly number of persons (including executive Directors and the Group's share of employees of joint ventures, applying proportionate consolidation) employed by the Group during the year analysed by class of business was:

	2007 Number	2006 Number
DCC Energy	1,951	1,779
DCC SerCom	1,399	1,321
DCC Healthcare	1,071	929
DCC Food & Beverage	854	907
DCC Environmental	378	173
	5,653	5,109

	2007 €'000	2006 €'000
The staff costs for the above were:		
Wages and salaries	212,271	182,655
Social welfare costs	22,257	18,842
Share based payment expense (note 10)	1,415	1,840
Pension costs - defined contribution plans	5,603	4,816
Pension costs - defined benefit plans (note 32)	2,781	3,062
	244,327	211,215

The prior year amount for wages and salaries has been restated for comparability purposes.

10. Employee share options

The Group's employee share options are equity-settled share-based payments as defined in IFRS 2 *Share-based Payment*. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The expense reported in the Income Statement of €1.415 million (2006: €1.840 million) has been arrived at through applying the binomial model, which is a lattice option-pricing model, for options issued under the DCC plc 1998 Employee Share Option Scheme and the Black Scholes option valuation model for options issued under the DCC Sharesave Scheme 2001.

Impact on Income Statement

In compliance with IFRS 2 *Share-based Payment*, the Group has implemented the measurement requirements of the IFRS in respect of share options that were granted after 7 November 2002.

The total share option expense is analysed as follows:

Date of Grant	Grant price €	Duration of vesting period	Number of options granted	Weighted average fair value €	Expense in Income Statement	
					2007 €'000	2006 €'000
DCC plc 1998 Employee Share Option Scheme						
12 November 2002	10.38	3 and 5 years	609,500	2.81	40	349
22 December 2003	10.70	3 and 5 years	132,000	2.76	76	94
18 May 2004	12.75	3 and 5 years	162,500	3.42	114	150
9 November 2004	15.65	3 and 5 years	219,500	4.15	208	269
15 December 2005	16.70	3 and 5 years	215,000	4.52	282	79
23 June 2006	18.05	3 years	223,500	4.54	245	-
					965	941
DCC Sharesave Scheme 2001						
10 December 2004	12.63	3 and 5 years	716,010	4.67	450	899
Total expense					1,415	1,840

Notes to the Financial Statements (continued)

10. Employee share options - continued

Share options

DCC plc 1998 Employee Share Option Scheme

At 31 March 2007, under the DCC plc 1998 Employee Share Option Scheme, Group employees hold basic tier options to subscribe for 2,176,300 ordinary shares and second tier options to subscribe for 1,996,412 ordinary shares. The number of shares in respect of which basic tier and second tier options may be granted under this Scheme may not exceed 5% of the total number of shares in issue in each case.

Basic tier options may normally be exercised only if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 2%, compound, per annum over a period of at least three years following the date of grant.

Second tier options may normally be exercised only if the growth in the adjusted earnings per share over a period of at least five years is such as would place the Company in the top quartile of companies on the ISEQ index in terms of comparison of growth in adjusted earnings per share and if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 10%, compound, per annum in that period.

A summary of activity under the DCC plc 1998 Employee Share Option Scheme over the year is as follows:

	2007		2006	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 April	9.47	4,589,244	9.11	4,781,284
Granted	18.05	223,500	16.70	215,000
Exercised	8.06	(479,532)	8.64	(354,040)
Lapsed	12.00	(160,500)	11.42	(53,000)
At 31 March	10.00	4,172,712	9.47	4,589,244
Total exercisable at 31 March	8.13	2,613,212	8.07	3,032,744

The weighted average fair values assigned to options granted under the DCC plc 1998 Employee Share Option Scheme, which were computed in accordance with the binomial valuation methodology, were as follows:

	3 year €	5 year €	Weighted average €
Granted during the year ended 31 March 2007	4.54	-	4.54
Granted during the year ended 31 March 2006	4.52	4.52	4.52

The fair values of options granted under the DCC plc 1998 Employee Share Option Scheme were determined using the following assumptions:

	2007	2006	
	3 year	3 year	5 year
Weighted average exercise price (in €)	18.05	16.70	16.70
Risk-free interest rate (%)	3.90	4.40	4.40
Dividend yield (%)	2.50	2.50	2.50
Expected volatility (%)	25.0	25.0	25.0
Expected life in years	8.0	8.0	8.0

The expected volatility is based on historic volatility over the past 8 years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon government bonds of a term consistent with the assumed option life.

Notes to the Financial Statements

(continued)

10. Employee share options - continued

Analysis of closing balance - outstanding at end of year

Date of grant	Date of expiry	2007		2006	
		Average exercise price in € per share	Options	Average exercise price in € per share	Options
26 June 1998	26 June 2008	8.19	395,160	8.19	468,000
27 July 1998	27 July 2008	8.13	69,000	8.13	73,000
4 August 1998	4 August 2008	7.43	60,000	7.43	60,000
6 August 1998	6 August 2008	7.43	17,052	7.43	29,510
10 November 1998	10 November 2008	6.22	544,500	6.22	689,000
11 May 1999	11 May 2009	8.75	12,000	8.75	12,000
9 November 1999	9 November 2009	7.00	747,500	7.00	847,500
16 May 2000	16 May 2010	10.65	50,000	10.65	50,000
21 November 2000	21 November 2010	11.25	212,500	11.25	258,500
13 November 2001	13 November 2011	10.25	699,500	10.25	815,734
10 June 2002	10 June 2012	-	-	12.20	5,000
12 November 2002	12 November 2012	10.38	476,500	10.38	567,500
22 December 2003	22 December 2013	10.70	127,000	10.70	132,000
18 May 2004	18 May 2014	12.75	149,500	12.75	152,000
9 November 2004	9 November 2014	15.65	199,500	15.65	214,500
15 December 2005	15 December 2015	16.70	197,500	16.70	215,000
23 June 2006	23 June 2016	18.05	215,500	-	-
Total outstanding at 31 March			4,172,712		4,589,244

Analysis of closing balance - exercisable at end of year

Date of grant	Date of expiry	2007		2006	
		Average exercise price in € per share	Options	Average exercise price in € per share	Options
26 June 1998	26 June 2008	8.19	395,160	8.19	468,000
27 July 1998	27 July 2008	8.13	69,000	8.13	73,000
4 August 1998	4 August 2008	7.43	60,000	7.43	60,000
6 August 1998	6 August 2008	7.43	17,052	7.43	29,510
10 November 1998	10 November 2008	6.22	544,500	6.22	689,000
11 May 1999	11 May 2009	8.75	12,000	8.75	12,000
9 November 1999	9 November 2009	7.00	747,500	7.00	847,500
16 May 2000	16 May 2010	10.65	50,000	10.65	50,000
21 November 2000	21 November 2010	11.25	212,500	11.25	258,500
13 November 2001	13 November 2011	10.25	341,000	10.25	402,234
12 November 2002	12 November 2012	10.38	107,000	10.38	143,000
22 December 2003	22 December 2013	10.70	57,500	-	-
Total exercisable at 31 March			2,613,212		3,032,744

Notes to the Financial Statements (continued)

10. Employee share options - continued

DCC Sharesave Scheme 2001

Under the DCC Sharesave Scheme 2001, Group employees hold options to subscribe for 563,635 ordinary shares. Options are granted at a discount of 20% to the market price as provided for by the rules of the Scheme. Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2007		2006	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 April	11.47	884,988	11.53	986,912
Exercised	8.83	(252,701)	9.23	(9,667)
Lapsed	11.63	(68,652)	12.35	(92,257)
At 31 March	12.63	563,635	11.47	884,988

Analysis of closing balance – outstanding at end of year

	2007		2006		
Date of grant	Average exercise price in € per share	Options	Date of expiry	Average exercise price in € per share	Options
15 June 2001	-	-	1 September 2007	8.79	268,036
10 December 2004	12.63	295,656	1 March 2009	12.63	326,352
10 December 2004	12.63	267,979	1 March 2011	12.63	290,600
Total outstanding at 31 March		563,635			884,988

Analysis of closing balance – exercisable at end of year

As at 31 March 2007, none (2006: none) of the outstanding options under the DCC Sharesave Scheme 2001 were exercisable.

11. Net exceptionals

	2007 €'000	2006 €'000
Profit on disposal of property, plant and equipment	33,199	-
Costs of legal actions with Fyffes plc, Pihsiang and others less provision for recovery of legal costs from Fyffes plc	(6,584)	3,353
Restructuring costs and other	(2,099)	(512)
Net operating exceptionals	24,516	2,841
Foreign exchange losses on intercompany financing loans to 30 September 2005	-	(1,145)
Taxation	24,516	1,696
	(7,700)	-
	16,816	1,696

On 9 February 2007, DCC sold a site of approximately 1.5 acres in the Sandyford Industrial Estate, Dublin 18 for €40.0 million. Arising principally from this sale the Group made an exceptional profit on the disposal of property, plant and equipment of €33.2 million. The Group incurred exceptional restructuring costs of €2.1 million and exceptional legal and related costs of €6.6 million, resulting in the net exceptional profit of €24.5 million.

As set out in a DCC Stock Exchange Announcement on 7 April 2006 Fyffes have lodged an appeal to the Irish Supreme Court seeking to overturn the decision of the Irish High Court in its failed legal action against DCC and others taken under Part V of the Irish Companies Act, 1990. That action was dismissed on the grounds that the defendants were not in possession of price sensitive information in February 2000 as alleged by Fyffes. The Supreme Court hearing, which is expected to last for approximately five days, is scheduled to commence on 18 June 2007.

