

Financial Review

This was a year of recovery and renewed growth for the Group with revenue increasing by 19.4%, operating profits increasing by 21.3%, operating cash flow increasing to €324.5 million, free cash flow increasing to €198.0 million and an incremental €277.7 million deployed on acquisitions and net capital expenditure.

As the performance metrics set out in Table 1 show, the key metrics of revenue and profit growth, return on capital employed, working capital management and cash flow all improved during the year to 31 March 2013. The deployment of capital was the highest in the Group's history and the Group still retains a strong, well funded and highly liquid balance sheet.

Presentation Currency

With the recent cancellation of DCC's listing on the Irish Stock Exchange and scheduled inclusion in the FTSE All-Share Index and the FTSE 250 from 24 June 2013 DCC will, from 1 April 2013, present its results in sterling. The Board believes that this change will help to provide a clearer understanding of DCC's financial performance by more closely reflecting the profile of its operations. Given the

current composition of the Group's activities, this change is expected to reduce the impact of currency movements on reported results.

Accordingly, the results for the year ended 31 March 2013, set out in this Annual Report, are the last set of results which DCC is presenting in euro. Furthermore, this Annual Report includes, on pages 181 to 184, summary financial information presented in sterling for the year ended 31 March 2013, together with prior year comparatives. DCC's interim results for the six months to 30 September 2013 and subsequent results will be presented in sterling only. The final dividend for the year ended 31 March 2013 has being declared in euro. Subsequent dividends will be declared in sterling; however, DCC will continue to offer shareholders the option of receiving their dividends

in euro. DCC's share capital will remain denominated in euro and existing share certificates will remain valid.

The outlook statement set out in the Chief Executive's Review on page 13 is presented in sterling.

Revenue

Group revenue increased by 19.4%, on a constant currency basis, to €13 billion primarily as a result of acquisitions in DCC Energy and strong organic growth in DCC SerCom. DCC Energy increased its sales volumes by 21.8%, with like for like volumes increasing by 2.3%. Excluding DCC Energy, Group revenue was 14.4% ahead of the prior year on a constant currency basis; most of this growth was organic and was driven by strong growth in DCC SerCom, particularly in Britain.

Table 1: Performance Metrics

	2013	2012
Revenue growth - constant currency	19.4%**	24.9%
Operating profit* increase/(decrease) - constant currency	21.3%**	[18.3%]
EBIT: net interest (times)	13.3	10.4
EBITDA: net interest (times)	17.1	13.5
Net debt as a percentage of total equity	20.8%	12.6%
Net debt/EBITDA (times)	0.7	0.5
Working capital as a percentage of total revenue	0.6%	0.9%
Working capital - days	2.2	2.5
Debtors - days	36.9	34.6
Operating cash flow (€'m)	324.5	277.3
Free cash flow after interest and tax (€'m)	198.0	146.0
Return on total capital employed	15.6%	14.2%
Acquisition capital deployed (€'m)	207.2	169.1

* excluding exceptionals and amortisation of intangible assets.

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

Overview of Results

	2013 €'m	2012* €'m	Change on prior year	
			Reported	Constant currency
Revenue	12,966.3	10,350.9	+25.3%	+19.4%
Operating profit				
DCC Energy	130.2	83.5	+55.9%	+48.0%
DCC SerCom	50.9	47.9	+6.1%	+1.3%
DCC Healthcare	27.2	23.4	+16.2%	+10.3%
DCC Environmental	13.4	14.2	-6.0%	-11.7%
DCC Food & Beverage	7.5	10.7	-29.6%	-29.6%
Group operating profit	229.2	179.7	+27.5%	+21.3%
Finance costs (net)	(17.3)	(17.9)		
Profit before exceptional items, amortisation of intangible assets and tax	211.9	161.8	+31.0%	+24.4%
Amortisation of intangible assets	(17.7)	(11.4)		
Exceptional charge (net)	(31.2)	(22.7)		
Profit before tax	163.0	127.7		
Taxation	(32.2)	(29.0)		
Non-controlling interests	(0.4)	(0.6)		
Net earnings	130.4	98.1		
Adjusted earnings per share (cent)	209.96	158.31	+32.6%	+26.0%

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

Operating Profit

Group operating profit increased strongly by 21.3% on a constant currency basis; approximately three quarters of this growth was organic, primarily reflecting a recovery in operating profit in DCC Energy.

