



14 May 2001

Results for the Year ended 31 March 2001

	€	
Turnover	1,870.1 m	Up 42.1%
Operating profit	91.7 m	Up 24.3%
Profit before exceptional gains, goodwill amortisation and tax	87.3 m	Up 22.4%
Adjusted earnings per share*	84.7 cent	Up 23.1%
Dividend per share	21.12 cent	Up 20.0%

Net cash at 31 March 2001: €83.2 million (2000: €89.2 million)

Return on capital employed - excluding goodwill: 48.1% (2000: 40.6%)
 - including goodwill: 23.7% (2000: 20.9%)

* adjusted to exclude exceptional gains and goodwill amortisation

DCC, the leading value added marketing and distribution group, today announced its results for the year ended 31 March 2001. Commenting on the results, DCC's Chief Executive & Deputy Chairman, Jim Flavin, said:

“Another year of excellent organic profit growth and a further increase in DCC’s high return on capital employed are the key features of these results. DCC has delivered compound annual growth in adjusted earnings per share of 21.5% over the last five years. This reflects well on DCC’s focus on growth markets and its disciplined and rigorous operating and financial controls.

Operating in diverse growth markets, with a very strong balance sheet, DCC is well positioned, in these more uncertain times, to continue to achieve strong growth and excellent long-term shareholder returns.”

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Results

Another year of excellent organic profit growth and a further increase in DCC's high return on capital employed are the key features of these results. This reflects well on DCC's focus on growth markets and its disciplined and rigorous operating and financial controls.

- Turnover was up 42.1% to €1,870.1 million.
- Operating profit was up 24.3% to €91.7 million.
- Operating cash flow at €83.4 million was good compared with operating profits from subsidiaries of €82.8 million.
- The net interest charge reduced to €4.4 million from €6.4 million.
- Profit before exceptional gains, goodwill amortisation and tax increased by 22.4% to €87.3 million.
- The effective tax rate was 15.0%, unchanged from the previous year.
- Adjusted earnings per share (*i.e.* excluding exceptional gains and goodwill amortisation) increased by 23.1% to 84.7 cent.

DCC's application of its core skills in value added marketing and distribution - focused sales teams, deep market knowledge and distribution reach - has delivered compound annual growth in adjusted earnings per share of 21.5% over the last five years.

Business Highlights

DCC is a value added marketing and distribution group, which operates principally in growth segments of the IT, energy and healthcare markets. DCC holds strong market positions in the UK and Ireland and is expanding its IT and healthcare activities in Continental Europe.

- ***IT - operating profit €31.2m - up 52.5% (34.0% of total operating profit)***
SerCom Distribution had another excellent year with very strong performances in all operating subsidiaries. Distrilogie, the Continental European specialist storage equipment distributor, achieved excellent growth in its first full year of contribution.
- ***Energy - operating profit €23.6m - up 17.8% (25.7% of total operating profit)***
Energy achieved strong organic growth and enhanced its position in the Northern Ireland market through the acquisition of Fuel Services in July 2000.
- ***Healthcare - operating profit €20.3m - up 27.4% (22.2% of total operating profit)***
Healthcare had another year of excellent growth, all of which was organically generated.
- ***Other activities - operating profit €16.6m - down 4.2% (18.1% of total operating profit)***
Other activities, including the food businesses and supply chain management services, showed a modest reduction in profitability, principally reflecting significant developmental investment in IT systems, skilled personnel and management resources in SerCom Solutions.

Development Activity

DCC continues to exploit the significant growth opportunities in the markets in which it operates. DCC has a particular focus on achieving strong organic growth, supplemented by complementary acquisitions.

In total, €74.2 million was committed to organic growth and acquisitions during the year.

Investment in working capital and fixed assets amounted to €54.0 million. The strong organic sales growth resulted in an increased investment in working capital of €19.9 million. Working capital efficiency remained excellent and equated to 13.2 days' sales at the year end.

Total capital expenditure was €34.1 million (2000: €29.0 million). The expenditure was incurred across the Group and included the extension of SerCom Distribution's UK warehousing and distribution hub. The depreciation charge for the year was €20.8 million (2000: €18.9 million).

Acquisition expenditure, inclusive of net debt acquired, totalled €20.2 million in the year, of which €0.7 million was satisfied in DCC shares and €4.2 million was deferred. The cash impact of acquisitions amounted to €26.0 million (including the payment of €10.7 million of deferred consideration which had been provided for at 31 March 2000). The principal acquisition was Fuel Services which has been successfully integrated with DCC's existing energy operations in Northern Ireland. DCC is now the leading marketer of fuel oils and distillates in Northern Ireland.

