

Operating Review

DCC Energy

DCC Energy is the leading oil and liquefied petroleum gas (LPG) sales, marketing and distribution business in Europe. In oil distribution, DCC Energy is the market leader in Britain and Sweden and one of the leading oil distribution businesses in Austria, Denmark and Ireland. In LPG distribution, DCC Energy is market leader in Norway and Sweden, joint leader in the Netherlands and is a strong number two player in both Britain and Ireland.

During the year ended 31 March 2013, DCC significantly expanded its LPG distribution business through the acquisition of BP's LPG businesses in Britain and the Netherlands and Statoil Fuel & Retail's LPG distribution businesses in Sweden and Norway. In the year ended 31 March 2013, DCC sold 9.6 billion litres of product from its extensive network of 400 facilities to its customer base of approximately one million customers.

Markets and Market Position

Oil

DCC Energy's oil distribution business supplies transport fuels, heating oils, and fuel oils to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in Britain, Ireland, Denmark, Sweden, Austria and Germany. In Britain, DCC Energy sells oil under a portfolio of brands including Bayford, Butler Fuels, Brogan, Carlton Fuels, CPL Petroleum, Gulf, Pace Fuelcare, Scottish Fuels, Shell and Texaco. Outside of Britain, DCC Energy sells oil under the leading brands of Emo Oil (Ireland), Swea (Sweden), DCC Energi (Denmark), Energie Direct (Austria) and Top Oil (Austria). 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 is one of the leading sales and marketing businesses for branded fuel cards in Britain. The business sells

circa 700 million litres of transport fuels annually through its portfolio of fuel cards under the BP, Esso, Shell, Texaco and Diesel Direct brands. Fuel cards are an essential tool for commercial organisations to manage their transport fuel costs. DCC Energy provides its customers with access to the breadth of the British retail petrol station and bunker networks through its portfolio of branded fuel cards, while giving them detailed information on fuel utilisation to assist in minimising their spend on transport fuels.

Britain

DCC Energy has been the consolidator of what was and continues to be a highly fragmented oil distribution market in Britain. DCC Energy first entered the market in September 2001 with the acquisition of BP's business in Scotland and since then has acquired and integrated 28 businesses including the oil distribution businesses of Shell (2004), Chevron Texaco (2008), and Total (2011). DCC Energy is now, by far, the largest oil distributor in Britain. DCC's addressable market in Britain comprises transport fuels and heating oils to commercial, industrial, domestic, agricultural and dealer owned petrol stations. This is a market of circa 31 billion litres and DCC sold circa 5.8 billion litres of product to this market, giving a market share of approximately 18% (excluding DCC Energy's supply to larger dealer petrol stations in Britain DCC's market share is circa 16%). The total retail petrol station market in Britain is circa 35 billion litres. This is split 40% hyper markets, 30% company

owned and operated stations and 30% independent dealer owned. DCC Energy has circa 4% of the total market and circa 10% of the dealer market. DCC Energy operates in the independent dealer owned segment of the retail market and today is the largest supplier to this segment, based on the number of sites (selling to approximately 1,600 sites).

Ireland

Emo Oil is one of the leading oil distributors in Ireland with a market share of 10%. DCC's addressable oil market in Ireland is estimated at 9 billion litres.

Continental Europe

DCC's Swedish oil distribution business (Swea) is the market leader in Sweden with a share of circa 17% of the addressable market which is estimated at 2.3 billion litres. The addressable oil distribution market in Denmark is estimated at 2 billion litres of which DCC Energi Danmark has a market share of 13% and is the number two oil distributor. The addressable oil distribution market in Austria is estimated at 5 billion litres and DCC's business Energie Direct is the number two in this market with a share of 13%. With the oil majors continuing to divest oil distribution assets, DCC Energy is well placed to continue its growth by acquisition. During the year to March 2013 DCC Energy commenced a greenfield operation in Bavaria, Top Oil Bayern. In May 2013, DCC Energy acquired Bronberger & Kessler, a 250 million litre oil distributor based in Munich.