On 29 November 2005, the Hsinchu District Court in Taiwan issued a judgment ordering that the London High Court order obtained by DCC's subsidiary, Days Healthcare, against Pihsiang Machinery Manufacturing Company Limited (a Taiwanese public company), Donald Wu (its chairman and major shareholder), and Jenny Wu (his wife and director), be enforced in Taiwan. During the year ended 31 March 2007, the London High Court also finalised its award of costs to Days Healthcare in the total amount of Stg£4.8 million. Accordingly, as at 31 March 2007, these parties are jointly and severally liable to pay the DCC Group Stg£18.9 million (€27.8 million). DCC has not accrued any of this amount due pending the outcome of an appeal by the defendants to the Taiwanese High Court, but has expensed all the litigation costs.

Notes to the Financial Statements

(continued)

12. Finance costs and finance income

	2007 €'000	2006 €'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes due 2008 to 2016		
- repayable within 5 years, not by instalments	(16,016)	(11,144)
- repayable within 5 years, by instalments	(37)	(35)
- repayable wholly or partly in more than 5 years	(9,082)	(7,618)
On loan notes		
- repayable within 5 years, not by instalments	(282)	(16)
On finance leases	(640)	(845)
Other interest	(416)	(242)
	(26,473)	(19,900)
Other finance costs:		
Interest on defined benefit pension scheme liabilities	(4,026)	(3,804)
Unwinding of discount applicable to deferred acquisition consideration	(439)	(298)
Net foreign exchange transaction gains	-	297
Mark-to-market of swaps and related debt		
- interest rate swaps designated as fair value hedges*	1,840	(3,644)
- cross currency interest rate swaps designated as fair value hedges*	(11,360)	3,786
- adjusted hedged fixed rate debt*	24,365	(10,996)
- currency swaps not designated as hedges	(15,287)	11,569
- interest rate swaps not designated as hedges	42	43
	(31,338)	(22,947)
Finance income		
Interest on cash and term deposits	14,235	12,381
Other income receivable	1,797	46
Expected return on defined benefit pension scheme assets	4,456	3,479
	20,488	15,906
Net finance cost before exceptional item	(10,850)	(7,041)
Net finance cost - exceptional item (note 11)	-	(1,145)

* The Group applies fair value hedge accounting under IAS 39 in relation to fixed rate debt and related interest rate and cross currency interest rate swaps.

13. Foreign Currency

The exchange rates used in translating sterling Balance Sheets and Income Statement amounts were as follows:

	2007 €1=Stg£	2006 €1=Stg£
Balance Sheet (closing rate)	0.680	0.697
Income Statement (average rate)	0.680	0.682

Notes to the Financial Statements (continued)

14. Share of associates' profit after tax

The Group's share of associates' profit after tax is equity-accounted and is presented as a single line item in the Group Income Statement. The profit after tax generated by the Group's associates is analysed as follows:

	2007 €'000	2006 €'000
Group share of:		
Revenue	33,363	92,672
Profit before finance costs	13,493	30,795
Finance costs (net)	949	(94)
Profit before income tax	14,442	30,701
Income tax expense	(2,642)	(5,227)
Profit after tax	11,800	25,474

15. Income tax expense

	2007 €'000	2006 €'000
(i) Income tax expense recognised in the Income Statement		
Current taxation		
Irish Corporation Tax at 12.5%	8,010	7,142
Less manufacturing relief	(310)	(657)
Tax on net exceptionals (note 11)	7,700	-
United Kingdom Corporation Tax at 30%	4,822	3,494
Other overseas tax	3,241	1,457
Total current taxation	23,463	11,436
Deferred tax		
Irish at 12.5%	242	(59)
United Kingdom at 30%	(3,207)	2,567
Other overseas deferred tax	-	113
Under/(over) provision in respect of prior years	197	(578)
Total deferred tax (credit)/charge	(2,768)	2,043
Total income tax expense	20,695	13,479
(ii) Deferred tax liability/(asset) recognised directly in Equity		
Defined benefit pension obligations	169	(82)
Share based payments	(25)	(25)
Cash flow hedges	(22)	3
	122	(104)

Notes to the Financial Statements

(continued)

15. Income tax expense - continued

	2007 €'000	2006 €'000
(iii) Reconciliation of effective tax rate		
Profit on ordinary activities before taxation	161,800	138,768
Share of associates' profit after tax	(11,800)	(25,474)
Amortisation of intangible assets	6,660	4,956
	156,660	118,250
Total income tax expense	20,695	13,479
Deferred tax attaching to amortisation of intangible assets	1,541	595
	22,236	14,074
Taxation as a percentage of profit before share of associates' profit after tax and amortisation of intangible assets	14.2%	11.9%
Impact of net exceptionals	(3.2%)	0.2%
Taxation as a percentage of profit before share of associates' profit after tax, amortisation of intangible assets and net exceptionals	11.0%	12.1%

The following table relates the applicable Republic of Ireland statutory tax rate to the effective tax rate of the Group:

	2007 %	2006 %
Irish corporation tax rate	12.5	12.5
Manufacturing relief	(0.2)	(0.5)
Effect of earnings taxed at different rates and other	1.9	(0.1)
	14.2	11.9

(iv) Factors that may affect future tax rates and other disclosures

The standard rate of corporation tax in Ireland is 12.5%. Manufacturing relief is scheduled to expire in the year 2010.

The standard rate of corporation tax in the United Kingdom is scheduled to decrease from 30% to 28% with effect from 1 April 2008.

No provision for tax has been recognised in respect of the unremitted earnings of subsidiaries as there is no commitment to remit earnings. Similarly, no deferred tax assets or liabilities have been recognised in respect of temporary differences associated with investments in subsidiaries.

16. Profit attributable to DCC plc

Profit after taxation for the year attributable to equity shareholders amounting to €40.303 million (2006: €42.848 million) has been accounted for in the financial statements of the Company. In accordance with Section 148(8) of the Companies Act 1963, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

17. Dividends

	2007 €'000	2006 €'000
Dividends paid and proposed per Ordinary Share are as follows:		
Final - paid 27.31 cent per share on 14 July 2006 (paid 23.75 cent per share on 11 July 2005)	22,044	19,073
Interim - paid 17.87 cent per share on 8 December 2006 (2005: paid 15.54 cent per share on 1 December 2005)	14,337	12,495
	36,381	31,568

The Directors are proposing a final dividend in respect of the year ended 31 March 2007 of 31.41 cent per ordinary share (€25.258 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

Notes to the Financial Statements (continued)

18. Earnings per ordinary share

	2007 €'000	2006 €'000
Profit attributable to equity holders of the Company	140,186	123,764
Amortisation of intangible assets after tax	5,119	4,361
Net exceptionals (note 11)	(16,816)	(1,696)
Adjusted profit after taxation and minority interests	<u>128,489</u>	<u>126,429</u>
	2007 cent	2006 cent
Basic earnings per ordinary share	174.59c	153.92c
Amortisation of intangible assets after tax	6.37c	5.42c
Net exceptionals	(20.94c)	(2.11c)
Adjusted basic earnings per ordinary share	<u>160.02c</u>	<u>157.23c</u>
Weighted average number of ordinary shares in issue (thousands)	<u>80,294</u>	<u>80,408</u>

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

	2007 cent	2006 cent
Diluted earnings per ordinary share	170.83c	150.46c
Amortisation of intangible assets after tax	6.24c	5.30c
Net exceptionals	(20.49c)	(2.06c)
Adjusted diluted earnings per ordinary share	<u>156.58c</u>	<u>153.70c</u>
Weighted average number of ordinary shares in issue (thousands)	<u>82,061</u>	<u>82,255</u>

The earnings used for the purpose of the diluted earnings per share calculations were €140.186 million (2006: €123.764 million) and €128.489 million (2006: €126.429 million) for the purposes of the adjusted diluted earnings per share calculations.

The weighted average number of ordinary shares used in calculating the diluted earnings per share for the year ended 31 March 2007 was 82.061 million (2006: 82.255 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per share amounts is as follows:

	2007 '000	2006 '000
Weighted average number of ordinary shares in issue	80,294	80,408
Dilutive effect of options and partly paid shares	1,767	1,794
Dilutive effect of shares potentially issuable under deferred contingent consideration arrangements	-	53
Weighted average number of ordinary shares for diluted earnings per share	<u>82,061</u>	<u>82,255</u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options are the Company's only category of dilutive potential ordinary shares.

Employee share options, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period.

