

## Chief Executive's Review



IT WAS PLEASING  
TO REPORT OPERATING  
PROFIT GROWTH TO  
31 MARCH 2013 OF  
21.3% ON A CONSTANT  
CURRENCY BASIS



### Key Features of Results

Group operating profit of €229.2 million increased by 21.3% over the prior year on a constant currency basis. Operating cash flow of €324.5 million was a new record for the Group as was the spend on development activity (acquisitions and capital expenditure) of €277.7 million. Return on total capital employed increased to 15.6%. The proposed 10% increase in the dividend for the year would represent the 19th consecutive year of dividend growth since the Group was listed in May 1994. DCC ended the financial year with a net debt:EBITDA ratio of 0.7 times.



## Results Highlights

	€	% Change on Prior Year <sup>†</sup>	
		Reported	Constant Currency*
Revenue	12,966.3m	+25.3%	+19.4%
Operating profit**	229.2m	+27.5%	+21.3%
Profit before net exceptional items, amortisation of intangible assets and tax	211.9m	+31.0%	+24.4%
Adjusted earnings per share**	209.96 cent	+32.6%	+26.0%
Dividend per share	85.68 cent	+10.0%	
Operating cash flow	324.5m (2012: €277.3m)		
Free cash flow***	198.0m (2012: €146.0m)		
Net debt	219.9m (2012: €128.2m)		
Total equity	1,055.3m (2012: €1,014.0m)		
Return on total capital employed	15.6% (2012: 14.2%)		

† based on continuing activities i.e. excluding DCC SerCom's Enterprise distribution business which was disposed of in June 2012.

\* all constant currency figures quoted in this report are based on retranslating 2012/13 figures at prior year translation rates

\*\* excluding net exceptionals and amortisation of intangible assets

\*\*\* after net capital expenditure, interest and tax payments

The year to 31 March 2013 was an important and significant year for DCC. Having had DCC's unbroken profit growth record, over 17 years from listing in 1994, interrupted in the year ended 31 March 2012, due to the particularly mild winter in that year, it was pleasing to record operating profit growth to 31 March 2013 of 21.3% on a constant currency basis. This growth primarily reflected the strong performance in the Group's largest division, DCC Energy (operating profit up 48% on a constant currency basis), driven by a return to colder winter weather conditions, and in DCC Healthcare which achieved operating profit growth of 10.3% on a constant currency basis.

Operating profit in DCC SerCom, the Group's second largest division, was modestly ahead of the prior year with strong revenue growth in its mobile communications and tablet product businesses and a good performance from its supply chain services activities together more than offsetting the effect of the decline in the market for home entertainment products in Britain and Ireland. Operating profit declined in DCC's two smaller divisions, DCC Environmental and DCC Food & Beverage.

Operating cash flow of €324.5 million was a record for DCC and was boosted by a reduction in net working capital to 2.2 days, reflecting the relentless focus on working capital efficiency across the Group.

The Group's return on total capital employed increased from 14.2% to 15.6%, driven primarily by the increase in the Group's operating profit, particularly in DCC Energy.

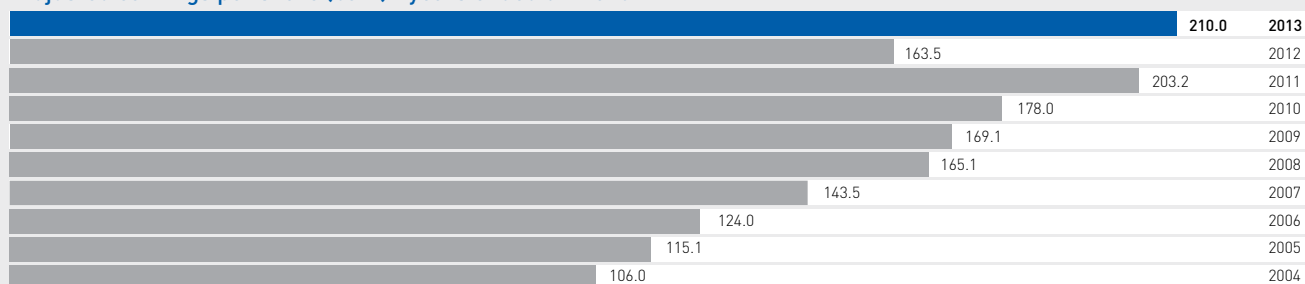
It is proposed to increase the final dividend for the year by 11.4% to 56.20 cent, resulting in a 10% increase in the full year dividend to 85.68 cent.

The Group's financial position remains strong with net debt:EBITDA at the year end of 0.7 times. Having completed a fundraising in the US Private Placement market of US \$525 million (€404 million) in April 2013, the Group's liquidity position is also very strong.