Revenue

€9,948.7m

2012: €7,823.0m

Change on prior year

Reported: +27.2%

Constant currency: +21.0%

Operating profit

€130.2m

2012: €83.5m

Change on prior year

Reported: +55.9%

Constant currency: +48.0%

Return on total capital employed

18.5%

2012: 14.0%

Brands

Oil - Bayford, Brogan*, Butler Fuels*, Carlton Fuels*, CPL Petroleum, Emo Oil*, Gulf, Pace Fuelcare, Scottish Fuels*, Shell, Texaco.

LPG - Flogas*, MacGas*, Benegas*.

Fuel card - BP, Diesel Direct, Esso, Fastfuels, Shell.

* DCC owned brands



Operating Review DCC Energy (continued)



Case Study

FLOGAS – CONSOLIDATING OUR POSITION IN BRITAIN AND EXTENDING INTO EUROPE.

DCC first entered the LPG market with a modest greenfield investment in Ireland in the 1970s and, through a small acquisition in 1984, entered the market in Britain. By 2012, the business had grown organically and through acquisition to having national coverage and strong market shares of 39% in Ireland and 19% in Britain. As the oil majors continue to exit from downstream operations, we acquired BP's LPG business in Britain in October 2012 which allowed Flogas to increase its share to 27% and generate significant operational synergies. In November 2012, we acquired BP's operations in the Netherlands and Belgium which trade under the Benegas brand. This business is based in Putten, one hour from Amsterdam, and has a strong position in the cylinder, bulk, and aerosol gas sectors, with potential for further development. Finally, in December 2012 we acquired the Norwegian and Swedish LPG operations of Statoil Fuel and Retail which gives us a market leading position in Sweden and Norway. Now operating in six countries, as the Flogas Group, our objective is to develop our existing businesses and explore opportunities to move further into new geographies.

LPG

DCC Energy is the second largest LPG sales marketing and distribution business in Britain and Ireland, the largest LPG distributor in Sweden and Norway and the joint leading distributor in the Netherlands. 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. In Britain, the business operates from a nationwide infrastructure comprising 63 facilities, while in Ireland the infrastructure comprises 6 depots throughout the country. In Sweden and Norway, the business operates from 10, mostly third party owned, locations while in the Netherlands the business

operates from one central depot. The LPG business also distributes a wide range of LPG fuel appliances, such as mobile heaters and barbeques.

Britain represents DCC Energy's largest LPG market at approximately 1.0 million tonnes. Trading under the Flogas brand, DCC Energy is the number two LPG distributor in Britain and Ireland with market shares of approximately 27% and 39% respectively. In Sweden and Norway DCC Energy (trading under the Flogas brand) is market leader with circa 47% and 43% market shares respectively and in the Netherlands the business has a market share of approximately 24% trading under the Benegas brand. Unlike the oil distribution market, which remains highly fragmented, the LPG

markets in Britain, Ireland, Sweden, Norway and the Netherlands are relatively consolidated.

New Energy

Through the newly acquired Clearpower business and the existing UFW business, DCC Energy is developing a presence in the renewable energy sector. Clearpower is a bioenergy and environmental services business, based in Ireland with a presence in Britain while UFW is a distributor of innovative renewable energy solutions (including solar panels, biomass, geothermal heating and underfloor heating) in Britain with a broad supplier and customer base.

Strategy and Development

DCC Energy's vision is to be a global leader in the marketing, sale and distribution of fuels and related products and the provision of services to energy consumers:

- with strong local market shares;
- operating under multiple brands;
- consolidating fragmented markets;
- selling a broad range of related products and services;
- building a position in new geographies;
- continuing the development of its presence in the green/renewable energy sector;
- generating high levels of ROCE; and
- while maintaining a strong balance sheet.

Oil

In oil distribution, DCC Energy's strategy is to be the leading oil distribution business in its chosen addressable markets, by continuing to consolidate existing markets, driving targeted growth in the non-heating dependent segments of the market, expanding into new geographies through acquisition and driving organic profit growth by leveraging the scale of the business, by selling differentiated products and cross selling add-on products and services such as lubricants and boiler maintenance services to its extensive customer base.