The adjusted figures for diluted earnings per ordinary share are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Notes to the Financial Statements

(continued)

19. Property, plant and equipment

Group	Land & buildings €'000	Plant & machinery & cylinders €'000	Fixtures & fittings & office equipment €'000	Motor vehicles €'000	Total €'000
Year ended 31 March 2007					
Opening net book amount	97,044	107,320	30,805	32,325	267,494
Exchange differences	1,168	2,016	601	602	4,387
Acquisition of subsidiaries (note 46)	10,555	10,190	382	10,433	31,560
Additions	2,195	24,825	10,896	23,243	61,159
Disposals	(2,617)	(963)	(118)	(1,820)	(5,518)
Depreciation charge	(2,277)	(17,059)	(8,606)	(11,519)	(39,461)
Reclassifications	(66)	(46)	226	(114)	-
Closing net book amount	<u>106,002</u>	<u>126,283</u>	<u>34,186</u>	<u>53,150</u>	<u>319,621</u>
At 31 March 2007					
Cost	121,219	324,385	81,077	107,058	633,739
Accumulated depreciation	(15,217)	(198,102)	(46,891)	(53,908)	(314,118)
Net book amount	<u>106,002</u>	<u>126,283</u>	<u>34,186</u>	<u>53,150</u>	<u>319,621</u>
Year ended 31 March 2006					
Opening net book amount	100,166	106,850	18,185	29,590	254,791
Exchange differences	(610)	(1,073)	(334)	(319)	(2,336)
Acquisition of subsidiaries (note 46)	290	358	479	1,610	2,737
Additions	13,404	20,441	11,905	12,102	57,852
Disposals	(6,608)	(3,049)	(624)	(1,127)	(11,408)
Depreciation charge	(2,167)	(15,920)	(6,646)	(9,409)	(34,142)
Reclassifications	(7,431)	(287)	7,840	(122)	-
Closing net book amount	<u>97,044</u>	<u>107,320</u>	<u>30,805</u>	<u>32,325</u>	<u>267,494</u>
At 31 March 2006					
Cost	110,384	283,516	71,500	75,674	541,074
Accumulated depreciation	(13,340)	(176,196)	(40,695)	(43,349)	(273,580)
Net book amount	<u>97,044</u>	<u>107,320</u>	<u>30,805</u>	<u>32,325</u>	<u>267,494</u>

Assets held under finance leases

The net carrying amount and the depreciation charge during the year in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment are as follows:

	2007 €'000	2006 €'000
Cost	67,382	64,004
Accumulated depreciation	(62,931)	(60,434)
Net carrying amount	<u>4,451</u>	<u>3,570</u>
Depreciation charge for the year	<u>2,363</u>	<u>1,178</u>

Notes to the Financial Statements (continued)

20. Intangible assets

Group	Goodwill €'000	Customer relationships €'000	Total €'000
Year ended 31 March 2007			
Opening net book amount	234,693	13,782	248,475
Exchange differences	1,313	203	1,516
Arising on acquisition (note 46)	72,035	6,639	78,674
Other movements	(636)	-	(636)
Amortisation charge	-	(6,660)	(6,660)
Closing net book amount	<u>307,405</u>	<u>13,964</u>	<u>321,369</u>
At 31 March 2007			
Cost	335,023	26,841	361,864
Accumulated amortisation	(27,618)	(12,877)	(40,495)
Net book amount	<u>307,405</u>	<u>13,964</u>	<u>321,369</u>
Year ended 31 March 2006			
Opening net book amount	196,720	11,333	208,053
Exchange differences	(841)	(45)	(886)
Arising on acquisition (note 46)	42,157	7,450	49,607
Other movements	(3,343)	-	(3,343)
Amortisation charge	-	(4,956)	(4,956)
Closing net book amount	<u>234,693</u>	<u>13,782</u>	<u>248,475</u>
At 31 March 2006			
Cost	262,311	19,999	282,310
Accumulated amortisation	(27,618)	(6,217)	(33,835)
Net book amount	<u>234,693</u>	<u>13,782</u>	<u>248,475</u>

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. A summary of the allocation of the carrying value of goodwill by segment is as follows:

	2007 €'000	2006 €'000
DCC Energy	99,248	72,075
DCC SerCom	56,478	55,005
DCC Healthcare	74,384	61,129
DCC Food & Beverage	33,656	33,342
DCC Environmental	43,639	13,142
	<u>307,405</u>	<u>234,693</u>

Notes to the Financial Statements

(continued)

20. Intangible assets - continued

Impairment testing of goodwill

Goodwill acquired through business combinations is monitored for impairment by review of the underlying performance of each individual acquisition compared to pre-acquisition objectives and budgets. Goodwill is also tested for impairment by review of profit and cash flow forecasts and budgets.

Goodwill acquired through business combinations has been allocated to cash-generating units (CGUs) for the purpose of impairment testing. The CGUs represent the lowest level within the Group at which the associated goodwill is monitored for management purposes and are not larger than the primary and secondary segments determined in accordance with IAS 14 *Segment Reporting*.

The recoverable amount of each CGU is based on a value in use computation. The cash flow forecasts employed for this computation are extracted from a three year plan and specifically exclude future acquisition activity. Cash flows for a further two years are based on the assumptions underlying the three year plan. A terminal value reflecting inflation is applied to the year five cash flows. A present value of the future cash flows is calculated using a before-tax discount rate representing the Group's estimated before-tax average cost of capital (7.1%). Applying these techniques, no impairment arose in 2007 (2006: nil).

Key assumptions include management's estimates of future profitability, capital expenditure requirements, working capital investment and tax considerations. Forecasts are generally based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business.

Intangible assets

Intangible assets, other than goodwill, are recognised at their fair value at acquisition and are amortised over their useful lives. The useful lives of such intangible assets are finite and range from two to five years depending on the nature of the asset.

21. Investments in associates

Group	2007	2006
	€'000	€'000
At 1 April	76,789	51,384
Share of profit less dividends	13,650	26,098
Exchange adjustments and other	(107)	(693)
At 31 March	90,332	76,789

Details of the Group's principal associates are shown on page 108.

Investments in associates at 31 March 2007 includes goodwill of €1.201 million (2006: €1.201 million).

The Group's geographical share of the assets (including goodwill) and liabilities of its associates is as follows:

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net assets
	€'000	€'000	€'000	€'000	€'000
As at 31 March 2007					
Ireland	1,364	90,265	(1,196)	(2,027)	88,406
USA	773	2,429	-	(1,276)	1,926
	2,137	92,694	(1,196)	(3,303)	90,332
As at 31 March 2006					
Ireland	1,681	105,044	(1,858)	(29,760)	75,107
USA	818	2,082	-	(1,218)	1,682
	2,499	107,126	(1,858)	(30,978)	76,789

Company	2007	2006
	€'000	€'000
At 31 March	1,300	1,300

Notes to the Financial Statements (continued)

22. Investments in subsidiary undertakings

Company	2007 €'000	2006 €'000
At 1 April	161,072	145,814
Additions	-	15,258
Other movements	(7)	-
At 31 March	161,065	161,072

Details of the Group's principal operating subsidiaries are shown on pages 105 to 108. All of these subsidiaries are wholly owned except Broderick Bros. Limited (93.8%), Virtus Inc (51.0%), Ausmedic Australia Pty Limited (60.0%), Metron Medical Australia Pty Limited (60.0%), Auckbritt Int Pty Limited (60.0%), Laleham Healthcare Limited (87.0%) where put and call options exist to acquire the remaining 13.0%, Physio-Med Services Limited (88.0%) where put and call options exist to acquire the remaining 12.0% and Distriologie SA (98.36%) where put and call options exist to acquire the remaining 1.64%.

The Group's principal overseas holding company subsidiaries are DCC Limited, a company operating, incorporated and registered in England and Wales and DCC International Holdings B.V., a company operating, incorporated and registered in The Netherlands. The registered office of DCC Limited is at Days Healthcare UK Limited, North Road, Bridgend Industrial Estate, Bridgend, CF31 3TP, Wales. The registered office of DCC International Holdings B.V. is Teleport Boulevard 140, 1043 EJ Amsterdam, The Netherlands.

23. Inventories

Group	2007 €'000	2006 €'000
Raw materials	6,793	5,105
Work in progress	1,538	1,730
Finished goods	169,119	131,899
	177,450	138,734

24. Trade and other receivables

Group	2007 €'000	2006 €'000
Trade receivables	564,134	487,231
Provision for impairment of trade receivables	(13,343)	(11,673)
Prepayments and other debtors	39,223	31,748
Value added tax recoverable	3,677	7,458
Other debtors	3,566	7,379
	597,257	522,143

Company	2007 €'000	2006 €'000
Amounts owed by subsidiary undertakings	295,340	261,646
Prepayments	708	120
Value added tax recoverable	255	1,421
	296,303	263,187

Notes to the Financial Statements

(continued)

25. Trade and other payables

	2007	2006
	€'000	€'000
Group		
Trade payables	482,978	453,694
Other creditors and accruals	83,472	57,707
PAYE and National Insurance	6,101	4,589
Value added tax	20,356	22,054
Capital grants (note 35)	239	131
Interest payable	7,051	5,039
Amounts due in respect of property, plant and equipment	1,207	699
	601,404	543,913
	2007	2006
	€'000	€'000
Company		
Amounts due to subsidiary undertakings	253,602	211,071
Other creditors and accruals	841	1,614
	254,443	212,685

26. Movement in working capital

	Inventories	Trade and other receivables	Trade and other payables	Total
	€'000	€'000	€'000	€'000
Group				
Year ended 31 March 2007				
At 1 April 2006	138,734	522,143	(543,913)	116,964
Translation adjustment	1,916	7,515	(7,385)	2,046
Arising on acquisition (note 46)	9,478	53,559	(48,497)	14,540
Interest accruals and other	-	(957)	(8,946)	(9,903)
Increase in working capital (note 42)	27,322	14,997	7,337	49,656
At 31 March 2007	177,450	597,257	(601,404)	173,303
Year ended 31 March 2006				
At 1 April 2005	124,049	410,190	(447,717)	86,522
Translation adjustment	(905)	(3,835)	3,582	(1,158)
Arising on acquisition (note 46)	8,289	24,861	(20,460)	12,690
Interest accruals and other	-	7,269	479	7,748
Increase/(decrease) in working capital (note 42)	7,301	83,658	(79,797)	11,162
At 31 March 2006	138,734	522,143	(543,913)	116,964

Notes to the Financial Statements (continued)

26. Movement in working capital - continued

Company	Trade and other receivables €'000	Trade and other payables €'000	Total €'000
Year ended 31 March 2007			
At 1 April 2006	263,187	(223,072)	40,115
Increase/(decrease) in working capital	33,116	(41,758)	(8,642)
At 31 March 2007	296,303	(264,830)	31,473
Year ended 31 March 2006			
At 1 April 2005	277,799	(234,178)	43,621
(Decrease)/increase in working capital	(14,612)	11,106	(3,506)
At 31 March 2006	263,187	(223,072)	40,115

27. Cash and cash equivalents

Group	2007 €'000	2006 €'000
Cash at bank and in hand	124,134	105,955
Short-term bank deposits	212,945	239,325
	337,079	345,280

Cash at bank earns interest at floating rates based on daily bank deposit rates. The short-term deposits are for periods up to three months and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include the following for the purposes of the Group Cash Flow Statement:

	2007 €'000	2006 €'000
Cash and short-term bank deposits	337,079	345,280
Bank overdrafts	(26,892)	(25,362)
	310,187	319,918

Bank overdrafts are included within current borrowings (note 29) in the Group Balance Sheet.