**OPERATING CASH FLOW OF €324.5 MILLION WAS A RECORD FOR DCC AND WAS BOOSTED BY A REDUCTION IN NET WORKING CAPITAL TO 2.2 DAYS, REFLECTING THE RELENTLESS FOCUS ON WORKING CAPITAL EFFICIENCY ACROSS THE GROUP.**

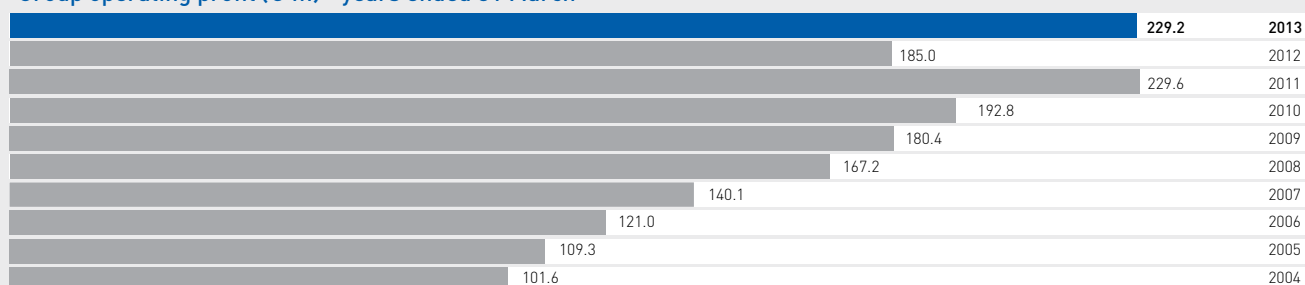
## Chief Executive's Review (continued)

### Adjusted earnings per share (cent) - years ended 31 March



CAGR 10yrs 7.5%, CAGR 5yrs 4.9%

### Group operating profit (€'m) - years ended 31 March



CAGR 10yrs 9.0%, CAGR 5yrs 6.5%

### Continued Delivery against Strategy

We believe that we have made further good progress in the ongoing execution of our strategy.

The key development in DCC Energy was the significant expansion of our LPG business through the commitment of €100 million to the acquisitions of BP's businesses in Britain, the Netherlands and Belgium and Statoil Fuel & Retail's LPG businesses in Scandinavia. These acquisitions have significantly increased the scale and geographic scope of DCC Energy's LPG business in Europe which now operates in six countries with market leading positions in the Netherlands, Norway and Sweden and strong number two positions in Britain and Ireland. In Oil, the unconditional clearance of the acquisition of certain oil distribution assets in the UK previously owned by

Total paves the way for DCC Energy to continue to pursue its objective of further increasing its share of the oil distribution business in Britain. DCC has recently established a greenfield operation in Bavaria operating under the brand Top Oil Bayern and since the year end it has acquired a small oil distribution business in Bavaria, which trades as Bronberger & Kessler. DCC Energy now has oil distribution businesses in six countries in Europe.

DCC SerCom is the number two player in the IT distribution market in Britain. The business has been particularly focused on gaining market leadership in specific growth segments of the market and is now the number one distributor of mobile computing products and the fastest growing distributor of smart phones. DCC SerCom also made two modest acquisitions during the year,

in line with its strategy to expand its product range and its geographic coverage. The first of these was Go Telecom, a small Dutch business providing products and services in the unified communications segment of the market (including hardware, software and services for audio, video and telepresence conferencing). This was followed by the acquisition of a small distributor of Apple products in Ireland.



In DCC Healthcare, the acquisition of Kent Pharmaceutical (Holdings) Limited ("Kent Pharma") represented a significant expansion of its pharma business in Britain which now has a leading position in the British generics market. Kent Pharma brings a highly complementary product portfolio, product licence ownership and strong relationships in the British retail pharmacy channel. In the near term, the enlarged pharma product portfolio and increased sales and marketing resource should generate further growth opportunities for DCC Healthcare in Britain. Over time, the enhanced pharma regulatory and business development capability will also create opportunities for sales development in other geographic markets, in particular within the EU and in the Middle East and North Africa region.

As our business grows, we are committed to developing and augmenting our management resource at Group, divisional and subsidiary levels. DCC has benefited from the strengthening of the team in recent years and I am pleased that in the last year there has again been further development which has provided opportunity for existing employees and also allowed us to bring in new talent to the Group.

Embedded in DCC's strategy is a commitment to maintaining financial strength through a disciplined approach to balance sheet management. We are pleased that in the year ended 31 March 2013, which was a year of substantial revenue growth and a year of record development expenditure, we ended the year with a net debt:EBITDA ratio of 0.7 times and an EBITDA:net interest ratio of 17.1 times. This strong financial position, along with the Group's liquidity position, which was augmented by the recent debt fundraising, leaves DCC well poised for continuing development.

### Sustainability

Our approach to sustainability continues to develop, led by our Sustainability Committee. We are confident that systematically identifying and measuring the key economic, environmental and social drivers of our businesses and integrating them into existing management processes will support our objective to deliver long term shareholder value. Details of our approach are provided in the Sustainability Report on pages 49 to 57.

### Outlook

The outlook for the year to 31 March 2014 is set against a continuing weak economic environment in the Group's principal markets and the important assumption that there will be normal winter weather conditions. At this very early stage, the Group anticipates that its operating profit will be approximately 10% - 12% ahead of the prior year result which, in sterling, was £187 million. The incremental interest cost of the additional debt raised in April 2013 will temporarily hold back the growth in adjusted earnings per share to approximately 8% - 10% ahead of the prior year result, which, in sterling, was 171 pence per share.

DCC retains a strong equity base, long term debt maturities and significant cash and committed bank resources which leave it well placed to continue the development of its business in existing and new geographies.

### Tommy Breen

Chief Executive  
13 May 2013

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EMBEDDED IN  
DCC'S STRATEGY IS  
A COMMITMENT TO  
MAINTAINING FINANCIAL  
STRENGTH THROUGH A  
DISCIPLINED APPROACH  
TO BALANCE SHEET  
MANAGEMENT.

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