DCC is actively pursuing a range of bolt-on acquisitions in the IT, energy and healthcare areas at this time. In energy, DCC has signed a Heads of Agreement to acquire part of BP's commercial, agricultural and domestic oil business in Scotland and Northern England. The business employs 200 people and services a range of customers from 14 locations.

Financial Strength and Share Buy Back

As announced on 28 July 2000, the Board took advantage of the Group's strong balance sheet to buy back 2.6 million shares (2.9% of the issued share capital) at €9.50 per share costing €24.7 million. Following the share buy back and the development expenditure referred to above, which in total amounted to €98.9 million, the Group had net cash of €83.2 million at 31 March 2001 (€89.2m at 31 March 2000). Shareholders' funds at 31 March 2001 amounted to €354.7 million.

DCC's strong financial position leaves the Group well placed to pursue its growth objectives and, if deemed appropriate, to buy back more shares.

Dividend

The Directors recommend a final net dividend of 13.38 cent per share which, when added to the interim dividend of 7.74 cent per share, gives a total dividend of 21.12 cent per share for the year. This represents an increase of 20.0% on the dividend of 17.60 cent per share paid in respect of the previous year. The dividend for the year is covered 4.0 times by adjusted earnings per share (2000: 3.9 times). The final dividend will be paid on 10 July 2001 to shareholders on the register at the close of business on 25 May 2001.

Outlook

Operating in diverse growth markets, with a very strong balance sheet, DCC is well positioned, in these more uncertain times, to continue to achieve strong growth and excellent long-term shareholder returns.

Operating Review

IT (SerCom Distribution)

	2001	2000	
Turnover	€753.9m	€542.3m	+39.0%
Operating Profit	€31.2m	€20.5m	+52.5%
Operating Margin	4.1%	3.8%	
ROCE - excluding goodwill	67.5%	62.3%	
- including goodwill	33.9%	33.6%	

This was another excellent year for SerCom Distribution with very strong performances in all operating subsidiaries. Distrilogie, the Continental European specialist storage equipment distributor, achieved excellent growth in its first full year of contribution.

The British hardware distribution business continued to produce excellent results in a highly competitive marketplace. Its key strengths of proactive, product-focused sales teams and the breadth of its customer base contributed to good growth and consolidated its position as one of the leading distributors in Britain. A new specialist division in the high growth area of computer storage products was established during the year.

The British software distribution business benefited from its focused strategy of specialising in consumer software distribution and generated excellent profit growth.

The extension of the warehousing and distribution hub in Altham, near Manchester, completed during the year, increased the logistics capacity of SerCom Distribution in Britain by a factor of 2.5 times.

The Irish business again produced excellent growth during the year. The company benefited from the significant investment in its new and larger distribution facility in Dublin which was completed in the previous year. This facilitated a further broadening of its product range, including the introduction of new server and storage products.

Distrilogie had a strong performance in the year and will continue to benefit from the increasing demand for storage products. The specialist service offered by Distrilogie is valued by major vendors such as IBM and Sun and has enabled Distrilogie to attract additional suppliers such as Compaq and Network Appliance.

Energy

	2001	2000	
Turnover	€610.3m	€369.8m	+65.0%
Operating Profit	€23.6m	€20.0m	+17.8%
Operating Margin	3.9%	5.4%	
ROCE - excluding goodwill	44.8%	38.6%	
- including goodwill	21.0%	19.0%	

Energy achieved strong organic growth and enhanced its position in the Northern Ireland market through the acquisition of Fuel Services in July 2000.

The increase in turnover reflects strong volume growth and higher selling prices, which were due to increases in the cost of oil and LPG - crude oil prices remained high throughout the year, exacerbated by the strength of the dollar. Extreme volatility in refined oil product prices at certain times in the year had a somewhat negative impact on the growth of oil profits. However, the volume increases drove excellent operating profit growth overall.

Oil volumes grew substantially to in excess of 1 billion litres with continued strong organic growth in the Republic of Ireland and Northern Ireland. Fuel Services was acquired in July 2000 and was successfully integrated into DCC's existing operations in Northern Ireland, making DCC the leading marketer of fuel oil and distillates in this region. The continuing roll-out of the new Emo logo is generating increased brand awareness, particularly in the Republic of Ireland where DCC has a modest presence in the retail petrol market.

LPG volumes showed satisfactory growth and margins improved as sales price increases were implemented in response to increased product costs and the strengthening of the dollar. The use of LPG autogas as a transport fuel in Britain continues to develop as a result of government policy to promote its use as a more environmentally friendly fuel; DCC has a significant market share in this small but fast-growing market segment.