Operating profit in DCC Energy, the Group's largest division, was significantly ahead of the prior year (48.0% on a constant currency basis) reflecting the return to colder winter weather conditions compared to the very mild winter in the prior year as well as good development activity. The colder weather gave rise to increased heating related volumes although commercial/industrial volumes were impacted by the weak economic environment.

Operating profit in DCC SerCom, the Group's second largest division, was modestly ahead of the prior year, on a constant currency basis, driven by strong growth in Britain in the mobile communications and tablet product categories. Operating profit in DCC Healthcare grew by 10.3% on a constant

currency basis, benefiting from acquisitions in the current and prior year. Operating profit declined in DCC's two smaller divisions, DCC Environmental and DCC Food & Beverage.

Approximately 80% of the Group's operating profit in the year was denominated in sterling. The average exchange rate at which sterling profits were translated during the year was Stg£0.8154 = €1, compared to an average translation rate of Stg£0.8684 = €1 for the prior year, a strengthening of 6%, which resulted in a positive translation impact on Group operating profit of €11.2 million. Consequently, on a reported basis, operating profit increased by 27.5%.

Although DCC's operating margin on a continuing basis (excluding exceptionals) was 1.8%, compared to 1.7% in 2012, 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 on the percentage. 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 operating margin on a continuing basis (excluding exceptionals) for the Group's other divisions was 3.3% (3.8% in 2012), with some of the sales growth in DCC SerCom being at relatively lower margins.

An analysis of the performance on a constant currency basis for the first half, the second half and the full year ended 31 March 2013 is set out in Tables 2 and 3.

A detailed review of the operating performance of each of DCC's divisions is set out on pages 16 to 41.

Finance Costs (net)

Net finance costs decreased marginally to €17.3 million (2012: €17.9 million). Whilst average net debt during the year was €342 million, compared to €248 million during the prior year, the average interest rate on the Group's debt was lower.

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Interest was covered 13.3 times by Group operating profit before amortisation of intangible assets (10.4 times in 2012).

Profit Before Net Exceptional Items, Amortisation of Intangible Assets and Tax

Profit before net exceptional items, amortisation of intangible assets and tax of €211.9 million increased by 24.4% on a constant currency basis (by 31.0% on a reported basis).

Net Exceptional Charge and Amortisation of Intangible Assets

The Group incurred a net exceptional charge before tax of €31.2 million as follows:

	2013 €'m
Reorganisation costs	20.7
Acquisition costs	14.9
Other (net)	(4.4)
Total	31.2

The cash effect of the exceptional charges was €30.9 million in the year ended 31 March 2013.

The Group incurred an exceptional charge of €20.7 million in relation to the restructuring of acquired and existing businesses. Most of this related to the planned integration into DCC Energy's existing operations of certain oil distribution assets previously owned by Total and the BP UK LPG business following the clearance of these acquisitions by the relevant competition authorities.

Acquisition and related costs of €14.9 million include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisitions. These costs also include the legal and other professional costs relating to the review and ultimate clearance by the relevant competition authorities of the Total and BP UK LPG acquisitions.

The net exceptional credit primarily relates to deferred acquisition consideration overprovided in previous years of €6.8 million less an IAS 39 ineffectiveness charge of €1.7 million.

The charge for the amortisation of acquisition related intangible assets increased from €11.4 million to €17.7 million primarily due to the acquisitions

completed in the second half of the prior year and in the current year.

Profit Before Tax

Profit before tax of €163.0 million increased by 24.7% on a reported basis.

Taxation

The effective tax rate for the Group decreased to 17% compared to 18% in the previous year primarily reflecting a reduction in the UK corporation tax rate.

Adjusted Earnings Per Share

Adjusted earnings per share of 209.96 cent increased strongly by 26.0% on a continuing constant currency basis (32.6% on a continuing reported basis).