Company	2007 €'000	2006 €'000
Cash at bank and in hand	8	157

Notes to the Financial Statements

(continued)

28. Derivative financial instruments

Group	2007 €'000	2006 €'000
Non-current assets		
Interest rate swaps - fair value hedges	-	926
Interest rate swaps - not designated as hedges	3,091	6,805
Currency swaps - not designated as hedges	-	1,258
	3,091	8,989
Current assets		
Forward contracts - cash flow hedges	13	47
Forward contracts - not designated as hedges	38	97
	51	144
Total assets	3,142	9,133
Non-current liabilities		
Interest rate swaps - fair value hedges	(6,401)	(9,167)
Interest rate swaps - not designated as hedges	(3,165)	(6,921)
Currency swaps - not designated as hedges	(17,815)	(3,786)
Cross currency interest rate swaps - fair value hedges	(18,563)	(7,203)
	(45,944)	(27,077)
Current liabilities		
Forward contracts - cash flow hedges	(149)	(24)
Forward contracts - not designated as hedges	(87)	(49)
	(236)	(73)
Total liabilities	(46,180)	(27,150)
Net liability arising on derivative financial instruments	(43,038)	(18,017)

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or liability if the maturity of the hedged item is less than twelve months.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts designated as fair value hedges under IAS 39 at 31 March 2007 total €210.149 million. At 31 March 2007, the fixed interest rates vary from 5.12% to 5.76% and the floating rates are based on US\$ LIBOR and sterling LIBOR.

The Group also utilises interest rate swaps, not designated as fair value hedges under IAS 39, to swap floating rate sterling assets and liabilities into fixed rate sterling assets (8.05%) and fixed rate sterling liabilities (8.1%). The notional principal amounts of these swaps (Stg£61.000 million) offset.

Currency swaps

The Group utilises currency swaps in conjunction with interest rate swaps designated as fair value hedges (as noted above) to swap fixed rate US\$ denominated debt into floating rate euro debt. The currency swaps (which swap floating US\$ denominated debt based on US\$ LIBOR into floating euro denominated debt based on EURIBOR) have notional principal amounts of €167.113 million and are not designated as hedges under IAS 39.

Cross currency interest rate swaps

The Group utilises cross currency interest rate swaps to swap fixed rate (7.82%) US\$ denominated debt of US\$100.000 million into floating rate sterling debt of Stg£65.000 million. These swaps are designated as fair value hedges under IAS 39.

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2007 total €21.266 million (2006: €17.638 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 38) at 31 March 2007 on forward foreign exchange contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to four months after the balance sheet date.

Commodity price forward contracts

There were no outstanding forward commodity contracts at 31 March 2007 (2006: notional principal amounts of €2.654 million).

Notes to the Financial Statements (continued)

29. Borrowings

Group	2007	2006
	€'000	€'000
Non-current:		
Bank borrowings	731	885
Finance leases*	2,386	5,442
Unsecured Notes due 2008 to 2016	265,462	286,466
	268,579	292,793
Current:		
Bank borrowings	118,988	62,151
Finance leases*	6,863	4,801
Loan notes	127	199
	125,978	67,151
Total borrowings	394,557	359,944
<i>*Secured on specific plant and equipment</i>		
	2007	2006
	€'000	€'000
The maturity of non-current borrowings is as follows:		
Between 1 and 2 years	72,721	5,613
Between 2 and 5 years	7,696	80,486
Over 5 years	188,162	206,694
	268,579	292,793

Bank borrowings, finance leases and loan notes

Interest on bank borrowings, finance leases and loan notes is at floating rates set in advance for periods ranging from overnight to less than three months by reference to inter-bank interest rates (EURIBOR, sterling LIBOR and US\$ LIBOR) and consequently fair value approximates carrying amounts.

While the Group had various bank borrowing facilities available at 31 March 2007, it had no undrawn committed bank facilities.

Unsecured Notes due 2008 to 2016

The Group's Unsecured Notes due 2008 to 2016 comprise fixed rate debt of US\$100.000 million issued in 1996 and maturing in 2008 and 2011 (the '2008/11 Notes') and debt of US\$200.000 million and Stg£30.000 million issued in 2004 and maturing in 2014 and 2016 (the '2004/16 Notes').

The 2008/11 Notes have been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS39) from fixed US\$ to floating sterling rates, repricing quarterly based on sterling LIBOR.

The 2004/16 Notes denominated in US\$ have been swapped from fixed to floating US\$ rates (using interest rate swaps designated as fair value hedges under IAS 39) and further swapped (using currency swaps not designated as hedges under IAS 39) from floating US\$ to floating euro rates, repricing semi-annually based on EURIBOR. The 2014/16 Notes denominated in sterling have been swapped from fixed to floating sterling rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing semi-annually based on sterling LIBOR.

The maturity and interest profile of the Unsecured Notes due 2008 to 2016 is as follows:

	2007	2006
Average maturity	5.8 years	6.8 years
Average fixed interest rates*		
- US\$ denominated	6.04%	6.04%
- sterling denominated	5.76%	5.76%
Average floating rate including swaps		
- euro denominated	4.21%	2.84%
- sterling denominated	5.98%	5.30%

* Issued and repayable at par

Notes to the Financial Statements

(continued)

30. Analysis of net debt

Reconciliation of opening to closing net debt

The reconciliation of opening to closing net debt for the year ended 31 March 2007 is as follows:

Group	At 1 April 2006 €'000	Cash Flow €'000	Mark-to- market €'000	Translation adjustment €'000	At 31 March 2007 €'000
Cash and short term bank deposits	345,280	(13,052)	-	4,851	337,079
Overdrafts	(25,362)	(875)	-	(655)	(26,892)
Cash and cash equivalents	319,918	(13,927)	-	4,196	310,187
Bank loans and loan notes	(37,873)	(55,063)	-	(18)	(92,954)
Finance leases	(10,243)	1,256	-	(262)	(9,249)
Unsecured Notes due 2008 to 2016	(286,466)	-	24,365	(3,361)	(265,462)
Derivative financial instruments (net)	(18,017)	-	(24,852)	(169)	(43,038)
Group net debt (including share of net cash in joint ventures)	<u>(32,681)</u>	<u>(67,734)</u>	<u>(487)</u>	<u>386</u>	<u>(100,516)</u>
Group net debt (excluding share of net cash in joint ventures)	<u>(33,150)</u>	<u>(72,508)</u>	<u>(487)</u>	<u>386</u>	<u>(105,759)</u>

The reconciliation of opening to closing net debt for the year ended 31 March 2006 is as follows:

Group	At 1 April 2005 €'000	Transition adjustment €'000	Cash Flow €'000	Mark-to- market €'000	Translation adjustment €'000	At 31 March 2006 €'000
Cash and short term bank deposits	353,304	-	(4,357)	-	(3,667)	345,280
Overdrafts	(38,907)	-	14,419	-	(874)	(25,362)
Cash and cash equivalents	314,397	-	10,062	-	(4,541)	319,918
Bank loans and loan notes	(1,911)	-	(35,961)	-	(1)	(37,873)
Finance leases	(16,285)	-	5,973	-	69	(10,243)
Unsecured Notes due 2008 to 2016	(305,094)	28,055	-	(10,996)	1,569	(286,466)
Derivative financial instruments (net)	-	(29,974)	-	11,824	133	(18,017)
Group net debt (including share of net (debt)/cash in joint ventures)	<u>(8,893)</u>	<u>(1,919)</u>	<u>(19,926)</u>	<u>828</u>	<u>(2,771)</u>	<u>(32,681)</u>
Group net debt (excluding share of net (debt)/cash in joint ventures)	<u>(8,192)</u>	<u>(1,919)</u>	<u>(21,096)</u>	<u>828</u>	<u>(2,771)</u>	<u>(33,150)</u>

Notes to the Financial Statements (continued)

30. Analysis of net debt - continued

Currency profile

The currency profile of net debt at 31 March 2007 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Total €'000
Cash and cash equivalents	79,094	248,388	9,597	337,079
Borrowings	(205,696)	(186,264)	(2,597)	(394,557)
Derivatives	(23,195)	(19,666)	(177)	(43,038)
	<u>(149,797)</u>	<u>42,458</u>	<u>6,823</u>	<u>(100,516)</u>

The currency profile of net debt at 31 March 2006 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Total €'000
Cash and cash equivalents	61,530	276,216	7,534	345,280
Borrowings	(196,083)	(162,568)	(1,293)	(359,944)
Derivatives	(11,685)	(6,388)	56	(18,017)
	<u>(146,238)</u>	<u>107,260</u>	<u>6,297</u>	<u>(32,681)</u>

Interest rate profile

Cash and cash equivalents at 31 March 2007 and 31 March 2006 have maturity periods up to three months (note 27).