Healthcare

	2001	2000	
Turnover	€182.7m	€155.6m	+17.4%
Operating Profit	€20.3m	€16.0m	+27.4%
Operating Margin	11.1%	10.3%	
ROCE - excluding goodwill	43.3%	41.3%	
- including goodwill	19.1%	16.8%	

Healthcare had another year of excellent growth, all of which was organically generated.

In mobility and rehabilitation, DCC increased its share of the British and German markets for powered mobility products. In order to exploit the opportunities presented by the continuing growth of the mobility and rehabilitation market, DCC has significantly augmented its management team in this area.

DCC's British based nutraceuticals business achieved excellent sales and profit growth. DCC has increased the level of integration of the tablet manufacturing and soft gel encapsulation businesses. This will provide a better platform from which to penetrate further the British and European nutraceuticals markets. The loss of an important customer, with effect from September next, will adversely impact the nutraceuticals business in the shorter term but the longer term outlook for the business and the sector continues to be positive.

DCC's Irish hospital supply business performed satisfactorily. During the year the integration of Fannin (medical and surgical supplies) and BM Browne (hospital laboratory supplies) was completed. This has consolidated Fannin Healthcare's leadership position, both in the scale of its business and in the breadth of its product offering to customers. The company is at an advanced stage of developing an e-commerce system, tailored to meet the particular needs of Irish hospitals.

Other Activities

	2001	2000	
Turnover	€323.3m	€248.4m	+30.2%
Operating Profit	€16.6m	€17.3m	-4.2%
Operating Margin	5.1%	7.0%	
ROCE - excluding goodwill	37.1%	41.6%	
- including goodwill	21.8%	23.7%	

Other activities, including the food businesses and supply chain management services, showed a modest reduction in profitability, principally reflecting significant developmental investment in IT systems, skilled personnel and management resources in SerCom Solutions.

Food - DCC's focus on higher growth segments of the Irish food market – including healthy foods, soft drinks, wine and snacks – generated sales growth of 13.7% to €182.4 million, with particularly good growth in the food service sector. DCC has a deep distribution reach, supplying a broad retail and food service customer base. During the year, this distribution reach was extended through investment in additional sales and marketing resources, including an expanded van sales force, which contributed to the strong sales performance.

Operating profits were €8.5 million compared with €8.9 million in the prior year. Operating margins reduced due to the increased euro cost of sterling purchases, together with planned investment in additional sales and marketing resources.

Supply Chain Management Services - DCC's supply chain management services business, SerCom Solutions, continued to invest in the development of its business. This included the installation of a new SAP® system and a significant strengthening of the management team across all disciplines.

Sales grew by 68.2% to €103.6 million. Operating profit was €2.8 million compared with €3.8 million in the prior year, reflecting the significant developmental investment in IT systems, skilled personnel and management resources.

Other - Operating profit from other interests increased by 16.4% to €5.3 million. The principal other interest is DCC's 49% shareholding in Manor Park Homebuilders, which has commenced operations on a major housing development at Clonee, west Dublin. Manor Park has a substantial land bank, which has been acquired at a very attractive cost relative to current market values, leaving it well placed for continued profit growth in the future.

This announcement and further information on DCC is available on DCC's website, www.dcc.ie

The Company's Annual General Meeting will be held at 11am on Friday 6 July 2001 in the Conrad International Hotel, Earlsfort Terrace, Dublin 2.

DCC plc
SUMMARISED CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2001

	Notes	2001 €'000	2000 €'000
Turnover - continuing activities	2	1,870,141	1,316,111
- discontinued activities	2	-	210,889
		<u>1,870,141</u>	<u>1,527,000</u>
Operating profit - continuing activities	3	91,737	73,785
- discontinued activities	3	-	3,958
		<u>91,737</u>	<u>77,743</u>
Net interest payable	3	<u>(4,402)</u>	<u>(6,400)</u>
Profit on ordinary activities before net exceptional gains, goodwill amortisation and tax	3	87,335	71,343
Net exceptional gains		-	71,365
Goodwill amortisation	3	<u>(4,923)</u>	<u>(3,535)</u>
Profit before tax	3	82,412	139,173
Taxation		<u>(13,100)</u>	<u>(18,701)</u>
Profit after tax		69,312	120,472
Minority interests		<u>(1,230)</u>	<u>(631)</u>
Profit attributable to DCC shareholders		68,082	119,841
Dividends	4	<u>(18,140)</u>	<u>(15,366)</u>
Profit retained for the year		<u>49,942</u>	<u>104,475</u>
Earnings per ordinary share – basic	5	<u>78.98c</u>	<u>137.39c</u>
Adjusted earnings per ordinary share – basic	5	<u>84.69c</u>	<u>68.80c</u>
Dividend per ordinary share		<u>21.12c</u>	<u>17.60c</u>

