Annual Report and Accounts 2008

DCC is a procurement, sales, marketing, distribution and business support services group headquartered in Dublin. With international operations across sixteen countries and four continents, DCC employs approximately 7,000 people.

DCC has five divisions - DCC Energy, DCC SerCom, DCC Healthcare, DCC Food & Beverage and DCC Environmental. Within these divisions there are 14 business units, ten of which are engaged in procurement, sales, marketing and distribution of own-brand and third party branded products and four of which provide business support services:

DCC Energy	DCC SerCom	DCC Healthcare	DCC Food & Beverage	DCC Environmental
• Oil • LPG • Fuel cards	*SerCom Distribution* IT & entertainment products to • Retailers • Resellers • Enterprise markets	• Acute care products • Mobility & Rehab products	• Healthfoods • Indulgence foods	
	SerCom Solutions • Outsourced procurement and supply chain management services	• Outsourced solutions to the health & beauty sector	• Chilled and frozen logistics	• Waste management and recycling services

DCC's strategy for continuing growth is through:

- **a continued focus on its two broad business activities**
  - procurement, sales, marketing and distribution
  - business support services

- **constant attention to the creation of shareholder value through:**
  - maximising organic growth
  - complementary bolt-on acquisitions
  - focusing on return on capital employed
  - focusing on cash generation

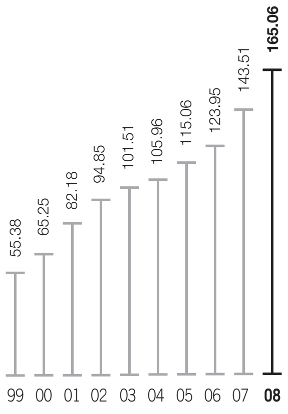
Highlights

for the year ended 31 March 2008

Revenue	Operating profit*
€5,532.0m	€167.2m
Reported +36.7% Constant Currency +39.9%	Reported +19.3% Constant Currency +21.8%
Adjusted earnings per share*	**Dividend per share**
165.06 cent	56.67 cent
Reported +15.0% ** Constant Currency +17.4% **	Reported +15.0%

All constant currency figures quoted in this report are based on retranslating current year figures at prior year translation rates
** excluding net exceptionals and amortisation of intangible assets*
*** continuing activities (excluding the Manor Park Homebuilders contribution in the prior year)*

Adjusted EPS (cent) **
10 year CAGR 14.0%



Group operating profit
geographic split

UK	57%
Republic of Ireland	37%
Rest of world	6%

Contents

DCC Group at a Glance

DCC Energy

DCC Energy is the leading oil and liquefied petroleum gas (LPG) procurement, sales, marketing and distribution business in Britain and Ireland. The oil business sells heating oils, transport fuels and fuel oils to domestic, commercial, agricultural and industrial customers. The LPG business supplies propane and butane in both bulk and cylinders for heating, cooking, transport and industrial processes.

Strong brands (*DCC owned)

- **Oil**
  Scottish Fuels*, Emo Oil*, CPL, Shell, Carlton Fuels*.
- **Gas**
  Flogas*, Ergas*.
- **Fuel card**
  BP, Fastfuel, Esso, Diesel Direct,ReD.

Market position

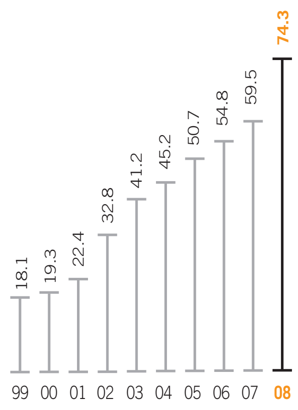
- **Oil**
  Largest oil distributor in Britain.
  A leading player in oil distribution in Ireland.
- **Gas**
  Strong number 2 in LPG distribution in Britain and Ireland.
- **Fuel card**
  A leading player in the fuel card business in Britain.

Growth strategy

- Organic growth in both Britain and Ireland.
- Supplemented by acquisitions in both oil and LPG. Particular focus on a consolidation strategy in the highly fragmented British oil market.

Operating profit (€m)

10 Year CAGR 18.9%
5 Year CAGR 12.5%



DCC SerCom

DCC SerCom comprises two businesses, SerCom Distribution and SerCom Solutions.

- **SerCom Distribution** markets and sells IT and entertainment products to the Retail, Reseller and Enterprise markets.
- **SerCom Solutions** provides outsourced procurement and supply chain management services in Ireland, Poland, China and the USA.

Strong brands (*DCC owned)

- **Retail**
  20th Century Fox, Entertainment in Video, Creative Labs, Disney, EA, Exspect*, Garmin, Linx*, Logitech, Microsoft, Nintendo, Paramount, Symantec, Take Two, Warner.
- **Reseller**
  Acer, Canon, D-Link, Fujitsu Siemens, HP, IBM, Lenovo, Netgear, Samsung, Sharp, Sony.
- **Enterprise**
  EMC2, HP, IBM, Oracle, SonicWall, Sun, Symantec and VMware.
- **Supply chain management**
  SerCom Solutions*.

Market positions

- **Retail**
  A leading distributor of consumer products to a broad range of retailers, e-tailers and catalogue retailers in Britain, Ireland and France.
- **Reseller**
  A leading distributor of IT products to a broad range of resellers and computer dealers in Britain and Ireland.
- **Enterprise**
  A leading distributor of enterprise products to value added resellers, large account resellers and independent software vendors in France, Iberia, Benelux, Britain and Ireland.
- **Supply chain management**
  A leading provider of outsourced procurement and supply chain management services.

Growth strategy

Sercom Distribution

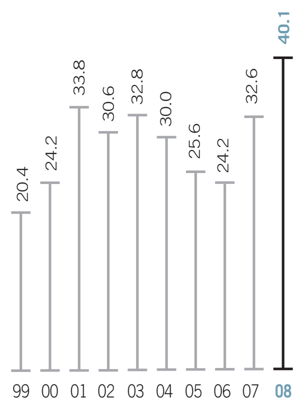
- Organic growth driven by expansion of customer and product portfolios with a particular focus on the Retail and Enterprise markets.

Sercom Solutions

- Extending the offering of its world class procurement and sourcing services in the Americas and the Far East, together with extending its existing operations in Poland.

Operating profit (€m)

10 Year CAGR 9.2%
5 Year CAGR 4.1%



DCC Healthcare

DCC Healthcare is a broadly based healthcare business with operations encompassing:

- Procurement, sales and marketing of healthcare products and provision of related services into the acute sector in Ireland and Britain;
- Procurement, sales and marketing of rehabilitation products in Britain, Ireland, Germany, Australia, New Zealand and other export markets ;
- Provision of outsourced services to the health and beauty sector in Britain and continental Europe.

Strong brands (*DCC owned)

- **Acute care`**
  Cardinal, Diagnostica Stago, Diamed, Ebewe, Fannin*, Fresenius, Grifols, Molnlycke, Oxoid, Smiths Medical, Synthes.
- **Health and beauty#**
  Body Shop, Healthspan, Lamberts, Perrigo, Sara Lee, Vitabiotics.
- **Mobility & rehab**
  Ausmedic*, Biofreeze, Days Healthcare*, Metron*, Physio-Med*, Theraband.

Customers of DCC Health & Beauty Solutions

Market position

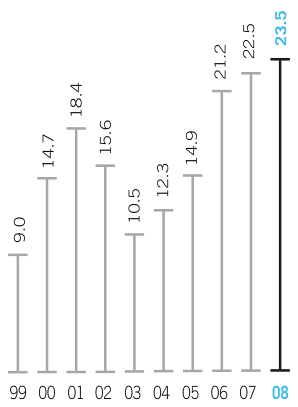
- **Acute care**
  Number 1 in sales and marketing of intra-venous pharmaceuticals, medical, surgical and laboratory products in Ireland. A leading provider of value added distribution services to British hospitals and leading brand owners.
- **Health and beauty**
  A leading European provider of outsourced solutions to health & beauty companies.
- **Mobility & rehab**
  Number 1 in sales and marketing of physiotherapy products in Britain, Australia and New Zealand.
  A leader in sales and marketing of rehabilitation products in Britain.

Growth strategy

- **Acute care**
  Build a substantial international business providing healthcare products and related value-added services to the acute care sector.
- **Health & beauty**
  Expand in European market for outsourced solutions to the health and beauty industry.
- **Mobility & rehab**
  Build a substantial international rehabilitation business based on a broad portfolio of own brand products and procurement excellence.
- **All**
  Strong organic growth of existing businesses, supplemented by acquisitions, principally in Britain.

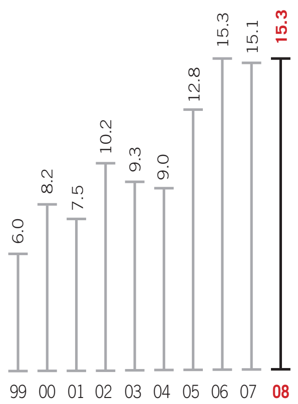
Operating profit (€m)

10 Year CAGR 13.2%
5 Year CAGR 17.3%



Operating profit (€m)

10 Year CAGR 11.9%
5 Year CAGR 10.4%



DCC Food & Beverage

DCC Food & Beverage markets and sells a wide range of company owned and agency branded food and beverage products in Ireland and has a wine business in Britain. It is a market leader in a number of niche market segments in healthfoods, indulgence foods and frozen & chilled logistics.

Strong brands (*DCC owned)

- **Healthfood**
  Alpro, Baxters, Biofreeze, Filippo Berio, Hipp, Kallo, Jordans, Kelkin*, Oblas, Ortis, Pomegreat, St Dalfour, Vitabiotics, Whole Earth.
- **Indulgence**
  Andrew Peace, Bollinger, Elizabeth Shaw, French Connection*, Hula Hoops, KP, Lemons*, McCoys, McVities / Mars Cakes, Phileas Fogg, Ritter, Robert Roberts*, Sacla, Topps, Torres.
- **Logistics/other**
  Allied Foods*, Brodericks*, Kylemore.

Market position

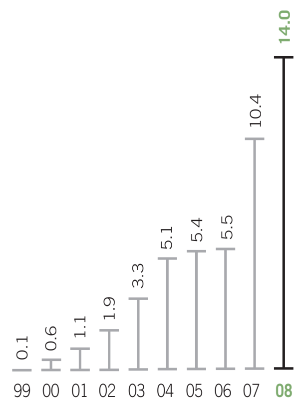
- **Healthfood**
  Market leading positions in healthy foods in Ireland.
- **Indulgence**
  Number 2 in savoury snacks in Ireland.
  Number 2 in freshly ground coffee in Ireland.
- **Logistics**
  A leading player in frozen and chilled food distribution in Ireland.

Growth strategy

- Organic growth through expansion of portfolio of branded health and indulgent foods and beverages.
- Supplemented by acquisitions in Ireland and Britain that will exploit the growing demand for healthy food and beverage products and strengthen other existing market positions.

Operating profit (€m)

9 Year CAGR 79.1%
5 Year CAGR 33.3%



DCC Environmental

DCC Environmental provides a broad range of waste management and recycling services to the industrial, commercial, construction and public sectors in Britain and Ireland. Through its 50% shareholding in William Tracey and its subsidiary Wastecycle, DCC Environmental has built a significant position in the British waste management and recycling industry. DCC Environmental's subsidiary, Enva, is the leading hazardous waste treatment business in Ireland.

Strong brands # (*DCC owned)

Enva* Wastecycle*, Tracey.