Bank borrowings and finance leases are at floating interest rates for periods less than three months while the Group's Unsecured Notes due 2008 to 2016 have been swapped to floating rates which reset on a quarterly or semi-annual basis (note 29).

The Group also utilises interest rate swaps to swap floating rate sterling assets and liabilities into fixed sterling rate assets (8.05%) and fixed rate sterling liabilities (8.1%). The notional principal amounts of these swaps (Stg£61.000 million) offset.

31. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Group	2007 €'000	2006 €'000
Deferred income tax assets (deductible temporary differences):		
Deficits on Group defined benefit pension obligations	3,526	3,940
Employee share options	574	382
Other deductible temporary differences	4,205	274
	<u>8,305</u>	<u>4,596</u>
Deferred income tax liabilities (taxable temporary differences):		
Excess of accelerated capital allowances over depreciation and fair value adjustments arising on acquisition	14,475	10,473
Rolled-over capital gains	273	245
	<u>14,748</u>	<u>10,718</u>
	2007	2006
The gross movement on the deferred income tax account is as follows:	€'000	€'000
At 1 April	6,122	3,039
Exchange differences	12	44
Deferred tax on adoption of IAS 32 and 39	-	(230)
Acquisition of subsidiary (note 46)	2,955	1,330
Income Statement (credit)/charge (note 15)	(2,768)	2,043
Tax charged/(credited) to equity (note 15)	122	(104)
At 31 March	<u>6,443</u>	<u>6,122</u>

Notes to the Financial Statements

(continued)

32. Retirement benefit obligations

Group

The Group operates eight defined benefit pension schemes in the Republic of Ireland and three in the UK. The projected unit credit method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

Full actuarial valuations were carried out between 1 September 2003 and 1 April 2006. In general, actuarial valuations are not available for public inspection, although the results of valuations are advised to the members of the various pension schemes. Actuarial valuations have been updated to 31 March 2007 for International Accounting Standard 19 by a qualified actuary.

The principal actuarial assumptions used were as follows:

	2007	2006
Republic of Ireland Schemes		
Rate of increase in salaries	3.50% - 4.00%	3.50% - 4.00%
Rate of increase in pensions in payment	2.25% - 3.00%	2.25% - 3.00%
Discount rate	4.70% - 4.80%	4.00% - 4.70%
Inflation assumption	2.25%	2.25%
UK Schemes		
Rate of increase in salaries	4.00%	3.75%
Rate of increase in pensions in payment	3.00% - 4.00%	2.75% - 4.00%
Discount rate	5.10%	4.70%
Inflation assumption	3.00%	2.75%

The expected long term rates of return on the assets of the schemes were as follows:

	2007	2006
Republic of Ireland Schemes		
Equities	7.50%	7.40%
Bonds	4.00%	3.50%
Property	6.50%	6.30%
Cash	3.00%	3.00%
UK Schemes		
Equities	8.30%	7.90%
Bonds	4.80%	4.00%
Property	7.30%	6.80%
Cash	3.50%	3.50%

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in both geographic regions. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2007	2006
Male	20.9	19.5
Female	23.9	22.5

The Group does not operate any post-employment medical benefit schemes.

Notes to the Financial Statements (continued)

32. Retirement benefit obligations - continued

The net pension liability recognised in the Balance Sheet is analysed as follows:

	2007		
	ROI €'000	UK €'000	Total €'000
Equities	43,420	9,781	53,201
Bonds	11,736	3,380	15,116
Property	2,996	790	3,786
Cash	2,434	443	2,877
Total market value at 31 March 2007	60,586	14,394	74,980
Present value of scheme liabilities	(69,825)	(21,527)	(91,352)
Net pension liability at 31 March 2007	(9,239)	(7,133)	(16,372)

	2006		
	ROI €'000	UK €'000	Total €'000
Equities	40,747	8,951	49,698
Bonds	10,109	2,404	12,513
Property	2,540	293	2,833
Cash	1,897	353	2,250
Total market value at 31 March 2006	55,293	12,001	67,294
Present value of scheme liabilities	(67,755)	(20,218)	(87,973)
Net pension liability at 31 March 2006	(12,462)	(8,217)	(20,679)

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes is as follows:

	2007 €'000	2006 €'000
Current service cost	3,414	3,308
Gain on settlement/curtailment	(633)	(246)
Total, included in staff costs (note 9)	2,781	3,062
Interest cost, included in finance costs (note 12)	(4,026)	(3,804)
Expected return on plan assets, included in finance income (note 12)	4,456	3,479
Total	430	(325)

The actuarial gain recognised in the Statement of Income and Expense is as follows:

	2007 €'000	2006 €'000
Actual return less expected return on pension scheme assets	904	8,697
Experience gains and losses arising on the scheme liabilities	884	(383)
Changes in assumptions underlying the present value of the scheme liabilities	(212)	(6,535)
Total, included in the Statement of Recognised Income and Expense	1,576	1,779

Notes to the Financial Statements

(continued)

32. Retirement benefit obligations - continued

	2007	2006
	€'000	€'000
The movement in the fair value of plan assets is as follows:		
At 1 April	67,294	54,659
Actual return on plan assets	5,360	12,176
Contributions by employers	5,294	6,190
Contributions by members	425	428
Benefits paid	(3,704)	(6,017)
Exchange	311	(142)
At 31 March	74,980	67,294
	2007	2006
	€'000	€'000
The movement in the present value of defined benefit obligations is as follows:		
At 1 April	87,973	80,039
Current service cost	3,414	3,308
Interest cost	4,026	3,804
Actuarial (gain)/loss	(672)	6,918
Contributions by members	425	428
Benefits paid	(3,704)	(6,017)
Settlements	(633)	(246)
Exchange	523	(261)
At 31 March	91,352	87,973

History of scheme assets, liabilities and actuarial gains and losses

As the Group transitioned to IFRS with effect from 1 April 2004, a five-year history in respect of assets, liabilities and actuarial gains and losses is not available; the relevant data for the Group for the three years since transition to IFRS are as follows:

	2007	2006	2005
	€'000	€'000	€'000
Fair value of assets	74,980	67,294	54,659
Present value of liabilities	(91,352)	(87,973)	(80,039)
Net pension liability	(16,372)	(20,679)	(25,380)
Difference between the expected and actual return on scheme assets	904	8,697	1,277
As a percentage of scheme assets	1.2%	12.9%	2.3%
Experience gains and losses on scheme liabilities	884	(383)	(1,598)
As a percentage of the present value of the scheme liabilities	(1.0%)	0.4%	2.0%
Total recognised in Statement of Recognised Income and Expense	1,576	1,779	(7,742)
As a percentage of the present value of the scheme liabilities	(1.7%)	(2.0%)	9.7%

Notes to the Financial Statements (continued)

33. Deferred acquisition consideration

Group

The Group's deferred acquisition consideration of €29.393 million (2006: €22.364 million) as stated on the Balance Sheet consists of €13.530 million of € floating rate financial liabilities (2006: €12.193 million) and €15.863 million of Stg£ floating rate financial liabilities (2006: €10.171 million) payable as follows:

	2007	2006
	€'000	€'000
Within one year	10,870	3,556
Between one and two years	9,701	9,838
Between two and five years	8,822	8,970
	<u>29,393</u>	<u>22,364</u>
Analysed as:		
Non-current liabilities	18,523	18,808
Current liabilities	10,870	3,556
	<u>29,393</u>	<u>22,364</u>

34. Provisions for liabilities and charges

Group

	2007	2006
	€'000	€'000
Environmental and remediation	6,122	-
Insurance and other	4,807	3,785
	<u>10,929</u>	<u>3,785</u>
Analysed as:		
Non-current liabilities	6,122	-
Current liabilities	4,807	3,785
	<u>10,929</u>	<u>3,785</u>

Environmental and remediation

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations. The net present value of the estimated costs is capitalised as property, plant and equipment. The unwinding of the discount element on the provision is reflected as a finance cost in the Income Statement. Provision is made for the net present value of post closure costs based on the quantity of waste input into the landfill during the year. Ongoing costs incurred during the operating life of the sites are written off directly to the Income Statement and are not charged to the provision. The majority of the obligations will unwind over a 30-year timeframe.

Insurance and other

The insurance provision relates to employers liability and public and products liability and reflects an estimation of the excess not recoverable from insurers arising from claims against Group companies. A significant element of the provision is subject to external assessments.