The compound annual growth rate in DCC's adjusted earnings per share over the last 20, 15, 10 and 5 years is as follows:

	CAGR %
20 years (i.e. since 1993)	12.5%
15 years (i.e. since 1998)	10.9%
10 years (i.e. since 2003)	7.5%
5 years (i.e. since 2008)	4.9%

Table 2: Revenue - Constant Currency

	H1 €'m	2013 H2 €'m	FY €'m	H1 €'m	2012* H2 €'m	FY €'m	H1 %	Change H2 %	FY %
DCC Energy	4,407.2	5,061.6	9,468.8	3,133.3	4,689.7	7,823.0	+40.7%	+7.9%	+21.0%
DCC SerCom	866.9	1,305.5	2,172.4	766.9	1,074.9	1,841.8	+13.0%	+21.4%	+17.9%
DCC Healthcare	174.3	200.5	374.8	153.8	176.2	330.0	+13.3%	+13.8%	+13.6%
DCC Environmental	66.5	68.3	134.8	65.4	67.3	132.7	+1.8%	+1.4%	+1.6%
DCC Food & Beverage	118.1	91.6	209.7	132.0	91.4	223.4	-10.6%	+0.3%	-6.1%
Total	5,633.0	6,727.5	12,360.5	4,251.4	6,099.5	10,350.9	+32.5%	+10.3%	+19.4%
Weighting %	45.6%	54.4%	100.0%	41.1%	58.9%	100.0%			

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

Dividend

The total dividend for the year of 85.68 cent per share represents an increase of 10.0% over the previous year. The dividend is covered 2.5 times (2.1 times in 2012) by adjusted earnings per share. Over the last 19 years (i.e. since DCC's flotation), DCC's dividend has grown at a compound annual rate of 14.7%.

Return on Capital Employed

The creation of shareholder value through the delivery of consistent, long term returns well in excess of the cost of capital is one of DCC's core strengths. 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 and strong working capital management.

	2013 ROCE	2012 ROCE
DCC Energy	18.5%	14.0%
DCC SerCom*	16.4%	15.9%
DCC Healthcare	13.1%	15.4%
DCC Environmental	8.3%	10.2%
DCC Food & Beverage	9.5%	13.7%
Group	15.6%	14.2%

* continuing activities

Cash Flow

The Group generated excellent operating and free cash flow during the year, as summarised in Table 4.

Operating cash flow in 2013 was €324.5 million compared to €277.3 million in 2012. Working capital was reduced by €34.6 million despite a €2.3 billion increase in revenue, with overall working capital days decreasing to 2.2 days at 31 March 2013 from 2.5 days at 31 March 2012.

After interest and tax payments and net capital expenditure, free cash flow amounted to €198.0 million compared to €146.0 million in the prior year.

Net capital expenditure in the year of €70.5 million (2012: €65.6 million) compares to a depreciation charge of €66.5 million (2012: €55.4 million).

With a cash impact of acquisitions in the year of €206.2 million and dividend payments of €67.0 million, overall there was a net outflow of €89.6 million in the year, leaving net debt at 31 March 2013 at €219.9 million.

Table 3: Operating Profit - Constant Currency

	H1 €'m	2013 H2 €'m	FY €'m	H1 €'m	2012* H2 €'m	FY €'m	H1 %	Change H2 %	FY %
DCC Energy	21.5	102.1	123.6	18.7	64.8	83.5	+14.8%	+57.5%	+48.0%
DCC SerCom	14.8	33.8	48.6	14.2	33.7	47.9	+4.0%	+0.2%	+1.3%
DCC Healthcare	11.2	14.6	25.8	10.5	12.9	23.4	+6.4%	+13.5 %	+10.3%
DCC Environmental	7.1	5.4	12.5	7.8	6.4	14.2	-9.4%	-14.6%	-11.7%
DCC Food & Beverage	3.3	4.2	7.5	6.0	4.7	10.7	-44.2%	-11.1%	-29.6%
Total	57.9	160.1	218.0	57.2	122.5	179.7	+1.1%	+30.7%	+21.3%
Weighting %	26.5%	73.5%	100.0%	31.8%	68.2%	100.0%			