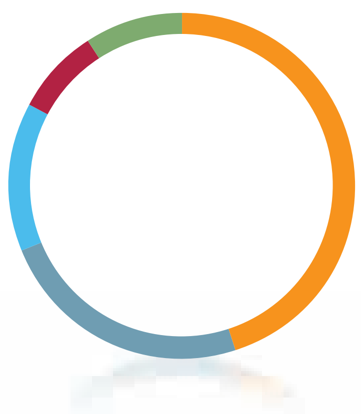
Companies within the Environmental Services division

Market position

- The leading recycling and waste management business in Scotland.
- A leading recycling and waste management company in Nottingham.
- Number 1 hazardous waste treatment business in Ireland.

Growth strategy

- Organic growth opportunities arising from increased enforcement of environmental legislation and increased recycling driven by rising landfill costs.
- Supplemented by acquisitions in Britain and Ireland.



% of Group operating profit

DCC Energy	45%
DCC SerCom	24%
DCC Healthcare	14%
DCC Food & Beverage	9%
DCC Environmental	8%

Board of Directors

Michael Buckley
Chairman

Michael Buckley MA, LPh, MSI (63) was appointed non-executive Chairman on 27 May 2008. He is also a non-executive director of a number of publicly quoted companies in the UK and in the USA, a senior adviser to a number of privately owned Irish and international companies, an adjunct professor at the Department of Economics in UCC and a board member of Enterprise Ireland. He was Group Chief Executive of Allied Irish Banks plc from 2001 to 2005 having served as Managing Director of AIB Capital Markets and AIB Poland. Previously, he was Managing Director of NCB Group and a senior public servant in Ireland and the EU. Mr. Buckley joined the Board in 2005.

Tommy Breen
Chief Executive

Tommy Breen, B Sc (Econ), FCA, (49) was appointed Chief Executive on 27 May 2008 having been Group Managing Director since July 2007. He was previously Chief Operating Officer having held a number of senior management positions in the Group, including those of Managing Director of DCC's Energy and SerCom divisions. Mr. Breen retains responsibility for DCC Environmental. He joined DCC in 1985, having previously worked with KPMG. Mr. Breen joined the Board in 2000.

Tony Barry
Non-executive Director

Tony Barry, Chartered Engineer, (73) was Chairman of CRH plc from 1994 to 2000, having previously been Chief Executive. He is a former Deputy Governor of the Bank of Ireland and was a member of its Court of Directors. He was Chairman of Greencore Group plc and is a past President of The Irish Business and Employers' Confederation. Mr. Barry joined the Board in 1995.

Róisín Brennan
Non-executive Director

Róisín Brennan, BCL, FCA, MSI, (43) is Executive Chairman of IBI Corporate Finance having been Chief Executive since 2006. She has had extensive experience advising public companies in Ireland, principally in relation to strategy and mergers & acquisitions. Ms. Brennan also served as a non-executive director of The Irish Takeover Panel during 2000/2001. Ms. Brennan joined the Board in 2005.

Jim Flavin
Executive Chairman (resigned 27 May 2008)

Jim Flavin, B Comm, DPA, FCA (65) founded DCC and was Executive Chairman from 1 July 2007 until his resignation from the Board and his executive position on 27 May 2008. He had been Chief Executive since the foundation of the Company in 1976. Prior to founding DCC, Mr. Flavin was head of AIB Bank's venture capital unit. From 1999 to 2001, he was Deputy Chairman and Senior Independent Director of eircom plc. Mr. Flavin was the first Chairman of the Irish Venture Capital Association and was a member of the Steering Committee, established by the European Commission, that founded the European Venture Capital Association.

Paddy Gallagher
Non-executive Director

Paddy Gallagher, BL, DPA, (68) retired as Head of Legal and Pensions Administration at Guinness Ireland Group in 2000. He is Chairman of the Trustees of the An Post Superannuation Schemes and of the Guinness Ireland Group Pension Scheme and is a former Chairman of the Irish Association of Pension Funds. Mr. Gallagher joined the Board in 1976.

Maurice Keane
Non-executive Director

Maurice Keane, B Comm, M Econ Sc, (67) was a member of the Court of Directors of Bank of Ireland from 1983 to 2005, and Chief Executive from 1998 to 2002. He is a director of Axis Capital Holdings Limited and is a member of the National Pension Reserve Fund Commission. Previously, Mr. Keane was Chairman of BUPA Ireland and of Bristol & West plc. Mr. Keane joined the Board in 2002.

Fergal O'Dwyer
Executive Director

Fergal O'Dwyer, FCA, (48) has been Chief Financial Officer since 1994. He joined DCC in 1989 having previously worked with KPMG in Johannesburg and Price Waterhouse in Dublin. Mr. O'Dwyer joined the Board in 2000.

Bernard Somers
Non-executive Director

Bernard Somers, B Comm, FCA, (59) is a non-executive director of Allied Irish Banks plc, Independent News and Media plc and Irish Continental Group plc. He is a former director of the Central Bank of Ireland. Mr. Somers is the founder of Somers & Associates, which has built a substantial practice in corporate restructuring. He has also been an investor in and a director of several start-up companies. Mr. Somers joined the Board in 2003 and is the Senior Independent Director.

Alex Spain
Chairman (retired 30 June 2007)

Alex Spain, B Comm, FCA (76) was non-executive Chairman from the foundation of DCC in 1976 until his retirement from the Board on 30 June 2007. He is a director of a number of other companies. He was Managing Partner of KPMG in Ireland from 1977 to 1984. Mr. Spain is a former President of the Institute of Chartered Accountants in Ireland and a former Chairman of the Financial Services Industry Association in Ireland.

Audit Committee
Bernard Somers (Chairman)
Róisín Brennan
Maurice Keane

Nomination Committee
Michael Buckley (Chairman)
Maurice Keane
Bernard Somers

Remuneration Committee
Maurice Keane (Chairman)
Róisín Brennan
Michael Buckley
Bernard Somers

Senior Management
group and divisional

Tommy Breen Director	Chief Executive
Fergal O'Dwyer Director	Chief Financial Officer
Conor Costigan	Managing Director DCC Healthcare
Niall Ennis	Managing Director DCC SerCom
Frank Fenn	Managing Director DCC Food & Beverage
Donal Murphy	Managing Director DCC Energy
Ann Keenan	Head of Group Human Resources
Colman O'Keeffe	Deputy Managing Director DCC Energy
Peter Quinn	Head of Group IT
Michael Scholefield	Managing Director DCC Corporate Finance
Gerard Whyte Group Secretary	Compliance Officer & Head of Enterprise Risk Management

Senior Management
subsidiaries and joint ventures

DCC Energy

Oil	GB Oils	Sam Chambers	Managing Director
	Emo Oil	Gerry Wilson	Managing Director
	DCC Energy (NI)	Pat O'Neill	Operations Director
LPG	Flogas UK	Paddy Kilmartin	Managing Director
	Flogas Ireland	Richard Martin	Managing Director
Fuel card	Fuel Card Group	Ben Jordan	Chief Operations Officer

DCC SerCom

Retail	Gem Distribution	Chris Peacock	Managing Director
	Pilton	Nick Furlong	Managing Director
	Banque Magnetique	Claude Dupont	Directeur Général
Reseller	Micro Peripherals	Mike Alden	Managing Director
	Sharptext	Paul White	Managing Director
Enterprise	Distrilogie	Patrice Arzillier	Directeur Général
Supply chain management	SerCom Solutions	Kevin Henry	Chief Executive Officer

DCC Healthcare

Acute care	Fannin	Andrew O'Connell	Managing Director
	Squadron Medical	Peter Wyslych	Managing Director
Health & beauty solutions	DCC Health & Beauty Solutions	Stephen O'Connor	Managing Director
	Eurocaps	Adrian Williams	Managing Director
	Laleham	Tim O'Connor	Managing Director
Mobility & rehab	DCC Mobility & Rehab	Graham White	Managing Director
	Ausmedic Australia	Ashley Williams	Managing Director
	Physio Med Services	John Gregory	Managing Director

DCC Food & Beverage

Health food	Kelkin	Bernard Rooney	Managing Director
Indulgence	Robert Roberts	Tom Gray	Managing Director
	Bottle Green	Jon Eagle	Managing Director
Logistics	Allied Foods	John Casey	Managing Director
Other	Broderick Bros	Richard Kieran	Managing Director
	Kylemore Foods Group *	Brian Hogan	Managing Director

DCC Environmental

	William Tracey *	Michael Tracey	Managing Director
	Wastecycle	Mike Shearstone	Executive Chairman
	Enva	Declan Ryan	Managing Director

** Joint venture*

Chairman's Statement

Michael Buckley
Chairman

"DCC's excellent track record of fourteen years' unbroken profit growth is based on a good mix of organic growth and successful acquisitions. Its strong financial position and experienced management team are the foundations on which we can look forward to a continuation of its robust performance."

Board changes

On Jim Flavin's resignation as Executive Chairman and as a Director of DCC on 27 May 2008, the Board appointed me as non-executive Chairman and appointed Tommy Breen, who had been Group Managing Director since July 2007, as Chief Executive. I want to begin this, my first statement as Chairman, by paying tribute to Jim Flavin for the robust, balanced and growth-oriented company he created and led over a 32 year period. Since I joined the Board, in September 2005, I have been struck by the quality, focus and cohesiveness of the management team he built. At Board level, the six non-executive directors bring considerable and varied experience and independence of judgment to the table.

Two key tasks for me in the coming year will be

- To ensure Board oversight of the strategic review process which has been under way for some time and which will be completed by March 2009. Every company needs to undertake such a review periodically to ensure that it is maximising the growth opportunities available to it and that it is correctly structured to ensure that the market reflects the inherent value of its business lines.
- To ensure as a priority during the current financial year that significant progress is made in the ongoing task of Board renewal, balancing continuity with the need to bring in fresh and relevant experience.

In respect of both these tasks, and in everything else I do as Chairman, it will be my aim to ensure that I hear and listen to the views of DCC's shareholders, both domestic and international, a task which I have already begun through a programme of meetings with significant shareholders.

Results overview

The year to 31 March 2008 was an excellent year of growth and development for DCC. The results reflect strong organic growth and a contribution from successful acquisitions. Highlights of the year include:

- 36.7% growth in revenue to €5.532 billion, driven by strong organic growth, the increase in energy prices and acquisitions.
- Excellent growth in operating profit of 19.3%, maintaining DCC's unbroken record of profit growth since flotation in 1994. Compound annual growth in operating profits in the 14 years since flotation is 15.5%.
- Adjusted earnings per share from continuing activities (excluding the Manor Park Homebuilders contribution in the prior year) increased by 15.0%.

Dividend increase

The Directors are recommending a final dividend of 36.12 cent per share which, when added to the interim dividend of 20.55 cent per share, gives a total dividend of 56.67 cent per share for the year, a 15% increase over the prior year dividend of 49.28 cent per share. The dividend is covered 2.9 times by adjusted earnings per share (3.2 times in 2007). It is proposed to pay the final dividend on 24 July 2008 to shareholders on the register at the close of business on 30 May 2008.

Fyffes case

Issues arising from the Irish Supreme Court decision on the Fyffes case have been a matter of concern during the year. Shareholders will be aware that, on 27 July 2007, the Supreme Court, overturning a decision by the High Court, found that two trading reports, which Jim Flavin had in his possession as a director of Fyffes at the time of the sale of 31,169,493 shares in Fyffes in 2000, were price sensitive. As a result of the Supreme Court decision, DCC was obliged to pay to Fyffes a sum that was to be determined by the High Court, relating to the profits on the sale. As announced on 14 April 2008, a settlement was subsequently agreed with Fyffes and counterparties in respect of all claims, interest and costs for an amount of €41 million. An exceptional charge of €50 million for this amount and DCC's own costs has been made in these financial statements.