Notes to the Financial Statements

(continued)

35. Capital grants

Group	2007 €'000	2006 €'000
At 1 April	2,122	1,086
Amortisation in year	(276)	(112)
Received in year	-	1,174
Arising on acquisition (note 46)	758	-
Exchange and other adjustments	28	(26)
At 31 March	2,632	2,122
Disclosed as due within one year (note 25)	(239)	(131)
	2,393	1,991

36. Equity share capital

Group and Company	2007 €'000	2006 €'000
Authorised		
152,368,568 ordinary shares of €0.25 each	38,092	38,092
Issued		
88,229,404 ordinary shares (including 7,816,256 ordinary shares held as Treasury Shares) of €0.25 each, fully paid (2006: 88,229,404 ordinary shares (including 7,510,178 ordinary shares held as Treasury Shares) of €0.25 each, fully paid)	22,057	22,057
Movements during the year	No. of shares	
Ordinary shares of €0.25 each	'000	€'000
At 31 March 2006 and 31 March 2007	88,229	22,057

As at 31 March 2007, the total authorised number of ordinary shares is 152,368,568 shares (2006: 152,368,568 shares) with a par value of €0.25 per share (2006: €0.25 per share).

During the year the Company reissued 732,233 Treasury Shares for a total consideration of €6.098 million.

All shares, whether fully or partly paid, carry equal voting rights and rank for dividends to the extent to which the total amount payable on each share is paid up.

Details of share options granted under the Company's share option schemes and the terms attaching thereto are provided in note 10 to the financial statements and in the Report on Directors' Remuneration and Interests on pages 44 to 47.

Notes to the Financial Statements (continued)

37. Share premium account

Group and Company	2007	2006
	€'000	€'000
At 1 April	124,687	124,506
Premium on issue of shares	-	181
At 31 March	124,687	124,687

38. Other reserves

Group	Share options	Cash flow hedge reserve	Foreign currency translation reserve	Other reserves	Total
	€'000	€'000	€'000	€'000	€'000
At 1 April 2005	1,552	-	(5,565)	1,400	(2,613)
Currency translation	-	-	(4,779)	-	(4,779)
Cash flow hedges					
- fair value gains in year	-	451	-	-	451
- tax on fair value gains	-	(85)	-	-	(85)
- transfers to net profit	-	(447)	-	-	(447)
- tax on transfers to net profit	-	101	-	-	101
Share based payment	1,840	-	-	-	1,840
At 31 March 2006	3,392	20	(10,344)	1,400	(5,532)
Currency translation	-	-	7,430	-	7,430
Cash flow hedges					
- fair value losses in year	-	(4,125)	-	-	(4,125)
- tax on fair value losses	-	495	-	-	495
- transfers to net profit	-	3,966	-	-	3,966
- tax on transfers to net profit	-	(473)	-	-	(473)
Share based payment	1,415	-	-	-	1,415
At 31 March 2007	4,807	(117)	(2,914)	1,400	3,176
				Other reserves	
				€'000	
Company					
At 31 March 2007 and 31 March 2006					344

Notes to the Financial Statements

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39. Retained earnings

Group	2007 €'000	2006 €'000
At 1 April	439,477	342,247
Net income recognised in Income Statement	140,186	123,764
Net income recognised directly in equity		
- actuarial gain on Group defined benefit pension schemes	1,576	1,779
- deferred tax on actuarial gain	(169)	82
Deferred tax on employee share options	25	25
Share buyback (inclusive of costs)	(18,818)	-
Re-issue of Treasury Shares (net of expenses)	6,098	3,148
Dividends	(36,381)	(31,568)
At 31 March	531,994	439,477

Company	2007 €'000	2006 €'000
At 1 April	55,556	41,128
Total recognised income and expense for the financial year	40,303	42,848
Share buyback (inclusive of costs)	(18,818)	-
Re-issue of Treasury Shares (net of expenses)	6,098	3,148
Dividends	(36,381)	(31,568)
At 31 March	46,758	55,556

On 19 June 2006 the Company purchased 1,038,311 of its own shares at a total cost of €18.818 million.

The cost to the Group and the Company of €96.686 million to acquire the 7,816,256 shares held in Treasury has been deducted from the Group and Company Retained Earnings. These shares were acquired at prices ranging from €9.25 to €17.90 each (average: €11.23) between 28 July 2000 and 19 June 2006.

40. Minority interest

Group	2007 €'000	2006 €'000
At 1 April	4,714	4,348
Arising on acquisition of subsidiary (note 46)	663	24
Share of profit for the financial year (less attributable to associates)	476	548
Dividends to minorities	(38)	(201)
Exchange and other adjustments	1	(5)
At 31 March	5,816	4,714

Notes to the Financial Statements (continued)

41. Movement in total equity

	2007	2006
	€'000	€'000
Group		
At 1 April	585,403	490,530
Issue of share capital	6,098	3,344
Share based payment (note 10)	1,415	1,840
Share buyback (note 39)	(18,818)	-
Dividends (note 17)	(36,381)	(31,568)
Movement in minority interest	1,102	366
Total recognised income and expense for the financial year	148,911	120,891
At 31 March	687,730	585,403
	2007	2006
	€'000	€'000
Company		
At 1 April	202,644	188,020
Issue of share capital	6,098	3,344
Share buyback (note 39)	(18,818)	-
Dividends (note 17)	(36,381)	(31,568)
Total recognised income and expense for the financial year	40,303	42,848
At 31 March	193,846	202,644

42. Cash generated from operations

	2007	2006
	€'000	€'000
Group		
Profit for the financial year	141,105	125,289
Add back non-operating (income)/expense		
- Tax (note 15)	20,695	13,479
- Share of profit from associates (note 14)	(11,800)	(25,474)
- Net exceptionals (note 11)	(24,516)	(1,696)
- Net finance costs (note 12)	10,850	7,041
Operating profit	136,334	118,639
- Share-based payments expense (note 10)	1,415	1,840
- Depreciation (note 19)	39,461	34,142
- Amortisation (note 20)	6,660	4,956
- Profit on sale of property, plant and equipment	(1,362)	(1,295)
- Amortisation of capital grants (note 35)	(276)	(112)
- Dividends received from associates	268	1,028
- Other	(5,423)	(5,114)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
- Inventories (note 26)	(27,322)	(7,301)
- Trade and other receivables (note 26)	(14,997)	(83,658)
- Trade and other payables (note 26)	(7,337)	79,797
Cash generated from operations	127,421	142,922

Notes to the Financial Statements

(continued)

42. Cash generated from operations - continued

Company	2007	2006
	€'000	€'000
Profit for the year	40,303	42,848
Add back non-operating (income)/expense		
- Tax	(1,319)	1,199
- Net finance costs	(3,407)	(4,168)
Operating profit	35,577	39,879
Changes in working capital:		
- Trade and other receivables (note 26)	(33,116)	14,612
- Trade and other payables (note 26)	41,758	(11,106)
Cash generated from operations	44,219	43,385

43. Contingencies

Guarantees

The Company and certain subsidiaries have given guarantees of €535.692 million (2006: €458.619 million) in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings. It is not anticipated that any material liabilities will arise from these contingent liabilities.

Other

Included in trade payables is an amount of approximately €13.085 million (2006: €10.514 million) due to creditors who have reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how much of the above amount was effectively secured by reservation of title. However, the amount referred to above is matched in terms of net book value of property, plant and equipment and inventories of raw materials in the possession of the Group which were supplied subject to reservation of title and accordingly the creditors referred to could be regarded as effectively secured to the extent of at least this amount.

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of the following subsidiaries; Atlas Oil Refining Company Limited, Classic Fuel & Oil Limited, DCC Business Expansion Fund Limited, DCC Corporate Partners Limited, DCC Energy Limited, DCC Financial Services Holdings Limited, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Limited, DCC SerCom Limited, Emo Oil Limited, Flogas Ireland Limited, SerCom Property Limited, Shannon Environmental Holdings Limited, Sharptext Limited and TechnoPharm Limited. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

44. Capital expenditure commitments

Group	2007	2006
	€'000	€'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,721	3,876
Capital expenditure that has been authorised by the Directors but has not yet been contracted for	70,389	44,866
	73,110	48,742

Notes to the Financial Statements (continued)

45. Commitments under operating and finance leases

Group**Operating leases**

Future minimum rentals payable under non-cancellable operating leases at 31 March are as follows:

	2007	2006
	€'000	€'000
Within one year	6,430	945
After one year but not more than five years	17,559	7,668
More than five years	44,871	63,537
	<u>68,860</u>	<u>72,150</u>

The Group leases a number of properties under operating leases. The leases typically run for a period of 15 to 25 years. Rents are generally reviewed every five years.

During the year ended 31 March 2007 €9.818 million (2006: €9.102 million) was recognised as an expense in the Income Statement in respect of operating leases.

Finance leases

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2007		2006	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	€'000	€'000	€'000	€'000
Within one year	7,214	6,863	5,292	4,801
After one year but not more than five years	2,699	2,386	5,756	5,442
	9,913	9,249	11,048	10,243
Less: amounts allocated to future finance costs	(664)	-	(805)	-
Present value of minimum lease payments	9,249	9,249	10,243	10,243

Notes to the Financial Statements

(continued)

46. Business combinations

The principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:

- William Tracey group (50%): a Scottish based recycling and waste management business acquired on 15 May 2006;
- Carlton Fuels Limited (100%): an English based oil distribution business acquired on 7 July 2006;
- Realpower Limited (90%): the holding company of Wastecycle Limited, an English based recycling and non-hazardous waste management business, acquired on 13 November 2006; and
- BP's Scottish Islands business (100%): a Scottish based oil distribution business acquired on 1 March 2007.