Key to DCC Energy's expansion into the non-heating segments of the market is to build a larger presence in the transport fuels segment of the market, with particular emphasis on growing its presence in the retail forecourt sector of the market by expanding its supply to independent dealers, growing its unmanned and bunker site presence, by leveraging its existing supply infrastructure and scale and developing industry leading propositions for its dealers and retail consumers.

DCC Energy's strategy in Britain is to continue to grow its market share (currently 18%) to in excess of 20% of its addressable market. The unconditional clearance by the Competition Commission in September 2012 of the acquisition of certain oil distribution assets in the UK previously owned by Total was a significant step in ensuring that DCC Energy can achieve its strategic aims in the British oil distribution market. Key to achieving this target is growth in non-heating dependent segments of the market with a particular focus on retail petrol stations and the marine and aviation sectors. DCC Energy is now the largest supplier to independent dealer owned retail petrol stations in Britain, selling to approximately 1,600 sites across the country. The business has been actively rolling out the Gulf brand across this network and currently has approximately 325 sites under the Gulf brand. The business distributes to circa 250 Total branded sites and also has sites under a range of other brands including Pace, Power, Scottish Fuels, Texaco and Regent.

Through the establishment of a greenfield operation in Bavaria in November 2012 and the acquisition of Munich based Bronberger & Kessler in May 2013, DCC Energy has taken the first steps towards establishing a business in Germany.

In fuel cards, DCC Energy is continuing to target high levels of organic growth through its extensive telesales team and cross selling fuel cards to its broad

oil distribution customer base. The fuel cards business has expanded its customer offering through providing innovative products to customers such as 'CO2Count' and 'Mileage Capture', which provide customers with key information on fuel consumption and emissions to allow them to better manage their businesses.

LPG

DCC Energy will continue to leverage its strong LPG market positions to drive organic profit growth on a sector by sector basis in all of its markets. Similar to the oil business, the LPG business is targeting growth in the non heating dependent segments of the market, primarily through organic volume growth with commercial and industrial customers. In April 2012, DCC Energy expanded its cylinder business into the medical gas sector in Britain through the acquisition of Medical Gas Solutions Limited, a distributor of specialist medical gasses to ambulance trusts. The LPG business made significant steps in developing its business in the year to March 2013 through three major acquisitions at a total cost of circa €100 million. In October 2012, DCC Energy acquired BP's LPG distribution business in Britain for a total consideration of £40.5 million. This acquisition reinforces Flogas Britain's position as the clear number two operator in the market. The acquisition was cleared by the Office of Fair Trading in January 2013 and will be integrated into the Flogas business during the first quarter of the current financial year. In November 2012, DCC Energy agreed to acquire Benegas, BP's LPG distribution business in the Netherlands and north Belgium for a total consideration of €24.5 million. This acquisition was DCC Energy's first step into continental Europe in the LPG distribution business. In December 2012 DCC Energy completed the acquisition of Statoil Fuel & Retail's LPG distribution business in Sweden and Norway. These three acquisitions have significantly increased the size, profitability and geographic reach of DCC Energy's LPG distribution businesses.

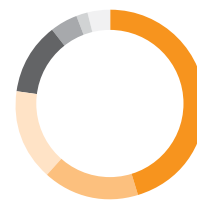
Customers

DCC Energy has a very broad customer base with approximately 1 million customers across the geographies in which the businesses operate. Customers are primarily spread over the commercial, retail, industrial, domestic, agricultural and marine markets. DCC Energy has no material customer dependencies.