Following announcement of the settlement, the Board was for the first time in a position comprehensively to set out the factors which it had taken into account in deciding to endorse Jim Flavin's continuation in his three year transitional role as Executive Chairman. It did so in a statement reviewed by the Company's solicitors, specifically in relation to any reference made in it to the Court judgments, which was included in a Stock Exchange announcement on 20 May 2008. (The statement forms the appendix to the Corporate Governance section of this Annual Report and Accounts).

The matters which the Board reviewed and the factors which it took into account in coming to its decision were intrinsically complex and required judgment. The process it undertook was rigorous and in

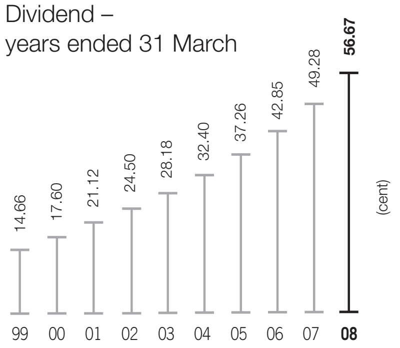
Revenue

+36.7%

Operating profit

+19.3%

Dividend –
years ended 31 March



Dividend CAGR
10 yrs 16.6%

accordance with corporate governance standards. Our judgment as experienced business people was exercised with appropriate advice, and in good faith. We based it solely on our assessment of what was in the overall interest of the Company and its shareholders. However, we have always understood that others might come to a different judgment. There has been very substantial Irish media coverage of the case.

Throughout the period since the Irish Supreme Court ruling and the subsequent Board decision, I, as the then Senior Independent Director, had been available to shareholders, both domestic and international, to discuss any issues they had in that context. Feedback from a large majority of shareholders was supportive of the Board position, but discussions with the Irish Association of Investment Managers (IAIM), whose members collectively hold about 15% of the DCC share capital, in the second half of 2007 had resulted in the Association reserving its position.

Some weeks after the announcement of the settlement referred to above, the IAIM informed me that its members disagreed with the Board position. On 22 May 2008, the IAIM issued a statement in which it made it clear that it had reached a different judgment to the Board and in which it said “the IAIM does not consider it appropriate for Mr. Flavin to continue as Executive Chairman of DCC”.

On 26 May 2008, when the Board met to discuss the IAIM statement, Jim Flavin informed it that he was seriously considering resigning. The following day, the Board learned of the intention of the Irish Director of Corporate Enforcement (ODCE) to apply to the High Court for the appointment of Inspectors, under Section 8 of the Companies Act, 1990, to investigate and report on whether certain provisions of the Companies Acts were breached in the transactions relating to the intra-group transfer of the Fyffes shares by DCC in 1995 and their disposal in 2000. When the Board met that day to discuss this development, Jim Flavin informed it that his decision to resign was final, due to the continuing uncertainty arising from the outcome of the Fyffes litigation. A Stock Exchange announcement to that effect was made on the evening of 27 May 2008.

The ODCE application will be heard by the High Court on 19 June 2008.

Corporate governance and risk management

A detailed statement, set out on pages 44 to 49, describes how DCC has applied the Principles of Good Governance and Code of Best Practice as set out in the Combined Code on Corporate Governance. In line with a number of companies internationally, the Directors have decided, starting with this year’s Annual General Meeting, to adopt the practice that all Directors will present themselves for re-election at each Annual General Meeting.

The Board is satisfied that the Group has effective ongoing processes for identifying, evaluating and managing risks faced by the Group. DCC’s Group Secretary, Gerard Whyte, also heads up DCC’s Enterprise Risk Management function which incorporates Group Internal Audit and Group Environmental Health and Safety. The Board is satisfied that this is a high quality unit which carries out its function in an independent, dedicated and responsible fashion. In addition, the Chief Executive acts as Chairman of an executive Risk Committee, which constantly monitors and addresses Group risks, including issues raised by Enterprise Risk Management.

Management and staff

A key strength of the DCC Group is the commitment and loyalty of the 7,000 management and staff throughout the sixteen countries in which we operate. On behalf of the Board, I wish to thank them for their commitment and loyalty to DCC and congratulate them on delivering very good results for the year.

Outlook

There is a less favourable economic backdrop against which to do business in the current financial year. However, we have had a good start . We intend to continue to grow both organically and by acquisition and believe that the climate for making acquisitions will favour companies with strong balance sheets such as DCC.

Michael Buckley
Chairman
9 June 2008

Chief Executive's Review

Tommy Breen
Chief Executive

"In the year ended 31 March 2008, DCC enjoyed excellent growth in revenue, operating profit and adjusted earnings per share. Operating profit growth, on a constant currency basis, was 21.8%, of which approximately 8% was organic."

Results highlights

		Change on prior year	
	€	Reported	Constant currency
Revenue	5,532.0m	+36.7%	+39.9%
Operating profit*	167.2m	+19.3%	+21.8%
Exceptional profit (net)	39.6m		
Profit before tax	181.7m	+12.3%	+14.2%
Adjusted earnings per share*	165.06 cent	+15.0%**	+17.4%**
Dividend per share	56.67 cent	+15.0%	

All constant currency figures quoted in this report are based on retranslating current year figures at prior year translation rates

* *excluding net exceptionals and amortisation of intangible assets*

** *continuing activities (excluding the Manor Park Homebuilders contribution in the prior year)*

In the year ended 31 March 2008, DCC enjoyed excellent growth in revenue, operating profit and adjusted earnings per share. Operating profit growth, on a constant currency basis, was 21.8%, of which approximately 8% was organic. The growth momentum achieved in the first half of the year accelerated in the seasonally more significant second half. A summary of the second half and first half operating profit by division is set out hereunder:

	Second half	Change on prior year		First half	Change on prior year	
	€'m	Reported	Constant currency	€'m	Reported	Constant currency
Operating profit*						
DCC Energy	59.8	+25.2%	+30.1%	14.5	+23.9%	+22.4%
DCC SerCom	27.6	+24.8%	+27.9%	12.5	+18.8%	+18.0%
DCC Healthcare	13.1	+2.5%	+5.4%	10.4	+6.5%	+5.9%
DCC Food & Beverage	8.3	+7.1%	+7.5%	7.0	-4.3%	-4.4%
DCC Environmental	6.8	+16.7%	+23.8%	7.2	+56.7%	+54.9%
Group operating profit	115.6	+20.1%	+24.1%	51.6	+17.6%	+16.7%

* *excluding net exceptionals and amortisation of intangible assets*

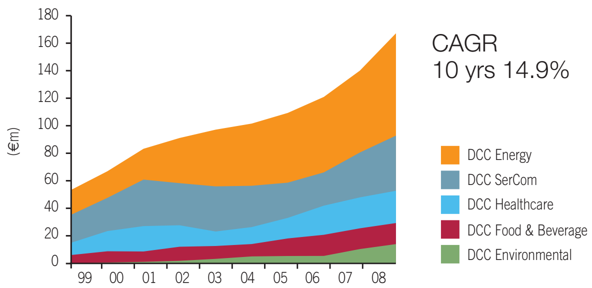
Adjusted earnings per share

+15.0%

Dividend per share

+15.0%

Operating profit (continuing) – years ended 31 March



Divisional highlights

Detailed business reviews for each of the five divisions are set out on pages 14 to 33. Some of the highlights of the year include:

- DCC Energy sold 4.3 billion litres of product in the year, an increase of 32.3% on the previous year's 3.2 billion litres. The most significant part of this increase was in the British oil distribution business which started the year as clear market leader and, through strong organic growth and a number of acquisitions, ended the year approximately three times the size of its nearest competitor. The largest acquisitions were those of CPL Petroleum, a large nationwide oil distributor, and Southern Counties Fuels, a regional distributor based in the south of England. DCC Energy's oil distribution business in Britain now has an approximate 10% share of a very fragmented market and has an excellent platform from which to grow.

- DCC SerCom has significantly strengthened its position in European retail consumer electronics distribution through the acquisition of Banque Magnetique, a Paris based company. Banque Magnetique is a leading distributor of consumer electronics and IT peripherals to the French retail market. This acquisition brings DCC SerCom important new supplier relationships, a new customer base and a platform from which to grow its sales of DCC's range of own branded products.

- DCC Healthcare achieved one of its key strategic objectives by creating a platform for growth in the acute care sector in Britain through the acquisition of Squadron Medical, a Derbyshire based company. Squadron provides specialist value added distribution services to British acute care hospitals and to leading healthcare brand owners. Since the year end, DCC has completed the bolt-on acquisition of a complementary Scottish based business. These businesses, which will be integrated over the coming year, provide DCC Healthcare with increased scale and opportunity to build a significant acute care business in Britain.

- DCC Food & Beverage achieved excellent organic growth in sales of its own branded Kelkin products during the year. Kelkin is the leading Irish brand of healthy foods and beverages, selling directly to the grocery sector and has benefited from increased investment in the brand in recent years. Particularly encouraging was the momentum achieved during the year in sales of the Kelkin branded VMS range of products to the pharmacy sector, which had been initially rolled out in 2006.

- In DCC Environmental, both William Tracey (in which DCC has a 50% joint venture shareholding) and Wastecycle enjoyed excellent organic growth. These companies have specialist recycling skills and are benefiting from increased legislation and landfill tax in Britain. New regulations, requiring all waste to be treated prior to disposal to landfill and a doubling of landfill tax between April 2008 and April 2010, provide a positive background for these businesses.

Exceptional profit

As DCC announced on 19 December 2007, the dividend received from Manor Park Homebuilders and the subsequent sale of the shareholding gave rise to a profit on cost of €180 million and an exceptional profit on carrying value of €94.7 million. This exceptional profit, less the exceptional charge of €50 million for the settlement and costs of the Fyffes action (announced on 14 April 2008) and other net exceptional charges of €5.1 million, resulted in a net exceptional profit before tax in the year of €39.6 million.

Chief Executive's Review
(continued)

"During the financial year, DCC spent €179.6 million on acquisitions, more than in any previous year. These acquisitions provide new platforms for growth across a number of our businesses."

Acquisitions and organic development expenditure

Acquisition and organic development expenditure, including additional working capital investment in the year, amounted to €351.6 million as set out below.

During the financial year, DCC spent €179.6 million on acquisitions, more than in any previous year. These acquisitions provide new platforms for growth across a number of our businesses.

During the year, capital expenditure of €87.6 million was spent on facilities and equipment across the Group to support future growth.

The net increase in working capital in the Group was €84.4 million. The principal increase was in DCC Energy which primarily resulted from the higher cost of oil. DCC SerCom's working capital levels were reduced by €20.5 million.

Against the background of this significant acquisition and development expenditure, DCC's return on capital employed (including intangible assets) remained strong at 17.5% compared to 17.9% in the prior year.

Financial strength

At 31 March 2008, DCC had net debt of €123.7 million (€100.5 million: 2007) and total equity of €742.4 million (€687.7 million: 2007). The Group's net debt levels averaged €242 million during the year compared to €232 million in the prior year. DCC continues to be well placed financially to pursue its organic and acquisition growth objectives.

Acquisitions and organic development expenditure

	Acquisitions €'m	Capex €'m	Working Capital €'m	Total €'m
DCC Energy	105.2	38.2	101.6	245.0
DCC SerCom	50.5	3.2	(20.5)	33.2
DCC Healthcare	21.8	15.1	6.3	43.2
DCC Food & Beverage	-	17.1	(5.2)	11.9
DCC Environmental	2.1	14.0	2.2	18.3
Total	179.6	87.6	84.4	351.6

"DCC has had an excellent start to the current financial year and continues to be well positioned both commercially and financially to augment growth through acquisition activity."

Strategy review

As previously announced, a reappraisal of DCC's overall strategic direction is being undertaken so that DCC is best positioned for sustainable long-term growth. This process is ongoing and recommendations will be reviewed by the Board at the end of the financial year.