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

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Table 4: Summary of Cash Flows

	2013 €'m	2012 €'m
Operating profit	229.2	185.0
Decrease in working capital	34.6	46.6
Depreciation and other	60.7	45.7
Operating cash flow	324.5	277.3
Capital expenditure (net)	(70.5)	(65.6)
Free cash flow (before interest and tax payments)	254.0	211.7
Interest and tax paid	(56.0)	(65.7)
Free cash flow	198.0	146.0
Acquisitions	(206.2)	(168.1)
Disposals	14.4	(1.3)
Dividends	(67.0)	(63.2)
Exceptional items	(30.9)	(2.8)
Share issues	2.1	2.4
Net outflow	(89.6)	(87.0)
Opening net debt	(128.2)	(45.2)
Translation	(2.1)	4.0
Closing net debt	(219.9)	(128.2)

The conversion rate of operating profits to free cash flow (i.e. operating cash flow less capital expenditure but before interest and tax payments) is an important measure as to how the Group's operating profits translate into cash flow. The Group has a relatively high conversion rate which is summarised on a 1,5,10 and 15 year basis as follows:

Balance Sheet and Group Financing

DCC's financial position remains very strong, well funded and highly liquid. At 31 March 2013, the Group had net debt of €219.9 million and total equity of €1.06 billion. In April 2013, the Group successfully completed a fund raising in the US Private Placement market raising \$525 million (€404.1 million) at attractive

	1 Year €'m	5 Year €'m	10 Year €'m	15 Year €'m
Operating profit	229	1,017	1,654	2,032
Operating cash flow	325	1,474	2,135	2,590
Free cash flow*	254	1,175	1,632	1,948
Free cash flow* %	111%	116%	99%	96%

*Operating cash flow less capital expenditure and before interest and tax payments.

rates of interest and with maturity terms of seven, ten and twelve years (average maturity of ten years). Pending deployment of these funds on acquisitions and future debt repayments, the funds raised add to DCC's cash resources, increasing the average maturity on all of the Group's debt to just over six years. The Group's strong funding and liquidity position at 31 March 2013, adjusted for the above fundraising which was received on 25 April 2013, is summarised in Table 5.

Key financial ratios as of 31 March 2013, including the principal financial covenants included in the Group's various lending agreements, are as follows:

	2013 Actual	2012 Actual	Lender Covenants
Net debt:EBITDA	0.7	0.5	3.5
EBITDA:net interest	17.1	13.5	3.0
EBITA:net interest	13.3	10.4	3.0
Total equity (€'m)	1,055.3	1,014.0	500.0

The above funding together with available cash resources and committed bank term loan facilities ensures that the Group retains significant financial capacity to support its future plans. Pending the deployment of this cash on scheduled debt repayments and acquisition and development opportunities, the Group will incur an annual interest holding cost on this incremental debt. However, raising these funds at this time has taken advantage of relatively good market conditions well in advance of the Group's scheduled debt maturities of €285 million over the next two years.

Further analysis of DCC's cash, debt and financial instrument balances at 31 March 2013 is set out in notes 28 to 31 in the financial statements.

Table 5: Summary of Net Debt at 31 March 2013

	At 31 March 2013 €'m	Fund raising 25 April 2013 €'m	Pro -forma €'m
Cash and short term bank deposits	613.7	404.1	1,017.8
Overdrafts	(103.9)	-	(103.9)
Cash and cash equivalents	509.8	404.1	913.9
Bank debt repayable within 1 year	(0.9)	-	(0.9)
US Private Placement debt repayable:			
Y/e 31/3/2014	(66.0)	-	(66.0)
Y/e 31/3/2015	(218.3)	-	(218.3)
Y/e 31/3/2016	(15.2)	-	(15.2)
Y/e 31/3/2017	(112.9)	-	(112.9)
Y/e 31/3/2018	(55.4)	-	(55.4)
Y/e 31/3/2019	-	-	-
Y/e 31/3/2020	(213.0)	-	(213.0)
Y/e 31/3/2021	-	(60.4)	(60.4)
Y/e 31/3/2022	(44.4)	-	(44.4)
Y/e 31/3/2023	-	-	-
Y/e 31/3/2024	-	(258.2)	(258.2)
Y/e 31/3/2025	-	-	-
Y/e 31/3/2026	-	(85.5)	(85.5)
Other debt	(3.6)	-	(3.6)
Debt	(729.7)	(404.1)	(1,133.8)
Net debt	(219.9)	-	(219.9)