Identifiable net assets acquired (excluding net cash acquired) were as follows:

	2007	2006
	€'000	€'000
Assets		
Non-current assets		
Property, plant and equipment (note 19)	31,560	2,737
Intangible assets - goodwill (note 20)	72,035	42,157
Intangible assets - other intangible assets (note 20)	6,639	7,450
Total non-current assets	110,234	52,344
Current assets		
Inventories (note 26)	9,478	8,289
Trade and other receivables (note 26)	53,559	24,861
Total current assets	63,037	33,150
Equity		
Minority interest (note 40)	(663)	(24)
Total equity	(663)	(24)
Liabilities		
Non-current liabilities		
Deferred income tax liabilities (note 31)	(2,955)	(1,330)
Provisions for liabilities and charges	(6,122)	-
Capital grants (note 35)	(758)	-
Total non-current liabilities	(9,835)	(1,330)
Current liabilities		
Trade and other payables (note 26)	(48,497)	(20,460)
Current income tax liabilities	(1,959)	(701)
Total current liabilities	(50,456)	(21,161)
Total consideration (enterprise value)	112,317	62,979
Satisfied by:		
Cash	103,285	62,669
Net cash acquired	(1,796)	(13,538)
Net cash outflow	101,489	49,131
Deferred and contingent acquisition consideration	10,828	13,848
Total consideration	112,317	62,979

Notes to the Financial Statements (continued)

46. Business combinations - continued

None of the business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations. The carrying amounts of the assets and liabilities acquired determined in accordance with IFRS before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

	Book value €'000	Fair value adjustments €'000	Fair value €'000
Non-current assets (excluding goodwill)	31,560	6,639	38,199
Current assets	63,887	(850)	63,037
Non-current liabilities and minority interest	(8,627)	(1,871)	(10,498)
Current liabilities	(50,056)	(400)	(50,456)
Identifiable net assets acquired	<u>36,764</u>	<u>3,518</u>	<u>40,282</u>
Goodwill arising on acquisition	75,553	(3,518)	72,035
Total consideration (enterprise value)	<u>112,317</u>	<u>-</u>	<u>112,317</u>

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2008 Annual Report as stipulated by IFRS 3.

The post-acquisition impact of business combinations completed during the year on Group profit for the financial year was as follows:

	2007 €'000	2006 €'000
Revenue	411,207	119,348
Cost of sales	(381,237)	(98,771)
Gross profit	29,970	20,577
Operating costs	(19,384)	(12,456)
Group operating profit	10,586	8,121
Finance costs (net)	114	49
Profit before tax	10,700	8,170
Income tax expense	(2,903)	(1,487)
Group profit for the financial year	<u>7,797</u>	<u>6,683</u>

Notes to the Financial Statements

(continued)

47. Related party transactions

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* relate to the existence of subsidiaries, joint ventures and associates and transactions with these entities entered into by the Group and the identification and compensation of key management personnel as addressed in more detail below:

Group

Subsidiaries, joint ventures and associates

The consolidated financial statements include the financial statements of the Company and its subsidiaries, joint ventures and associates as documented in the accounting policies on pages 57 to 65. A listing of the principal subsidiaries, joint ventures and associates is provided in the Group Directory on pages 105 to 108 of this Annual Report.

Transactions are entered into in the normal course of business on an arm's length basis.

Sales to and purchases from, together with outstanding payables and receivables to and from subsidiaries and joint ventures are eliminated in the preparation of the consolidated financial statements.

On 16 May 2006, the Group increased its shareholding to 87.0% in Laleham Healthcare Limited by acquiring 6.5% of the issued share capital from the minority shareholders. The consideration amounted to €0.841 million and was settled in cash.

The Company increased its shareholding in Physio-Med Services Limited to 88.0% through the acquisition of 6.0% of the issued share capital from minority shareholders on 15 May 2006 and 6.0% of the issued share capital from minority shareholders on 11 August 2006. The total consideration amounted to €1.099 million and was settled in cash.

Compensation of key management personnel

For the purposes of the disclosure requirements under IAS 24, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. Full disclosure in relation to the compensation entitlements of the Board of Directors is provided in the Report on Directors' Remuneration and Interests on pages 44 to 47 of this Annual Report.

Company

Subsidiaries, joint ventures and associates

During the year the Company received €38.999 million (2006: €44.499 million) in dividends from its subsidiaries. Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 55, in note 24 'Trade and Other Receivables' and in note 25 'Trade and Other Payables'.

During the year the Company was charged a management fee of €3.235 million (2006: €3.705 million) by its subsidiary, DCC Management Services Limited.

48. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 11 May 2007.

Group Directory

Principal Subsidiaries (all 100% owned except for those detailed in note 22 on page 85)

DCC Energy

Company name & address	Principal activity	Contact details
DCC Energy Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: energy@dcc.ie www.dcc.ie
DCC Energy Limited Airport Road West, Sydenham, Belfast BT3 9ED, Northern Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +44 28 9073 2611 Fax: +44 28 9073 2020 Email: enquiries@emooil.com www.emooil.com
Emo Oil Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +353 578 674 700 Fax: +353 578 674 775 Email: info@emo.ie www.emo.ie
Flogas UK Limited 81 Raynsway, Syston, Leicester LE7 1PF, England	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +44 116 2649 000 Fax: +44 116 2649 001 Email: enquiries@flogas.co.uk www.flogas.co.uk
Flogas Ireland Limited Dublin Road, Drogheda, Co. Louth, Ireland	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +353 41 9831 041 Fax: +353 41 9834 652 Email: info@flogas.ie www.flogas.ie
Fuel Card Group Limited 8 Kerry Hill, Horsforth, Leeds LS18 4AY, England	Sale of motor fuels through fuel cards	Tel: +44 1132 390 490 Fax: +44 1132 098 764 Email: info@fuelcard-group.com www.fuelcard-group.com
GB Oils Limited Tryst House, Glenberrie Business Park, Larbert, Stirlingshire FK5 4RB, Scotland	Procurement, sales, marketing and distribution of petroleum products	Tel: +44 1324 408 000 Fax: +44 1324 408 260 Email: info@emooil.co.uk www.gboils.co.uk

DCC SerCom

Company name & address	Principal activity	Contact details
SerCom Distribution Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: sercom@dcc.ie www.sercomdistribution.com
Distrilogie SA Group Energy Park IV, 34 Avenue de l'Europe, 78140 Vélizy, France	Distribution of enterprise infrastructure products in France, Iberia & Benelux	Tel: +33 1 34 58 47 00 Fax: + 33 1 34 58 47 27 Email: info@distrilogie.com www.distrilogie.com
Gem Distribution Limited St. George House, Parkway, Harlow Business Park, Harlow, Essex CM19 5QF, England	Procurement, sales, marketing and distribution of computer software and peripherals	Tel: +44 1279 822 800 Fax: +44 1279 416 228 Email: info@gem.co.uk www.gem.co.uk
Micro Peripherals Limited Shorten Brook Way, Altham Business Park, Altham, Accrington, Lancashire BB5 5YJ, England	Procurement, sales, marketing and distribution of computer products	Tel: +44 1282 776 776 Fax: +44 1282 770 001 Email: enquiries@micro-p.com www.micro-p.com
Pilton Company Limited Unit 2, Loughlinstown Industrial Estate, Ballybrack, Co. Dublin, Ireland	Procurement, sales, marketing and distribution of DVDs and computer games & accessories	Tel: +353 1 2826 444 Fax: +353 1 2826 532

Group Directory

(continued)

DCC SerCom (continued)

Company name & address	Principal activity	Contact details
SerCom Solutions Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Provision of supply chain services	Tel: +353 1 4056 500 Fax: +353 1 4056 555 Email: kevin.vaughan@sercomsolutions.com www.sercomsolutions.com
Sharptext Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Procurement, sales, marketing and distribution of computer products	Tel: +353 1 4087 171 Fax: +353 1 4193 111 Email: sharptext@sharptext.com www.sharptext.com

DCC Healthcare

Company name & address	Principal activity	Contact details
DCC Healthcare Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: healthcare@dcc.ie www.dcc.ie
Auckbritt International Pty Limited 418 Lake Road, Takapuna, Auckland, New Zealand	Procurement, sales and marketing of mobility and rehabilitation products	Tel: +64 9 836 9974 Fax: +64 9 836 9914 Email: sales@auckbritt.co.nz www.auckbritt.co.nz
Ausmedic Australia Pty Limited Unit 4, 37 Leighton Place, Hornsby, NSW 2077, Australia	Procurement, sales and marketing of mobility and rehabilitation products	Tel: +61 2 9477 3422 Fax: +61 2 9477 3522 Email: sales@ausmedic.com www.ausmedic.com
Days Healthcare GmbH Oberbecksener Str. 68, D-32547 Bad Oeynhausen, Germany	Development, procurement, sales and marketing of mobility and rehabilitation products	Tel: +49 5731 786 50 Fax: +49 5731 786 520 Email: info@dayshealthcare.de www.dayshealthcare.de
Days Healthcare UK Limited North Road, Bridgend Industrial Estate, Bridgend CF31 3TP, Wales	Development, procurement, sales and marketing of mobility and rehabilitation products	Tel: +44 1656 664 700 Fax: +44 1656 664 750 Email: info@dayshealthcare.com www.dayshealthcare.com
DCC Health & Beauty Solutions Limited 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Outsourced solutions for the health and beauty industry	Tel: +44 1928 573 734 Fax: +44 1420 566 566 Email: enquiries@dcchealthandbeauty.com www.dcchealthandbeauty.com
EuroCaps Limited Crown Business Park, Dukes Town, Tredgar, Gwent NP22 4EF, Wales	Contract manufacture of soft gel capsule nutraceuticals	Tel: +44 1495 308 900 Fax: +44 1495 308 990 Email: info@softgels.co.uk www.softgels.co.uk
Fannin Limited Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Procurement, sales and marketing of pharmaceutical, medical and laboratory products and provision of related services	Tel: +353 1 2907 000 Fax: +353 1 2954 777 Email: information@fanninhealthcare.com www.fanninhealthcare.com
Laleham Healthcare Limited Sycamore Park, Mill Lane, Alton, Hampshire GU34 2PR, England	Contract manufacture and packing of nutraceuticals and cosmetics (liquids and creams)	Tel: +44 1420 566 500 Fax: +44 1420 566 566 Email: reception@laleham-healthcare.com www.laleham-healthcare.com
Metron Medical Australia Pty Limited 57 Aster Avenue, Carrum Downs, Victoria 3201, Australia	Development and manufacture of rehabilitation equipment	Tel: +61 39 775 0966 Fax: +61 39 775 1990 Email: sales@metron.com.au www.metron.com.au