This reappraisal does not imply that DCC's strategy is in some way flawed. Demonstrably, the strategy that DCC has pursued since it went public in 1994 has delivered consistently good results. However, the diversity of DCC's business model, while reducing risk, makes DCC more complex from a management perspective and more difficult to explain to investors.

The highly profitable realisation of value by DCC of its 49% shareholding in Manor Park Homebuilders last December was part of DCC's strategy to redeploy capital into core business activities. Shareholders will be familiar with DCC's market sector based divisions, DCC Energy, DCC SerCom, DCC Healthcare, DCC Food & Beverage and DCC Environmental. Within these five divisions there are fourteen businesses, each with different characteristics such as return on capital, growth records and opportunities, competitors and management expertise.

In the reappraisal of DCC's strategy, the Board will analyse the relative opportunity to create shareholder value from each of these business units. Shareholders should not anticipate any particular change in strategy at this stage. The Board will come to a logical conclusion based on the completion of the strategy reappraisal process and will continue to be mindful of the fact that the management of diversity is a core competence of DCC. The central objective is to ensure that DCC continues to pursue a strategy which maximises shareholder value on a consistent basis over the long term.

Corporate social responsibility

DCC recognises its responsibilities to all stakeholders and is fully committed to the management of all aspects of its business to the highest standards to fulfil these responsibilities. This is set out in the Corporate Social Responsibility statement on pages 40 to 41. DCC currently employs approximately 7,000 people in sixteen countries. We encourage a management culture throughout the Group that properly respects the contribution of each employee. I thank them all for their contribution.

Jim Flavin

On 27 May 2008, Jim Flavin, who founded DCC in 1976, resigned as Executive Chairman. Since its foundation, Jim has led the hugely successful development of DCC with exceptional passion and commitment. I worked closely with Jim for more than twenty two years and was the beneficiary of his inspirational leadership and vision throughout that period. All of my colleagues throughout the Group and I would like to wish Jim and his family every success and happiness in the future.

It is an honour to have been appointed Chief Executive of a company with the track record of success of DCC and I look forward to continuing to work closely with the exceptional team of people throughout the Group.

On 27 May 2008, Michael Buckley was appointed non-executive Chairman and I was appointed Chief Executive. Michael joined the Board of DCC in 2005 and was Senior Independent Director. We are fortunate to have a person of Michael's skills and experience as Chairman.

Outlook

DCC is budgeting for strong earnings growth in the range of 12% to 15%, on a constant currency basis, in the current financial year. However, the impact of the translation of the significant proportion of DCC's profits that are sterling based into euro at the approximate current exchange rate of Stg£0.80 = €1 would result in reported earnings growth in the range of 2% to 5%.

DCC has had an excellent start to the current financial year and continues to be well positioned both commercially and financially to augment growth through acquisition activity.

Tommy Breen
Chief Executive
9 June 2008

Business Review

DCC Energy

DCC Energy is the leading oil and liquefied petroleum gas (LPG) sales, marketing and distribution business in Britain and Ireland. DCC sold 4.36 billion litres of product to c. 500,000 domestic, commercial, industrial and agricultural customers from its extensive network of 194 depots throughout Britain and Ireland.

DCC Energy currently employs approximately 2,700 people.

Revenue
€3,420.0m

Operating profit
€74.3m

	2008	2007	Change on prior year Reported	Change on prior year Constant Currency
Revenue	€3,420.0m	€2,247.9m	+52.1%	+56.5%
Operating profit	€74.3m	€59.5m	+25.0%	+28.6%
Return on capital employed				
- excluding intangible assets	45.8%	49.9%		
- including intangible assets	20.6%	22.7%		

Business Review

DCC Energy

DCC sells oil under a portfolio of strong brands including Carlton Fuels, CPL, Emo Oil, Scottish Fuels and Shell.

Businesses and markets

DCC Energy's oil business supplies heating oils, transport fuels and fuel oils to domestic, commercial, agricultural and industrial customers in Britain and Ireland. DCC is the largest oil distributor in Britain, selling c. 3.2 billion litres of product on a pro forma basis, which gives DCC approximately 10% of the market*. DCC has been a consolidator of the highly fragmented oil distribution market in Britain having first entered the market with the acquisition of BP's business in Scotland in September 2001.

In Northern Ireland, DCC Energy is the largest oil distributor with a market share of approximately 20%, while in the Republic of Ireland, DCC Energy has approximately 7% of the market. DCC Energy sells oil under a portfolio of strong brands including Carlton Fuels, CPL, Emo Oil, Scottish Fuels and Shell. DCC has an excellent operational infrastructure in the oil business which it has leveraged to grow strongly in the national account sector of the market.

The LPG business supplies propane and butane in both bulk and cylinders to domestic, commercial, agricultural and industrial customers for heating, cooking, transport and industrial processes and has an extensive operational infrastructure in both Britain and Ireland. Trading under the Flogas brand, DCC Energy is the number two player in the LPG market in both Britain and Ireland with market shares of approximately 20% and 36% respectively. DCC has been a consolidator of the British LPG market and has created significant shareholder value over the last number of years through its acquisition and integration activities. The business also distributes a range of LPG fuelled appliances such as mobile heaters, barbeques and patio heaters.

DCC first entered the fuel card market through the acquisition of the Fuel Card Group in January 2005. The business now sells in excess of 255 million litres of motor fuel annually via a portfolio of fuel cards under the BP, Esso, Shell, Texaco, Diesel Direct and ReD brands. Fuel cards have become an essential tool for commercial organisations to manage their ever increasing transport fuel costs and DCC Energy provides its customers with access to the breadth of the UK retail petrol station and bunker networks through its portfolio of branded fuel cards. In addition, DCC provides its customers with detailed information on their fuel utilisation to enable them to minimise their transport costs.

DCC Energy purchases its oil and LPG from the major oil companies and has excellent long-standing relationships with the major suppliers in the market, operating a portfolio approach to the management of its supply base. DCC's financial strength enables DCC Energy to be a preferred partner of the major oil companies, which is particularly important in these days of high oil prices.

Performance management

DCC has over 30 years involvement in the energy distribution market and with this comes a depth of experience and industry knowledge which enables DCC to drive superior returns. The business demands detailed hands-on management and the performance of the business is constantly monitored through a broad range of key indicators, principally focused on sales volume growth, margin, operational and cost efficiencies, cash flow and capital utilisation.

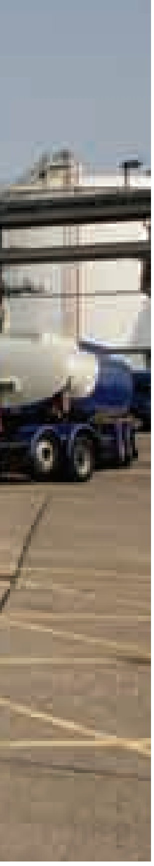
Over the past 10 years, DCC Energy has achieved a compound annual growth rate of 18.9% in operating profit.

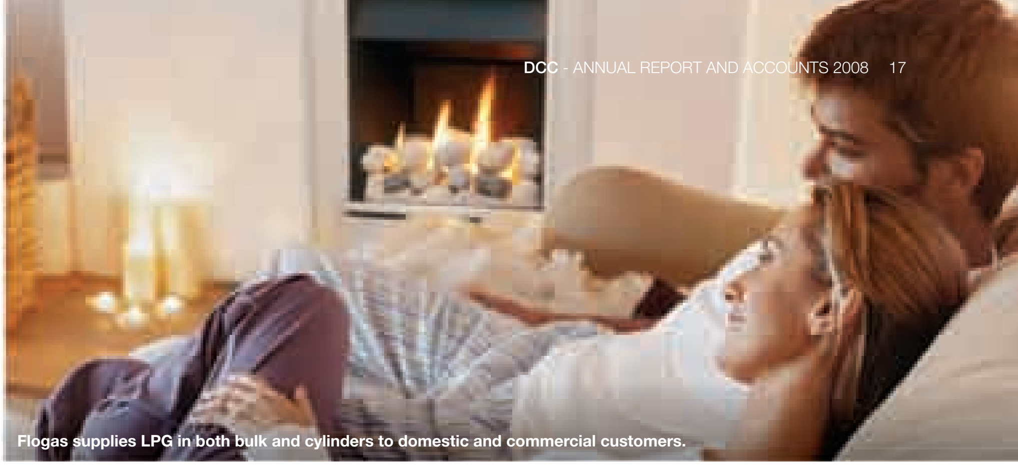
Performance for the year ended 31 March 2008

DCC Energy achieved excellent growth in the year with operating profit 25% ahead of the prior year. Operating profit growth on a constant currency basis was 28.6%, of which organic growth was approximately 10%. This result was particularly pleasing considering it was another year of above average temperatures, albeit colder than the prior year. The business also had to deal with the dramatic rise in the cost of product during the year.

DCC Energy sold 4.3 billion litres of product in the year, an increase of 32.3% on the prior year, further strengthening its position as the leading oil and LPG distributor in Britain and Ireland.

* *The market is defined as fuels sold to the domestic, commercial, agricultural, industrial and haulage sectors of the transport fuels market (i.e. excluding the retail petrol station market).*





Flogas supplies LPG in both bulk and cylinders to domestic and commercial customers.

DCC sells motor fuel through a portfolio of fuel cards under the BP, Emo, Esso, Shell, Texaco, Diesel Direct and ReD brands.

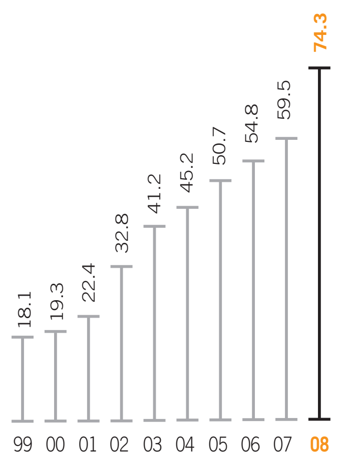
“A consolidator of the highly fragmented oil distribution market in Britain.”

Donal Murphy
Managing Director

“DCC Energy sold 4.3 billion litres of product to c. 500,000 customers in Britain and Ireland”

Operating profit (€m)

10 Year CAGR 18.9%
5 Year CAGR 12.5%



It was an excellent year of growth and development for the oil business in Britain. The business benefited from the acquisitions completed in the prior year and first time contributions from acquisitions completed during the year. DCC Energy achieved excellent organic growth from its extensive nationwide infrastructure and from its focus on growing the proportion of its business in the non heating dependent segments of the market.

The LPG business increased its sales volumes during the year, but the dramatic rise in the price of propane resulted in a modest, short-term reduction in operating profit.

DCC's fuel card business had another year of excellent growth, with the business benefiting from the integration of an acquired fuel card business and strong organic volume growth.

Strategy and development

In oil distribution, DCC's strategy is to achieve a 20% share of the British market. Having established strong market shares in both Scotland and the north of England, the primary focus is on developing its business in the south of England and Wales. DCC Energy is also leveraging its extensive nationwide operational infrastructure to drive high levels of organic growth, with a particular focus on the non heating dependent segments of the market and on national accounts. The business is also focused on cross-selling add-on products and services, such as lubricants and boiler maintenance services, to its extensive customer base.

In the LPG market, DCC Energy will continue to leverage its position as the strong number two player in the market to drive organic growth on a sector by sector basis in both Britain and Ireland.

DCC Energy will continue to target high levels of organic growth in the fuel card market and invest in new telesales teams to cross-sell fuel cards to its extensive oil distribution customer base. DCC Energy will continue to position itself as the partner of choice for all the providers of branded fuel cards in the market.

Outlook

DCC Energy is budgeting for excellent constant currency operating profit growth in the current financial year.