The volume split by customer type for the year ended 31 March 2013 is as follows:

Customer Split

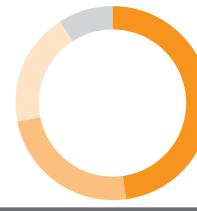
Commercial	46%
Retail	16%
Industrial	16%
Domestic	12%
Agricultural	5%
Marine	2%
Other	3%



The volume split by type of product for the year ended 31 March 2013 is as follows:

Product Split

OIL	
Transport	48%
Heating	24%
Fuel	19%
LPG	9%



Suppliers

As with its customer base, DCC Energy's supplier portfolio is broadly based. The top five suppliers represent approximately 63% of total volumes supplied with no one individual supplier accounting for more than 20% of volumes supplied in the year to 31 March 2013. The major suppliers to the division are BP, Essar, Ineos, Mabanft, Philips66, Shell, and Valero Energy.

Our People

DCC Energy's business is a people business at its core. Therefore we are very focused on developing processes and practices that ensure we are focused on the well being, development and engagement of our people across all areas of the business and to ensure

Operating Review DCC Energy (continued)

that we have the necessary resources, talent and skills to deliver the service levels expected by our customers in a safe way, every day.

Continuous improvement of our safety performance is a key priority and responsibility for all line managers and directors who are supported by experienced health and safety functions in each business. Occupational safety and process safety (relating to the larger terminals which have the potential for a major accident) is managed through systems and processes which identify, control and monitor health and safety risks. Monthly KPIs are reviewed by the DCC Energy Board which sets annual objectives to drive improvements in near miss reporting, safety awareness, competence and overall safety culture.

DCC Energy has strong management teams with an in depth knowledge and years of experience in the markets in which the businesses operate. As our businesses have grown we have looked to augment the existing management teams with strong personnel in senior roles. Most recently we created new roles as Managing Director and Finance Director for DCC Energy's LPG businesses, and Director of Human Resources in DCC Energy's oil business in Britain (two of these posts filled by internal candidates and one external), along with a number of other appointments further strengthening subsidiary management teams. We will continue to develop the management teams as the businesses grow.

DCC Energy currently employs 4,741 people.

Key Risks

DCC Energy, like all the businesses within the Group, faces a number of strategic, operational, compliance and financial risks. While the division has a broad customer base across a number of geographies, continued poor economic demand and its impact on consumer spending and confidence is a key risk faced by the division.

A significant proportion of DCC Energy's volumes are generated through the sale of heating dependent product and, accordingly, the division can be impacted by extreme movements in weather conditions. As discussed earlier in this report, there have been significant developments in the non-heating segments of the business and a continuation of this development and growth underpins the strategy to reduce the dependence on heating products.

DCC Energy distributed 9.6 billion litres of product during the year ended 31 March 2013 and the businesses operate with inherent risks to the environment and people. Ensuring that our businesses maintain rigorous health, safety and environmental standards is one of our core business principles.

DCC Energy has been highly acquisitive over the last number of years and ensuring the smooth integration of these acquisitions is critical to the success of the division. This is achieved through close monitoring of the acquired businesses and ongoing management development.

Sustainability

DCC Energy's approach to sustainability recognises the reality of climate change and the physical challenges arising from changing weather patterns and more frequent extreme weather events. Government responses to climate change include levies and taxes on carbon emissions, incentives for renewables and energy efficiency technologies and setting long term carbon reduction targets. At the same time the economy relies on energy (primarily from fossil fuels) to function and grow. DCC Energy is committed to assisting our customers reduce their environmental impact. This is being achieved through offering our customers cleaner, more efficient fuels and innovative solutions, enabling customers to monitor their own energy use and quantify the carbon emissions.

The potential for oil spills to impact on the environment is a risk that is managed on a daily basis. From domestic deliveries to large storage facilities in coastal locations, a range of controls are in place to minimise the potential of this becoming a reality. Controls include the design and maintenance of vehicles and depots, the implementation of effective HSE procedures and, critically, the engagement of competent, trained employees who are handling product every day.

No significant spills occurred in the period. However all spills have the potential to cause local damage so in the event of any spill occurring, immediate action is taken to contain and recover the product to minimise impact to the surroundings. Detailed investigations are completed to identify the root causes of any incidents to identify learning points and opportunities for improvement.