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. A significant proportion of the Group's profits and net assets are denominated in sterling. The sterling:euro exchange rate weakened by 1.4% from 0.8339 at 31 March 2012 to 0.8456 at 31 March 2013. However the average rate at which the Group translates its UK operating profits strengthened by 6.1% from 0.8684 in 2012 to 0.8154 in 2013.

Approximately 80% of the Group's operating profit for the year ended 31 March 2013 was denominated in sterling and this is 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 profits of foreign currency subsidiaries on the basis and to the extent that they are not intended to be repatriated. The 6.1% strengthening in the average translation rate of sterling, referred to above, positively impacted the Group's reported operating profit by €11.2 million in the year ended 31 March 2013.

DCC has investments in sterling operations which are highly cash generative and cash generated from these operations is reinvested in sterling denominated development activities rather than being repatriated into euro. 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 1.4% weakening in the value of sterling against the euro during the year ended 31 March 2013, referred to above, was the main element of the translation loss of €13.8 million arising on the translation of DCC's non-euro denominated net asset position at 31 March 2013 as set out in the Group Statement of Comprehensive Income in the financial statements.

Where sales or purchases are invoiced in other than 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.

Commodity Price Risk Management

The Group is exposed to commodity cost price risk in its oil distribution and LPG businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period, in LPG commodity sales prices and in the resale prices of recycled oil products. Fixed price oil supply contracts are occasionally provided to certain customers for periods

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of less than one year. To manage this exposure, the Group enters into matching forward commodity contracts which are designated as hedges under IAS 39. The Group hedges a proportion of its anticipated LPG commodity exposure, with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes. In addition, to cover certain customer segments for which it is commercially beneficial to avoid price increases, a proportion of LPG commodity price and related foreign exchange exposure is hedged. All commodity hedging counterparties are approved by the Chief Executive and Chief Financial Officer and reviewed 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 three months. In addition, the Group maintains both committed and uncommitted credit lines with its relationship banks. DCC borrows at both fixed and floating rates of interest. All drawn fixed rate borrowings at 31 March 2013 were swapped to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. Approximately 75% of the fixed rate US Private Placement which was drawn down on 25 April 2013 was similarly swapped to floating interest rates. 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.

Investor Relations

DCC's senior management team are committed to interacting with the international financial community to ensure a full understanding of DCC's strategic plans and current trading performance. With the recent cancellation of DCC's listing on the Irish Stock Exchange and scheduled inclusion in the FTSE All-Share Index and the FTSE 250 from 24 June 2013, DCC stepped up its investor relations efforts in order to increase the awareness of DCC among the international equity investor community and in particular commenced a process to attract additional broker analyst coverage in the UK. During the year, the executive management presented at 8 capital market conferences, at approximately 200 one-on-one and group meetings with shareholders and to 14 UK broking firms.

For the Group's debt investors, in November 2012 the executive management presented in London and the US to 29 of its existing and potential debt holders as part of a "Non-deal" road show. This was followed in February 2013 with a "Deal" road show where the executive management presented in London, Continental Europe and the US to 44 of its existing and potential debt holders, which culminated in the successful \$525 million (€404.1 million) fundraising referred to above.

Share Price and Market Capitalisation

The Company's shares traded in the range €17.55 to €27.50 during the year. The share price at 28 March 2013 was €27.45 (30 March 2012: €18.56) giving a market capitalisation of €2.30 billion (2012: €1.55 billion). Based on the Company's share price at 28 March 2013, Total Shareholder Return since the Group's flotation in May 1994 was 1,464%.