Business Review
DCC SerCom

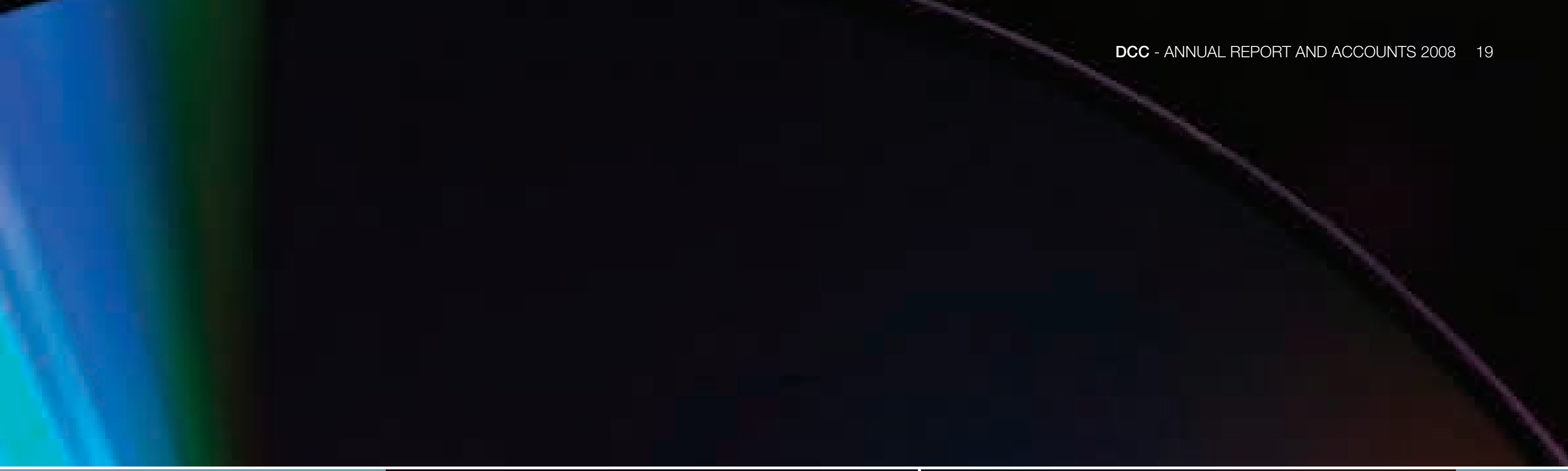
DCC SerCom comprises two businesses, SerCom Distribution and SerCom Solutions.

SerCom Distribution markets and sells IT and entertainment products to

- *the Retail market* - a leading distributor of consumer electronics, peripherals and home entertainment products to retailers, e-tailers and catalogue retailers in Britain, Ireland and France
- *the Reseller market* - a leading distributor of IT products to the reseller and dealer channel in Britain and Ireland , and
- *the Enterprise market* - a leading European distributor of enterprise servers, storage and software to value-added resellers, large account resellers and independent software vendors.

SerCom Solutions provides outsourced procurement and supply chain management services in Ireland, Poland, China and the USA.

DCC SerCom currently employs approximately 1,360 people.



Revenue
€1,423.4m

Operating profit
€40.1m

	2008	2007	Change on prior year Reported	Change on prior year Constant Currency
Revenue	€1,423.4m	€1,218.0m	+16.9%	+18.8%
Operating profit	€40.1m	€32.6m	+22.9%	+24.7%
Operating margin	2.8%	2.7%		
Return on capital employed				
- excluding intangible assets	24.2%	22.4%		
- including intangible assets	15.3%	13.8%		

Business Review
DCC SerCom

The Retail business benefited from a favourable market for games.

Businesses and markets

SerCom Distribution
The Retail business sells to a broad range of retailers, e-tailers and catalogue retailers in Britain, Ireland and France. The products distributed include business software, games consoles, software & peripherals, consumer electronics, DVDs and audio visual accessories. End users are typically consumers. Brands include 20th Century Fox, Entertainment in Video, Creative Labs, Disney, EA, Garmin, Logitech, Microsoft, Nintendo, Paramount, Symantec, Take Two, Warner and DCC's own brands, Linx and Exspect.

The Reseller business sells to a broad range of resellers and computer dealers in Britain and Ireland. The products distributed include PCs, servers, printers, peripherals, storage and network products and the end users are generally small or medium businesses. Vendors include Acer, Canon, D-Link, Fujitsu Siemens, HP, IBM, Lenovo, Netgear, Samsung, Sharp and Sony.

The Enterprise business sells to value added resellers, large account resellers and independent software vendors in France, Iberia, Benelux, Britain and Ireland. The products distributed include a range of servers, storage and data management, security, storage and virtualisation software from a broad range of vendors. End users are generally large businesses. Vendors include EMC2, HP, IBM, Isilon, Oracle, SonicWall, Sun, Symantec and VMware.

SerCom Solutions
Headquartered in Ireland, SerCom Solutions also has operations in Poland, the United States and China, delivering a range of specialist supply chain management services including procurement, sourcing, demand management, consigned stock programmes, contract hardware assembly, vendor and end-user fulfilment and desktop publishing. The business is a strategic supply chain partner for many of the world's leading technology and telecommunications companies including Apple, Canon, Nortel and Thomson Telecom and is working closely with SerCom Distribution on the sourcing and supply of DCC's own brand products.

SerCom Solutions employs state of the art IT systems and procurement processes to deliver effective supply chain management solutions to its customers to allow them to constantly lower the cost of components, reduce manufacturing lead times, minimise inventory and obsolescence and to effectively identify and qualify alternative sources of products.

Performance management

DCC SerCom is focused on delivering sustained profit growth and superior returns on capital employed. The performance of the business is closely monitored through a range of performance indicators, including sales growth, gross margins, rebate target achievement, operational and cost efficiencies, operating profit, cash flow and capital utilisation. In addition, a range of working capital metrics are used to continuously monitor and manage the value and profile of working capital.

Over the past ten years, DCC SerCom has achieved a compound annual growth rate of 9.2% in operating profit.

Performance for the year ended 31 March 2008

DCC SerCom achieved excellent operating profit growth of 22.9% in the year. The operating profit growth on a constant currency basis was 24.7%, of which organic growth was approximately 13%.

SerCom Distribution's Retail focused business, comprising Gem, Pilton and Banque Magnetique, had an excellent year. The business benefited from the acquisition of Banque Magnetique and a favourable market environment for games. The business increased its market share with key customers, broadened its product portfolio and made significant progress developing DCC's own-brand business.

SerCom Distribution's Reseller business, comprising Micro-P and Sharptext, had a disappointing year. Despite increased volumes, difficult market conditions and ongoing severe price deflation in PCs and printers resulted in reduced profits for the year.

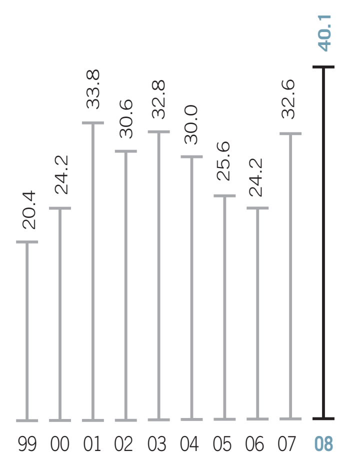
SerCom Distribution's Enterprise business, Distrilogie, achieved good profit growth. The business grew its market share and expanded its product portfolio.

Niall Ennis
Managing Director

"SerCom Solutions employs state of the art IT systems and procurement processes."

Operating profit (€m)

10 Year CAGR 9.2%
5 Year CAGR 4.1%



The Retail business sells a broad range of products, including DCC's own brands, Linx and Exspect.

SerCom Solutions had an exceptional year, reflecting strong growth in demand for its supply chain management services. During the year, the business commenced operations in the United States and made good progress in its procurement initiatives in the Far East in co-operation with SerCom Distribution.

Strategy and development

DCC SerCom's strategy is to deliver consistent long-term profit growth and industry leading returns on capital employed. SerCom Distribution will continue to pursue its aims of expanding its customer and product portfolios, with a particular focus on the retail and enterprise markets and on deriving maximum synergies from the recent acquisition of Banque Magnetique. SerCom Solutions will continue to extend its world class procurement and sourcing services in the Americas and the Far East as well as its existing operations in Poland.

SerCom Distribution is expanding its product portfolio.

"Significant progress developing DCC's own-brand business."

Outlook

SerCom Distribution is budgeting for another year of strong constant currency operating profit growth reflecting the development initiatives put in place in the last financial year. SerCom Solutions' results will be significantly impacted by the loss of a material element of its procurement business in Ireland, arising from a change in strategy by a major customer. Overall, DCC SerCom is budgeting for modest constant currency growth in operating profits in the current financial year.

Business Review
DCC Healthcare

DCC Healthcare is a broadly based healthcare products and services group with operations encompassing:

- Procurement, sales and marketing of healthcare products and provision of related services to hospitals in Ireland and Britain;
- Provision of outsourced services to the health and beauty sector in Britain and continental Europe.
- Procurement, sales and marketing of rehabilitation products in Britain, Ireland, Germany, Australia, New Zealand and other markets.

DCC Healthcare currently employs approximately 1,300 people.

Revenue
€286.8m

Operating profit
€23.5m

	2008	2007	Change on prior year Reported	Change on prior year Constant Currency
Revenue	€286.8m	€234.3m	+22.4%	+24.5%
Operating profit	€23.5m	€22.5m	+4.2%	+5.6%
Operating margin	8.2%	9.6%		
Return on capital employed				
- excluding intangible assets	48.8%	57.3%		
- including intangible assets	13.9%	15.6%		

Business Review
DCC Healthcare

DCC now has a strong growth platform, providing distribution services to British hospitals.

Businesses and markets

DCC Healthcare has three areas of activity:

Acute care - Fannin is the market leader in acute care in Ireland. Fannin's product portfolio encompasses intravenous pharmaceuticals, medical, surgical and laboratory products. The business markets and sells a broad range of leading brands including Cardinal, Grifols, Molnlycke, Oxoid and Synthes through its extensive field sales force of over 100 highly trained professionals. DCC is focusing on developing value-added services related to this product offering. In Ireland, Fannin has built a growing business in pharmaceutical compounding services for Irish hospitals.

DCC now has a strong growth platform in the provision of value added distribution services to British hospitals and leading healthcare brand owners. This is a developing sector as British hospitals increasingly look for customised just-in-time distribution solutions to deliver cost savings, free up hospital space, improve product availability and ultimately contribute to delivering better service levels to their patients. Fannin also has a developing specialist sales and marketing business in Britain that is currently focused on intravenous pharmaceuticals and surgical devices.

DCC Health & Beauty Solutions is a leading provider of "source to shelf" outsourced solutions to the health and beauty industry, principally in the areas of nutraceuticals (vitamin and health supplements), skin care and hair care. DCC provides a wide range of product formats (tablets, soft and hard gel capsules, creams and liquids), packing and other services from its three MHRA licensed facilities in Britain. The quality of these facilities, together with the strength and depth of DCC's business development and technical resources, means that DCC offers customers a rapid turnaround from marketing concept through to finished, shelf-ready product. This process typically involves product development, formulation, stability and other testing and regulatory compliance, as well as manufacturing and packing. DCC's key strength is the highly responsive and flexible service it provides to its customer base of leading premium brand owners, mail order companies, specialist health and beauty retailers and private label suppliers in Britain, continental Europe and other markets.

DCC Mobility & Rehab is a developing international mobility and rehabilitation business, with operations in Britain, Ireland, Germany, Australia and New Zealand, as well as a network of international distributors. DCC is the market leader in the physiotherapy product sector in Britain, Australia and New Zealand, distributing a broad product portfolio including physiotherapy equipment and consumables and general rehabilitation equipment principally marketed under its own Days Healthcare, Physio-Med and Metron brands.