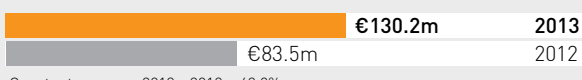
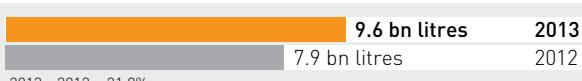
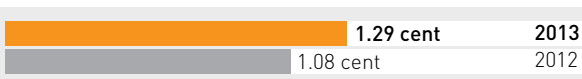
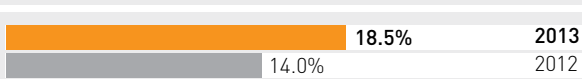
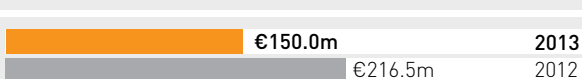
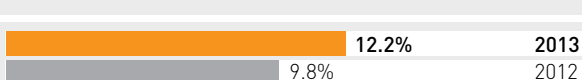
DCC Energy's businesses operate on a very local footprint in all the markets in which we have a presence. Therefore it is crucial to our long term strategy that we have a high degree of trust within the communities in which we operate. All our businesses operate to the highest standards, invest heavily in infrastructure and training, and encourage our staff to participate actively in the communities within which they work.

Performance for the Year Ended 31 March 2013

DCC Energy had an excellent year with operating profit 48.0% ahead of the prior year on a constant currency basis. The business benefited from organic profit growth, primarily driven by a return to colder winter weather conditions, and also from good development activity.

DCC Energy sold 9.6 billion litres of product during the year, an increase of 21.8% over the prior year, driven predominantly by acquisitions. Volumes were 2.3% ahead of the prior year on

DCC Energy: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth (constant currency)	 <p>Constant currency 2013 v 2012: +21.0%</p>
Drive for enhanced operational performance	Operating profit growth (constant currency)	 <p>Constant currency 2013 v 2012: +48.0%</p>
Drive increase in sales volumes	Volumes	 <p>2013 v 2012: +21.8%</p>
Grow operating profit per litre	Operating profit per litre (constant currency)	
Deliver superior shareholder returns	Return on capital employed ('ROCE')	
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	
Deliver superior shareholder returns	10 year operating profit CAGR	

a like for like basis. Heating volumes increased by approximately 8% as average temperatures during the key winter months in Britain were 1.4 degrees cooler than the 10 year average and materially colder than the prior year although, with the exception of March, the winter had few prolonged cold periods. Overall volumes were impacted somewhat by the weak economic environment and the sustained high price of product.

The oil business in Britain and Ireland rebounded strongly from the very difficult prior year, benefiting from the colder temperatures and strong growth in transport fuels, particularly through fuelcards. The commercial and industrial sectors of the market proved challenging given the difficult economic environment. The unconditional clearance by the Competition Commission 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 increasing its share of the oil distribution market in Britain. DCC Energy's oil businesses in continental Europe also performed strongly, driven by the benefit of acquisitions. In the second half of the year, the business established a start-up operation in Bavaria in Germany and since the year end it has also acquired a small oil distribution business in Bavaria. DCC Energy now has oil distribution operations in six countries.

The LPG business had an excellent year achieving strong organic volume growth, reflecting the colder weather conditions and good market share growth in the commercial and industrial sectors of the market. The business also benefited from a more favourable product pricing environment.

From a development perspective, it was an excellent year for the LPG business with DCC Energy committing circa €100 million to the expansion of its LPG activities through the acquisitions

of BP's businesses in Britain, the Netherlands and Belgium and of Statoil Fuel & Retail's business in Scandinavia. The clearance by the Office of Fair Trading of the acquisition of the BP LPG business in Britain will enable DCC Energy to integrate this business with its existing operations in Britain during the first quarter of the current financial year. These acquisitions significantly increased the scale and geographic scope of DCC Energy's LPG business in Europe. DCC Energy now operates LPG businesses in six countries with market leading positions in the Netherlands, Norway and Sweden and strong number two positions in Britain and Ireland.