Group Directory (continued)

DCC Healthcare (continued)

Company name & address	Principal activity	Contact details
Physio-Med Services Limited 7-23 Glossop Brook Business Park, Surrey Street, Glossop, Derbyshire SK13 7AJ, England	Procurement, sales and marketing of rehabilitation products	Tel: +44 1457 860 444 Fax: +44 1457 860 555 Email: sales@physio-med.com www.physiomedhomecare.co.uk
Thompson & Capper Limited 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Contract manufacture and packing of tablet and hard gel capsule nutraceuticals	Tel: +44 1928 573 734 Fax: +44 1928 580 694 Email: enquiries@tablets2buy.com www.tablets2buy.com
Virtus Inc. 1896 Lammers Pike, Batesville, Indiana, IN47006, USA.	Development and manufacture of pneumatic healthcare appliances	Tel: +1 812 933 1121 Fax: +1 812 933 0749 Email: virtus@eircom.net

DCC Food & Beverage

Company name & address	Principal activity	Contact details
DCC Food & Beverage Limited 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Holding and divisional management company	Tel: +353 1 4047 300 Fax: +353 1 4599 369 Email: foods@dcc.ie www.dcc.ie
Allied Foods Limited Second Avenue, Cookstown Industrial Estate, Dublin 24, Ireland	Chilled and frozen food distribution	Tel: +353 1 466 2600 Fax: +353 1 466 2688 Email: info@alliedfoods.ie
Bottle Green Limited 19 New Street, Horsforth, Leeds LS18 4BH, England	Procurement, sales, marketing and distribution of wine	Tel: +44 113 2054 500 Fax: +44 113 2054 501 Email: info@bottlegreen.com www.bottlegreen.com
Broderick Bros. Limited Cloverhill Industrial Estate, Clondalkin, Dublin 22, Ireland	Manufacture, distribution and service of food equipment	Tel: +353 1 4291 500 Fax: +353 1 4509 570 Email: info@broderickbros.ie
Kelkin Limited Unit 1, Crosslands Industrial Park, Ballymount Cross, Dublin 12, Ireland	Procurement, sales, marketing and distribution of branded healthy food and beverages	Tel: +353 1 4600 400 Fax: +353 1 4600 411 Email: info@kelkin.ie www.kelkin.ie
Robert Roberts Limited 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Procurement, sales, marketing and distribution of food and beverages	Tel: +353 1 4047 300 Fax: +353 1 4599 369 Email: info@robt-roberts.ie www.robt-roberts.ie

Group Directory

(continued)

DCC Environmental

Company name & address	Principal activity	Contact details
DCC Environmental Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: environmental@dcc.ie www.dcc.ie
Enva Ireland Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Specialist waste treatment/management services	Tel: +353 578 678 600 Fax: +353 578 678 699 Email: info@enva.ie www.enva.ie
Wastecycle Limited Enviro Building, Private Road No. 4, Colwick Industrial Estate, Nottingham NG4 2JT, England	Recycling and waste management company	Tel: +44 115 9403 111 Fax: +44 115 940 4141 Email: enquiries@wastecycle.co.uk www.wastecycle.co.uk

Principal Joint Ventures

Company name & address	Principal activity	% held
KP (Ireland) Limited 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Manufacture of snack foods	50%
Kylemore Foods Holdings Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding company for the Kylemore group of companies whose principal activities are the operation of restaurants, contract catering and par bake bread manufacture	50%
William Tracey Limited 49 Burnbrae Road, Linwood, Paisley, Renfrewshire PA3 3BD, Scotland	Recycling and waste management company	50%

Principal Associates

Company name & address	Principal activity	% held
Manor Park Homebuilders Limited The Gables, Torquay Road, Foxrock, Dublin 18, Ireland	Residential homebuilding and property development	49%

Shareholder Information

Share Price Data	2007 €	2006 €
Share price movement during the year		
- High	28.00	19.65
- Low	17.68	14.92
Share price at 30 March	26.36	19.20
Market capitalisation at 30 March	2,120m	1,550m
Share price at 11 May	25.32	
Market capitalisation at 11 May	2,036m	

Shareholder Analysis at 11 May 2007

Range of shares held	Number of shares*	% of shares	Number of accounts	% of accounts
Over 250,000	64,556,695	80.3	45	1.5
100,001 – 250,000	5,643,849	7.0	35	1.1
10,001 – 100,000	6,635,639	8.3	193	6.3
Less than 10,000	3,576,965	4.4	2,791	91.1
Total	80,413,148	100.0	3,064	100.0

* Excludes 7,816,256 shares held as Treasury Shares.

Share Listings

DCC's shares are traded on the Irish Stock Exchange and the London Stock Exchange. DCC's shares are quoted on the official lists of both the Irish Stock Exchange and the UK Listing Authority.

ISIN: IE0002424939
ISE Xetra: DCC plc
Bloomberg: DCC ID, DCC LN

Website - www.dcc.ie

DCC's website provides comprehensive corporate and financial information to the investment community and other interested parties. It incorporates a variety of useful features which enable users to access, analyse and download current and archived financial data and annual reports, register for news and other announcements and view audio and slideshow investor presentations.

Registrar

All administrative queries about the holding of DCC shares should be addressed to the Company's Registrar:

Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.
Tel: + 353 1 247 5698
Fax: + 353 1 216 3151
E-mail: web.queries@computershare.ie

Amalgamation of Accounts

Shareholders who receive duplicate sets of Company mailings owing to multiple accounts in their names may write to the Company's Registrar to have their accounts amalgamated.

Dividends

Shareholders are offered the option of having dividends paid in euro or pounds sterling. Shareholders may also elect to receive dividend payments by electronic

funds transfer directly into their bank accounts, rather than by cheque. Shareholders should contact the Company's Registrar for details.

Dividend Withholding Tax ("DWT")

The Company is obliged to deduct tax at the standard rate of income tax in Ireland (currently 20%) from dividends paid to its shareholders, unless a particular shareholder is entitled to an exemption from DWT and has completed and returned to the Company's Registrar a declaration form claiming entitlement to the particular exemption. Exemption from DWT may be available to shareholders resident in another EU Member State or in a country with which the Republic of Ireland has a double taxation agreement in place and to non-individual shareholders resident in Ireland (e.g. companies, pension funds and charities).

An explanatory leaflet entitled "Dividend Withholding Tax – General Information Leaflet" has been published by the Irish Revenue Commissioners and can be obtained by contacting the Company's Registrar. This leaflet can also be downloaded from the Irish Revenue Commissioners website at <http://www.revenue.ie/leaflets/dwtinfv3.pdf>. Declaration forms for claiming an exemption are available from the Company's Registrar.

CREST

DCC is a member of the CREST share settlement system. Shareholders may continue to hold paper share certificates or hold their shares in electronic form. Shareholders should consult their stockbroker if they wish to hold shares in electronic form.

Financial Calendar

- Preliminary results announced 14 May 2007
- Ex-dividend date for the final dividend 23 May 2007

- Record date for the final dividend 25 May 2007
- Annual General Meeting 20 July 2007
- Proposed payment date for final dividend 26 July 2007
- Interim results announced early November 2007
- Payment date for the interim dividend early December 2007

Annual General Meeting

The 2007 Annual General Meeting will be held at The Four Seasons Hotel, Simonscourt Road, Ballsbridge, Dublin 4, Ireland on Friday 20 July 2007 at 11.00 a.m. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Report.

Electronic Proxy Voting and CREST Voting

Shareholders may lodge a Form of Proxy for the 2007 Annual General Meeting via the internet. Shareholders who wish to submit their proxy in this manner may do so by accessing the Company's Registrar's website at www.computershare.com/ie/voting/dcc and following the instructions which are set out on the Form of Proxy.

CREST members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to footnote 3 of the Notice of Annual General Meeting for instructions on how to do so.

Investor Relations

For investor enquiries please contact:
Conor Murphy,
Investor Relations Manager,
DCC plc, DCC House, Brewery Road,
Stillorgan, Blackrock, Co Dublin, Ireland.
Tel: + 353 1 2799 400
Fax: + 353 1 2799 422
email: investorrelations@dcc.ie

Corporate Information

Auditors

PricewaterhouseCoopers
Chartered Accountants
& Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Bankers

ABN AMRO Bank
Allied Irish Banks
Bank of Ireland
Barclays
BNP Paribas
Deutsche Bank
IIB Bank
KBC Bank
Royal Bank of Scotland
Ulster Bank

Registered and Head Office

DCC House
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