Products are developed and designed in-house with manufacturing outsourced, mainly to Asian and eastern European partners. DCC's procurement and quality control team based in Shenzhen, China works closely with these partners. DCC's extensive customer base – hospitals, community loan stores, specialist retailers, private practitioners, nursing homes, end users and distributors – is serviced through field and telesales teams and supported by product catalogues and websites.

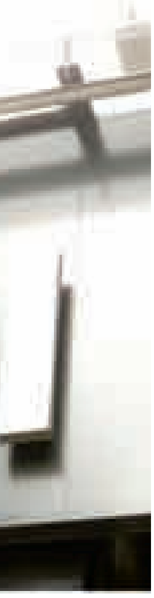
Performance management

DCC Healthcare's business is constantly monitored through a broad range of performance indicators, principally focused on sales growth, margin management, operational and cost efficiencies, cash flow and return on capital employed.

Over the past ten years DCC Healthcare has achieved a compound annual growth rate of 13.2% in operating profit.

Performance for the year ended 31 March 2008

DCC Healthcare achieved strong profit growth in both the acute care and mobility and rehabilitation sectors, but overall profit growth was moderated to 4.2% by a weaker performance in DCC Health & Beauty Solutions. The operating profit growth on a constant currency basis was 5.6%, driven by acquisition contribution and a modest organic decline.

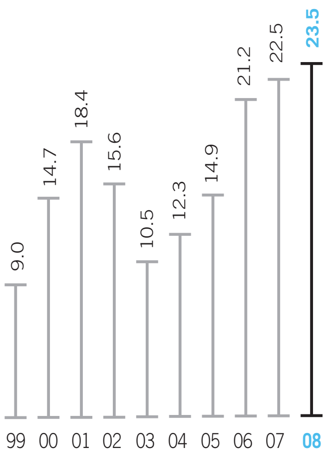


Conor Costigan
Managing Director

"DCC offers its customers a rapid turnaround from marketing concept through to finished, shelf-ready product."

Operating profit (€m)

10 Year CAGR 13.2%
5 Year CAGR 17.3%



Fannin has built a growing business in pharmaceutical compounding services for Irish hospitals.

DCC's acute care business, Fannin, made good progress during the year generating strong profit growth and significantly expanding its position in Britain through the acquisitions of Squadron Medical and a complementary business based in Scotland. In Ireland, Fannin achieved strong growth in intravenous pharmaceuticals through excellent organic growth in its sales and marketing activities and its pharma compounding services.

DCC Health and Beauty Solutions achieved good sales growth but profits were impacted by increased costs arising from planned capacity expansion and new product development on behalf of customers.

DCC Mobility & Rehab generated excellent organic profit growth in physiotherapy supplies in Britain, further strengthening its leadership in this market. Sales of general rehabilitation products in Britain also showed good growth, while Germany was impacted by weak market conditions. Ausmedic broadened its product range and market coverage in Australia through the launch of the DCC Mobility & Rehab product range.

DCC is the market leader in physiotherapy products in Britain, Australia and New Zealand.

"Market leader in the acute care sector in Ireland."

Strategy and development

DCC Healthcare's strategy is to build a substantial international healthcare products and services business. The primary focus is on the generation of strong organic profit growth and superior returns in its existing businesses. DCC Healthcare is continually developing and expanding its product and service offerings and driving growth through its existing channels to market. The business is also focused on growing in new and developing channels, leveraging its extensive sales teams, catalogues and websites.

DCC Healthcare has an active acquisition programme and is particularly targeting acquisitions in the acute care and health and beauty sectors. Geographically, DCC Healthcare's acquisition activity is primarily focused on Britain and continental Europe.

Outlook

DCC Healthcare is budgeting to achieve excellent constant currency operating profit growth in the current financial year.

Business Review

DCC Food & Beverage

DCC Food & Beverage markets and sells a wide range of company owned and agency branded food and beverage products in Ireland and has a wine business in Britain. It is a market leader in a number of niche market segments in healthfoods, indulgence foods and frozen & chilled logistics.

DCC Food & Beverage currently employs approximately 1,060 people.

Revenue
€310.1m

Operating profit
€15.3m

			Change on prior year	
	2008	2007	Reported	Constant Currency
Revenue	€310.1m	€279.5m	+11.0%	+11.7%
Operating profit	€15.3m	€15.1m	+1.6%	+1.7%
Operating margin	4.9%	5.4%		
Return on capital employed				
- excluding intangible assets	51.2%	51.7%		
- including intangible assets	18.6%	18.3%		

Business Review
DCC Food & Beverage

Robert Roberts is the No.2 supplier of freshly ground coffee and a leading supplier of confectionery in Ireland.

Businesses and markets

DCC Food & Beverage has a strong track record in brand building and offers deep distribution reach with extensive customer service to the retail and foodservice sectors throughout Ireland. Customers include multiples, symbol and independent retailers, pharmacies, off-licences, hotels, restaurants and cafés. In Britain, wines are sold to multiple retailers and wholesale cash and carry.

Healthfoods

In Ireland, Kelkin is the leading and most comprehensive supplier of owned and agency brands of healthy foods and beverages, fine foods and vitamins, minerals and supplements ("VMS"), selling directly to both the grocery and pharmacy sectors. Kelkin is recognised as the leading brand in the health / "better for you" food sector and offers a healthy choice in many food categories. It is also a strong brand in the VMS sector.

Indulgence foods

Robert Roberts is a value-added distributor of indulgent products in the grocery, impulse and food service sectors. The business has a strong complementary range of owned and agency brands, specialising in snacks, hot beverages, wine, confectionery, soft drinks and cakes. Robert Roberts provides a top-class service in marketing, category management, selling (key account management, direct sales representatives and van sales), distribution and merchandising. In the Irish market, Robert Roberts is the number two supplier of freshly ground coffee to both the retail and foodservice sectors, the number two supplier of savoury snacks (through the KP range), a leading independent distributor of confectionery products and has a strong position in wine distribution through Woodford Bourne. In Britain, Bottle Green is a leading supplier of branded and exclusive label solutions to the multiple off-trade sector of the UK wine market.

Logistics/other

Allied Foods is Ireland's leading independent provider of temperature controlled supply chain solutions (procurement, brand management, warehousing and distribution), to major retailers, manufacturers and food service customers.

Kylemore Foods Group (50% owned by DCC) is a leading player in retail restaurants and contract catering in Ireland.

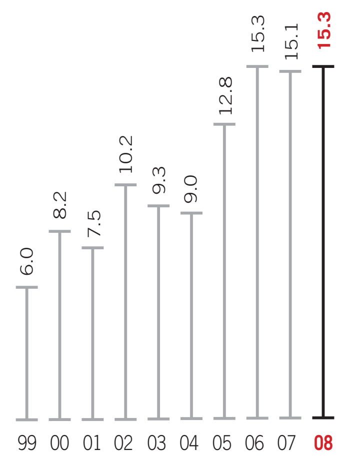
Performance management

DCC Food & Beverage's operating performance is managed and monitored through a number of key performance indicators. These include sales volumes, market share, gross margins, operational cost efficiencies, customer service levels, cash flow and return on capital employed.

Over the past ten years, DCC Food & Beverage has achieved a compound annual growth rate of 11.9% in operating profit.

Operating profit (€m)

10 Year CAGR 11.9%
5 Year CAGR 10.4%



Robert Roberts has a complementary range of owned and agency brands.

Kelkin supplies a range of gluten free products.

“DCC’s businesses have a strong track record in brand building.”

Frank Fenn
Managing Director

“Kelkin is recognised as the leading brand in the health / “better for you” food sector.”

Performance for the year ended 31 March 2008

DCC Food & Beverage achieved modest growth of 1.6% in the year. On a constant currency basis the operating profit growth was 1.7% (all organic). In Ireland, good growth was achieved in healthfoods, principally driven by the increased investment in the Kelkin brand, new product development and growth in agency brands. Very good growth was also achieved in indulgence foods across its core categories.

The frozen and chilled logistics business was impacted by the start up costs of a significant new contract and associated investment in new facilities. Kylemore Foods Group, in which DCC has a 50% joint venture shareholding, significantly enhanced shareholder value over the past year.

Strategy and development

DCC’s strategy is to develop DCC Food & Beverage into a leading business that satisfies consumer and customer needs in the health and indulgence sectors and delivers an above average return on capital. This will be achieved by building organically and by acquisition.

The business will continue to focus on building its brands, with the growing Kelkin brand well-placed to take advantage of the expanding healthfoods market.

DCC Food & Beverage aims to deliver acquisitions in Ireland and Britain that will exploit the growing demand for healthy food and beverage products and strengthen existing market positions.

Outlook

DCC Food & Beverage is budgeting for modest constant currency operating profit growth in the current financial year.

Business Review
DCC Environmental

DCC Environmental provides a broad range of waste management and recycling services to the industrial, commercial, construction and public sectors in Britain and Ireland. Through its 50% shareholding in William Tracey and its subsidiary Wastecycle, DCC Environmental has built a significant position in the British waste management and recycling industry. DCC Environmental's subsidiary, Enva, is the leading hazardous waste treatment business in Ireland.

DCC Environmental currently employs approximately 550 people.

Revenue
€91.7m

Operating profit
€14.0m

			Change on prior year	
	2008	2007	Reported	Constant Currency
Revenue	€91.7m	€66.5m	+37.9%	+41.0%
Operating profit	€14.0m	€10.4m	+34.4%	+37.6%
Operating margin	15.3%	15.7%		
Return on capital employed				
- excluding intangible assets	40.4%	38.5%		
- including intangible assets	17.4%	17.9%		

Business Review
DCC Environmental

Wastecycle provides a comprehensive waste recycling service to industrial, commercial & local authority customers.

Businesses and markets

Britain

Driven by increasing legislation and taxation, Britain is seeking to aggressively reduce the amount of waste going to landfill and to bring waste management in line with best practice in continental Europe. This is effected by increased rates of recycling and the introduction of new innovative waste treatment processes. There have been two significant government interventions in the last year. Firstly, new regulations came into effect in October 2007 which require all waste to be treated in advance of disposal to landfill. Secondly, with effect from 1 April 2008, landfill tax increased from its previous £24 per tonne to £32 per tonne and will rise to £40 per tonne on 1 April 2009 and £48 per tonne by 1 April 2010. Both these initiatives give further impetus to DCC's strategy to become a leading player in the British waste management and recycling industry.

Both William Tracey's and Wastecycle's focus is on the industrial, commercial and construction waste segments of the market, while also handling waste on behalf of some local authorities. Combined, these businesses handle in excess of one million tonnes of waste using 146 vehicles.

Operating from eight freehold sites, William Tracey is recognised as Scotland's leading waste management and recycling company with a reputation for innovation and creativity in the recycling and management of a wide range of waste products. The business operates a number of fully integrated facilities to treat, recover and dispose of waste, including the manufacture of recycled products. William Tracey has an extensive fleet of specialist waste management vehicles that collect from industrial and commercial customers while the business also processes waste on behalf of local authorities and other third parties.

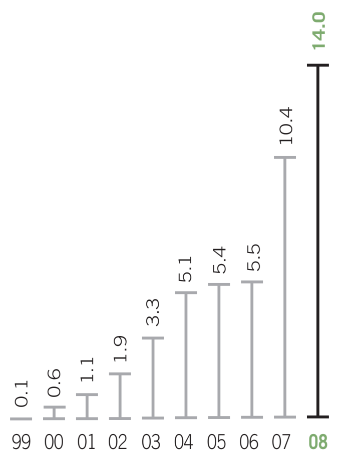
Wastecycle is a leading recycling and waste management company based in Nottingham, England. Operating from a ten acre site, the company provides a comprehensive waste collection and recycling service to industrial, commercial and local authority customers. Through some of the most innovative techniques in the industry, using both automated and semi automated equipment, Wastecycle separates waste and recovers a range of recyclable material such as cardboard, metals, timber, plastics, paper, aggregates, soils, glass and plasterboard.

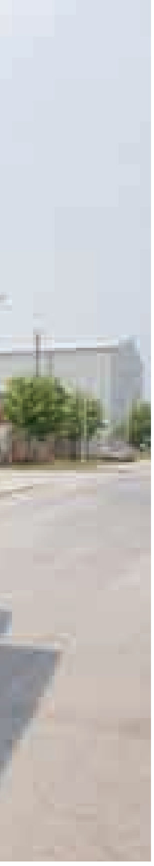
Ireland

Enva is the leading hazardous waste treatment business in Ireland. Operating from six licensed sites, the business offers a wide range of services including soil remediation, oil recycling, chemical treatment, water treatment and metal recovery. With the most comprehensive hazardous waste infrastructure in Ireland, Enva is ideally positioned to work with the Irish regulators, in particular the Environmental Protection Agency (EPA) in its goal of national self sufficiency in dealing with hazardous waste as most recently articulated in its Proposed National Hazardous Waste Management Plan 2008 – 2012.

Operating profit (€m)

9 Year CAGR 79.1%
5 Year CAGR 33.3%





Enva offers a range of services, including soil remediation, oil recycling, chemical treatment and metal recovery.

William Tracey has a reputation for innovation and creativity in the recycling and management of a wide range of waste products.

Tommy Breen
Managing Director

"In Britain, DCC Environmental handles in excess of one million tonnes of waste using 146 vehicles."

Performance management

DCC Environmental is focused on maximising shareholders' returns through organic and acquisition growth. The performance of the business is closely monitored through a range of key indicators including sales volumes, incoming material tonnage, recycling targets, gross margins, costs of treatment, operating profit, cash flow and capital utilisation. DCC gives the highest priority to its health, safety and environmental record through the allocation of appropriate resources and implementation of best practice. A range of measurement tools, including lost time incident rates, are used to monitor performance.

Over the 9 years since the business was established, DCC Environmental has achieved a compound annual growth rate of 79.1% in operating profit.

Performance for the year ended 31 March 2008

DCC Environmental achieved excellent profit growth of 34.4%. The operating profit growth on a constant currency basis was 37.6%, of which organic growth was approximately 18%.

William Tracey recorded excellent organic growth and has continued to build on its position as Scotland's leading waste management and recycling business.

Wastecycle also achieved excellent organic profit growth across all parts of its business.

"Increased rates of recycling and introduction of innovative waste treatment processes."

Both William Tracey and Wastecycle have benefited from a focus on the continuous increase in the proportion of waste recycled.

Enva achieved modest profit growth in the year.

Strategy and development

DCC's strategy is to grow its position as a leading broadly based waste management and recycling business in Britain and Ireland. In particular, DCC aims to position the business to take advantage of the trend towards more sustainable waste management with a particular emphasis on recycling. This growth strategy will be driven both organically and by acquisition.

Outlook

DCC Environmental is well positioned within attractive growth markets and is budgeting for excellent constant currency operating profit growth in the current financial year.

Financial Review

Fergal O'Dwyer
Chief Financial Officer

Balanced business model

DCC's balanced business model delivered an excellent performance against a backdrop of more challenging economic conditions in the geographic markets in which it operates. On a constant currency basis, operating profit grew by 21.8% (19.3% on a reported basis).

Accounting policies

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and their interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), applicable Irish law and the Listing Rules of the Irish and London Stock Exchanges. Details of the basis of preparation and the significant accounting policies of the Group are included in pages 63 to 71.

Overview of results/key performance indicators

Revenue of €5.5 billion grew by 39.9% on a constant currency basis (36.7% on a reported basis) and operating profit of €167.2 million increased by 21.8% on a constant currency basis (19.3% on a reported basis) as set out in Tables 1 and 2.

Growth in revenue and operating profit, analysed as between organic growth, growth from acquisitions and the impact of currency, is as follows:

	Revenue %	**Operating Profit %**
Organic	18.9%	8.3%
Acquisitions	21.0%	13.5%
Constant currency	39.9%	21.8%
Currency impact on translation	(3.2%)	(2.5%)
Reported	36.7%	19.3%

Although DCC's operating margin (excluding exceptionals) was 3.0% (3.5% in 2007), it is important to note that this measurement of the overall Group margin is of limited relevance due to the influence of changes in oil product costs.

While changes in oil product costs will change percentage operating margins, this has little relevance in the downstream energy market in which DCC Energy operates where profitability is driven by absolute contribution per litre (or tonne) of product sold and not by a percentage margin. Excluding DCC Energy, the Group's operating margin was 4.4% compared to 4.5% in the previous year.

A detailed review of the operating performance of each of DCC's divisions is set out on pages 14 to 33.

Table 1: Revenue - constant currency

	2008			2007			**Change**		
	H1 €'m	**H2 €'m**	**FY €'m**	H1 €'m	H2 €'m	FY €'m	**H1 %**	**H2 %**	**FY %**
DCC Energy	**1,326.7**	**2,191.0**	**3,517.7**	996.3	1,251.5	2,247.8	**+33.2%**	**+75.1%**	**+56.5%**
DCC SerCom	**571.1**	**876.0**	**1,447.1**	529.2	688.8	1,218.0	**+7.9%**	**+27.2%**	**+18.8%**
DCC Healthcare	**131.3**	**160.4**	**291.7**	112.2	122.1	234.3	**+17.1%**	**+31.3%**	**+24.5%**
DCC Food & Beverage	**161.0**	**151.3**	**312.3**	136.5	143.0	279.5	**+18.0%**	**+5.8%**	**+11.7%**
DCC Environmental	**45.4**	**48.3**	**93.7**	29.1	37.4	66.5	**+55.9%**	**+29.4%**	**+41.0%**
Total	**2,235.5**	**3,427.0**	**5,662.5**	1,803.3	2,242.8	4,046.1	**+24.0%**	**+52.8%**	**+39.9%**

Financial Review (continued)

"Profit before tax of €181.7 million increased by 14.2% on a constant currency basis. On a reported basis the increase was 12.3%"

Finance costs (net)
Net finance costs for the year increased by €6.9 million to €17.8 million (€10.9 million in 2007), primarily due to an increase in interest rates. There was a slight increase in the Group's net debt levels which averaged €242 million during the year compared to €233 million in the prior year. Interest was covered 9.4 times by Group operating profit before amortisation of intangible assets (12.9 times in 2007).

Exceptional profit (net)
As DCC announced on 19 December 2007, the dividend received from Manor Park Homebuilders and the subsequent sale of the shareholding gave rise to a profit on cost of €180 million and an exceptional profit on carrying value of €94.7 million. This exceptional profit, less the exceptional charge of €50 million for the settlement and costs of the Fyffes action, announced on 14 April 2008, and other net exceptional charges of €5.1 million, resulted in a net exceptional profit before tax in the year of €39.6 million.

The tax charge relating to the net exceptional profit was €1.8 million.

Amortisation of intangible assets
The charge for the amortisation of intangible assets increased from €6.7 million to €7.9 million as a result of the amortisation of intangible assets arising on acquisitions completed during the year ended 31 March 2008 and a full year's amortisation charge relating to intangible assets acquired on acquisitions completed in the previous year.

Profit before tax
Profit before tax of €181.7 million increased by 14.2% on a constant currency basis. On a reported basis the increase was 12.3%.

Taxation
Excluding the tax charge of €1.8 million on the net exceptional profit and a taxation credit of €1.7 million in relation to the amortisation of intangible assets, the effective tax rate for the Group was 11.0%, the same as in the prior year.

Adjusted earnings per share excluding Manor Park Homebuilders contribution
As DCC's 49% shareholding in Manor Park Homebuilders was disposed of during the year ended 31 March 2008, adjusted earnings per share excluding the contribution from Manor Park Homebuilders has been shown separately to disclose the underlying earnings growth of 15.0% achieved in DCC's managed and controlled subsidiaries and joint ventures. On a constant currency basis the growth rate was 17.4%.

The compound annual growth rate in DCC's adjusted earnings per share (excluding the contribution from Manor Park Homebuilders) over the last 15, 10 and 5 years is as follows;

	CAGR %
15 years (i.e. since 1993)	15.2%
10 years (i.e. since 1998)	14.0%
5 years (i.e. since 2003)	10.2%

Table 2: Operating profit - constant currency

	2008			2007			Change		
	H1 €'m	H2 €'m	FY €'m	H1 €'m	H2 €'m	FY €'m	H1 %	H2 %	FY %
DCC Energy	14.3	62.2	76.5	11.7	47.8	59.5	+22.4%	+30.1%	+28.6%
DCC SerCom	12.4	28.3	40.7	10.5	22.1	32.6	+18.0%	+27.9%	+24.7%
DCC Healthcare	10.3	13.4	23.7	9.8	12.7	22.5	+5.9%	+5.4%	+5.6%
DCC Food & Beverage	7.0	8.3	15.3	7.3	7.8	15.1	-4.4%	+7.5%	+1.7%
DCC Environmental	7.2	7.2	14.4	4.6	5.8	10.4	+54.9%	+23.8%	+37.6%
Total	51.2	119.4	170.6	43.9	96.2	140.1	+16.7%	+24.1%	+21.8%

Financial Review
(continued)

Dividend
The total dividend for the year of 56.67 cent per share represents an increase of 15% over the previous year. The dividend is covered 2.9 times (3.2 times in 2007) by adjusted earnings per share. Over the last 10 years DCC's dividend has grown at a compound annual rate of 16.6%.

Return on capital employed
The creation of shareholder value through the delivery of consistent, long-term returns in excess of cost of capital is one of DCC's core strengths. Although marginally lower than the previous year, DCC again achieved excellent returns on capital employed (as detailed in Table 3), generating a return of 38.0% excluding intangible assets and 17.5% including intangible assets (38.9% and 17.9% respectively in 2007).

DCC's return on capital employed has remained consistently high through a combination of good organic growth, attractive acquisition valuations and excellent integration synergies.

Cash flow
A summary of DCC's cashflow is set out in Table 4.

DCC focuses on operating cash flow to maximise shareholder value over the long term. Operating cash flow is principally used to fund investment in existing operations, complementary bolt-on acquisitions, dividend payments and selective share buybacks.

DCC generated cash flow from operations of €129.0 million which was marginally higher then the €127.4 million generated in the prior year. Operating cash flow in the year was held back due to an increased investment requirement in working capital of €84.4 million, driven by the strong growth (36.7%) in revenue and an increase in working capital days at 31 March 2008 to 16.4 days revenue compared to 14.0 days at 31 March 2007 as detailed in Table 5.

DCC Energy had an increased investment in working capital of €101.6 million as a result of the higher price of oil. DCC SerCom's working capital levels, which had been relatively high at the end of the previous year, reduced by €20.5 million. During the year the Group received dividends of €172.0 million from Manor Park Homebuilders. In addition the disposal of the Group's 49% interest in that company gave rise to a receipt of €8.9 million.

Including the net €84.4 million investment in working capital referred to above, acquisition and organic development expenditure amounted to €351.6 million. DCC's ongoing acquisition programme resulted in a number of acquisitions being completed during the year at a total committed cost of €179.6 million, of which €13.0 million was deferred.

The cash impact of acquisitions in the year was €176.6 million when payments of deferred acquisition consideration of €10.0 million are taken into account. Capital expenditure was €87.6 million. Net of fixed asset disposals the cash outflow from capital expenditure was €79.7 million.

Balance sheet and group financing
DCC has a strong balance sheet with total equity of €742.4 million at 31 March 2008 and net debt at the same date of €123.7 million. Net debt as a percentage of total equity was 16.7% compared to 14.6% at 31 March 2007. The composition of net debt at 31 March 2008 and 2007 is analysed in Table 6. An analysis of DCC's cash, debt and financial derivative instrument balances at 31 March 2008, including maturity periods and currency and interest rate profiles, is set out in Notes 27 to 30 to the financial statements.

Table 3: Return on capital employed

	2008		2007	
	ROCE (excl intangible assets)	ROCE (incl intangible assets)	ROCE (excl intangible assets)	ROCE (incl intangible assets)
DCC Energy	45.8%	20.6%	49.9.%	22.7%
DCC SerCom	24.2%	15.3%	22.4%	13.8%
DCC Healthcare	48.8%	13.9%	57.3%	15.6%
DCC Food & Beverage	51.2%	18.6%	51.7%	18.3%
DCC Environmental	40.4%	17.4%	38.5%	17.9%
Group	38.0%	17.5%	38.9%	17.9%

Financial Review (continued)

"The total dividend for the year of 56.67 cent per share represents an increase of 15% over the previous year."

Table 4: Summary of cash flows	2008 €'m	2007 €'m
Inflows		
Cash generated from operations	129.0	127.4
Dividend received from associate	172.0	-
Proceeds on disposal of associate	8.9	-
Share issues (net)	4.1	6.1
	314.0	133.5
Outflows		
Capital expenditure (net)	79.7	16.2
Acquisitions	176.6	105.7
Share buyback	-	18.8
Interest and tax paid	36.9	19.2
Dividend paid	44.5	36.4
Net exceptionals	4.2	4.9
	341.9	(201.2)
Net cash outflow	(27.9)	(67.7)
Translation adjustments and other	4.7	(0.1)
Net debt at start of year	(100.5)	(32.7)
Net debt at end of year	(123.7)	(100.5)

Table 5: Working capital days	2008 Days	2007 Days
Stocks	12.4	13.7
Debtors	45.7	45.3
Creditors	(41.7)	(45.0)
Share issues (net)	16.4	14.0

Table 6: Analysis of net debt	2008 €'m	2007 €'m
Non-current assets:		
Derivative financial instruments	25.4	3.1
Current assets:		
Derivative financial instruments	1.5	0.1
Cash and cash equivalents	485.8	337.0
	487.3	337.1
Non-current liabilities:		
Borrowings	(4.5)	(3.1)
Derivative financial instruments	(43.6)	(45.9)
Unsecured Notes due 2008 to 2019	(353.6)	(265.5)
	(401.7)	(314.5)
Current liabilities:		
Borrowings	(217.5)	(126.0)
Derivative financial instruments	(17.2)	(0.2)
	(234.7)	(126.2)
Net debt	(123.7)	(100.5)

Financial Review
(continued)

"Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors."

Financial risk management

Group financial risk management is governed by policies and guidelines which are 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. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost.

The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions. DCC's Group Treasury function centrally manages the Group's funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign exchange and commodity price exposures within approved policies and guidelines. Further detail in relation to the Group's financial risk management and its derivative financial instrument position is contained in Note 47 to the financial statements.

Foreign exchange risk management

DCC's reporting currency and that in which its share capital is denominated is the euro. Exposures to other currencies, principally sterling and the US dollar, arise in the course of ordinary trading.

In the second half of the year sterling weakened significantly and this impacted on reported profits as approximately 60% of the Group's operating profit for the year ended 31 March 2008 was denominated in sterling. The sterling:euro exchange rate weakened by 17.0% from 0.6795 at 31 March 2007 to 0.7953 at 31 March 2008. The average rate at which the Group translates its UK operating profit declined by 3.3% from 0.6797 in 2007 to 0.7021 in 2008.

That portion of the DCC's operating profits that are sterling denominated are offset to a limited degree by certain natural economic hedges that exist within the Group, for example, a proportion of the purchases by certain of its Irish businesses are sterling denominated. DCC does not hedge the remaining translation exposure on the translation of the profits of foreign currency subsidiaries on the basis and to the extent that they are not intended to be repatriated. The 3.3% reduction in the average translation rate of sterling, referred to above, adversely impacted the Group's reported operating profit by €3.4 million (2.5%) in the year ended 31 March 2008.

DCC 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 hedge is offset by the strong ongoing cash flow generated from the Group's sterling operations leaving DCC with a net investment in sterling assets.

The 17% reduction in the value of sterling against the euro during the year ended 31 March 2008, referred to above, gave rise to a translation loss of €64.3 million on the translation of DCC's sterling denominated net asset position at 31 March 2008 as set out in the reconciliation of the Group's Total Equity in note 41 to the financial statements. €16.0 million of this amount related to DCC's sterling denominated intangible assets.

Where sales or purchases are invoiced in other then the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months.

Financial Review (continued)

"DCC maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to six months"

Commodity price risk management

DCC 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 of less than six months. In such circumstances, DCC enters into matching forward commodity contracts, not designated as hedges under IAS 39. All commodity hedging counterparties are approved by the Board.

Credit risk management

DCC transacts with a variety of high credit rated financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty to ensure compliance with limits approved by the Board.

Interest rate risk and debt/ liquidity management

DCC maintains 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. DCC borrows at both fixed and floating rates of interest. It 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.

Summary

As the key financial performance indicators set out in Table 7 show, the Group performed strongly in 2008 delivering an improvement in revenues and operating profits and excellent returns on capital employed. Despite total development expenditure of €351.1 million on working capital, capital expenditure and acquisitions, DCC ended the year with a conservatively geared balance sheet. This will facilitate the Group in its development plans, both organic and by way of acquisitions.

Table 7: Key Financial performance indicators

	2008	2007
Revenue growth	**36.7%**	17.7%
Operating profit growth*	**19.3%**	15.7%
Interest cover (times)	**9.4**	12.9
Net debt as a percentage of total equity	**16.7%**	14.6%
Working capital as a percentage of total revenue	**5.2%**	4.5%
Working capital - days	**16.4**	14.0
Return on capital employed		
- Excluding intangible assets	**38.0%**	38.9%
- Including intangible assets	**17.5%**	17.9%

*excluding exceptionals and amortisation of intangible assets.

Corporate Social Responsibility

Corporate social responsibility (CSR) is embedded in DCC's core beliefs and values. DCC recognises its responsibilities to all stakeholders, including shareholders, employees, customers, suppliers and the community at large, and is fully committed to the management of all aspects of its business to the highest standards in order to fulfil these responsibilities.

Workplace

With approximately 7,000 employees working in 16 countries within our 5 industry sectors, DCC's employees' knowledge, skills, experience and commitment to excellence are of vital importance to the success of the Group. Indeed our decentralised model, which affords a high degree of autonomy to our operating subsidiaries, depends on the strength and capability of our employees.

Training and development

We appreciate the need to ensure that our employees' knowledge and skill base is constantly being developed and challenged and we bring focus and commitment to employee training and development initiatives throughout the Group.

Training focuses mainly on technical, job specific, health & safety and leadership/management training. In addition to these training initiatives, there are ongoing development programmes for team leaders, supervisors and managers, including residential leadership development programmes for those employees who display senior management potential. DCC Group companies also support employees who wish to pursue further study and development.

To ensure that we are deploying the most effective and current training initiatives, many of our businesses are part of local training networks, such as the Irish Skillnet programmes. These allow companies in the same geographic area to group together to provide a wider variety of higher quality bespoke training courses. We also partner with other companies in consortium programmes, in particular leadership programmes, providing a significantly higher quality development experience for employees.

Training – case study

A key initiative this year for SerCom Solutions in Limerick is their participation in a tailor made FÁS pilot training course as part of the Skills for Work programme. This led to a number of SerCom's employees receiving an accredited FETAC certificate in communication and language.

Employee Share Scheme

DCC established the DCC Sharesave Scheme in 2000. Under the Scheme, all employees of the Group's subsidiaries were invited to enter into savings contracts for 3 and 5 year periods following which they could exercise options to buy DCC shares. The options were granted at prices which represented discounts of 20% to the then market price. Over 2,000 employees joined the Scheme in 2001 and 2004. Through this Scheme a significant percentage of employees have or will become shareholders in DCC.

Diversity and equal opportunities

DCC recognises the strengths and benefits of a diverse workforce and is committed to providing equal opportunities to all employees.

Communication

DCC's subsidiaries strive to ensure that they have excellent employee communication processes which include employee committees, focus groups, newsletters and suggestion schemes.

Marketplace

Products and services

DCC's commitment to enhancing the lives of its stakeholders is reflected in the design, delivery and management of its products and services.

In the Energy division, Flogas distributes LPG, which is a non-toxic, clean burning, sulphur and smoke free fuel.

In the Healthcare division, the Mobility & Rehab businesses provide rehabilitation and physiotherapy products that assist users in leading independent lives.

In the Food & Beverage sector, Robert Roberts markets a range of Fairtrade products including tea, coffee, fruit juices and wine. Kelkin actively provides a range of "better for you" and healthy products under its own brand which are free from all artificial colouring, preservatives and flavourings. Kelkin also markets a comprehensive range of gluten-free products and specialist products for diabetics.

In the Environmental sector, DCC specialises in recycling and waste treatment, helping to create a cleaner, safer environment.

Recognition of excellence in financial reporting

DCC won the Published Accounts Award for large public companies in Ireland in 2003 and 2006. This award, organised by the Leinster Society of Chartered Accountants, is the premier award of excellence in financial reporting in Ireland.

Environment, health & safety

Environment, health & safety ('EHS') management systems

All our subsidiaries operate EHS management systems appropriate to the nature and scale of their EHS risk profile. Identification of hazards, assessment of the risks and the introduction of control measures form the basis of these systems. Furthermore, monitoring, measurement and review of the control measures ensures a continuous improvement cycle is maintained.

During the year, Enva achieved certification to the internationally recognised OHSAS18001 health and safety management system standard for its four Irish sites – in Dublin, Portlaoise, Cork and Shannon. Within our IT division, Sercom Solutions in Limerick has also been certified to OHSAS 18001.

EHS review of DCC Energy

DNV, a leading provider of risk management services, completed a review of the existing EHS structures and processes within DCC's Energy division. The independent expert appraisal provided the opportunity for 'fresh eyes' to examine the EHS management processes and to share best practice from peer companies. As part of the review, senior managers at subsidiary and divisional level were interviewed and internal EHS documentation was examined by the DNV team. Recommendations and suggestions from the DNV report were principally centred on further development of EHS leadership, improving communication, strengthening EHS objectives and the ongoing promotion of a proactive safety culture throughout the organisation. The recommendations formed the basis for the development of formal, high level EHS objectives and targets for DCC Energy subsidiaries.

Legislation

The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Directive became law throughout Europe on 1 June 2007 and its various requirements will be implemented over the coming years, in conjunction with the development of the new Globally Harmonised System of classifying and labelling chemicals. The legislation aims to comprehensively control all chemicals used in the EU market. Each DCC subsidiary has assessed the impact of this regulation on its business and has taken appropriate actions to ensure compliance, including registration of use and communication with suppliers and downstream users.

Community

DCC subsidiaries are committed to ensuring that the needs and interests of the local communities in which they operate are taken into consideration and are sensitive to the impact their business operations may have on neighbours. They support local initiatives and charities within their communities and encourage their employees in their endeavours to contribute in many different ways to philanthropic initiatives.

Community – case study

One initiative supported by DCC's subsidiary, Flogas UK, is the 'Break for Kids' programme. This aims to help economically disadvantaged children to go on adventure holidays with the Youth Hostel Association that their families could not otherwise afford.

As the main sponsor Flogas supports this initiative financially and many of its employees raise additional funds through taking part in events such as the London Marathon.