DCC plc
CONSOLIDATED BALANCE SHEET
as at 31 March 2001

	Note	2001 €'000	2000 €'000
Fixed Assets			
Goodwill arising on the acquisition of subsidiaries		84,447	75,559
Tangible fixed assets		135,241	123,094
Associated undertakings		<u>38,458</u>	<u>34,598</u>
		<u>258,146</u>	<u>233,251</u>
Current Assets			
Stocks		93,063	76,016
Debtors		296,804	232,301
Disposal proceeds receivable		-	16,100
Cash and term deposits		<u>454,582</u>	<u>551,276</u>
		<u>844,449</u>	<u>875,693</u>
Creditors: Amounts falling due within one year			
Trade and other creditors		328,328	266,133
Bank and other debt		200,621	191,781
Corporation tax		18,959	17,937
Proposed dividend		<u>11,449</u>	<u>9,735</u>
		<u>559,357</u>	<u>485,586</u>
Net Current Assets		<u>285,092</u>	<u>390,107</u>
Total Assets less Current Liabilities		<u>543,238</u>	<u>623,358</u>
FINANCED BY:			
Creditors: Amounts falling due after more than one year			
Unsecured Notes due 2008/11		104,977	108,611
Bank and other debt		65,753	161,725
Deferred acquisition consideration		<u>11,464</u>	<u>17,569</u>
		182,194	287,905
Provisions for liabilities and charges		<u>1,801</u>	<u>2,090</u>
		<u>183,995</u>	<u>289,995</u>
Capital and Reserves			
Equity share capital and share premium		146,484	143,814
Reserves		<u>208,202</u>	<u>185,309</u>
Equity Shareholders' Funds		<u>354,686</u>	<u>329,123</u>
Minority interests		3,493	3,274
Capital grants		<u>1,064</u>	<u>966</u>
		<u>359,243</u>	<u>333,363</u>
		<u>543,238</u>	<u>623,358</u>
Net cash		<u>83,231</u>	<u>89,159</u>

DCC plc
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 March 2001

	2001 €'000	2000 €'000
Profit attributable to DCC shareholders	68,082	119,841
Dividends	<u>(18,140)</u>	<u>(15,366)</u>
	49,942	104,475
Issues of equity share capital net of capital duty	2,670	1,234
Acquisition of own shares	(24,668)	-
Movement on other reserves of associated undertakings	(25)	2,492
Goodwill realised previously eliminated against reserves	-	20,733
Exchange adjustments	<u>(2,356)</u>	<u>4,968</u>
Net movements in shareholders' funds	25,563	133,902
Opening shareholders' funds	<u>329,123</u>	<u>195,221</u>
Closing shareholders' funds	<u>354,686</u>	<u>329,123</u>

DCC plc
CASH FLOW
for the year ended 31 March 2001

	Note	2001 €'000	2000 €'000
Inflows			
Operating cash flow (see below)		83,369	96,297
Disposal proceeds		16,026	109,745
Shares issues (net)		<u>1,930</u>	<u>9</u>
		<u>101,325</u>	<u>206,051</u>
Outflows			
Capital expenditure (net)		29,506	24,736
Acquisitions		25,969	37,575
Acquisition of own shares		24,668	-
Interest paid		2,587	5,635
Tax paid		9,073	9,400
Dividends paid		<u>16,426</u>	<u>13,701</u>
		<u>108,229</u>	<u>91,047</u>
Net cash (outflow)/inflow		(6,904)	115,004
Translation adjustment		<u>976</u>	<u>(5,548)</u>
Movement in net cash/(debt)		(5,928)	109,456
Opening net cash/(debt)		<u>89,159</u>	<u>(20,297)</u>
Closing net cash	6	<u>83,231</u>	<u>89,159</u>

OPERATING CASH FLOW
for the year ended 31 March 2001

	2001 €'000	2000 €'000
Group operating profit	91,737	77,743
Operating profit of associated undertakings	(8,950)	(15,879)
Dividends received from associated undertakings	1,896	2,768
Depreciation of tangible fixed assets	20,766	18,890
(Increase)/decrease in working capital	(19,929)	15,823
Other	<u>(2,151)</u>	<u>(3,048)</u>
Operating Cash Flow	<u>83,369</u>	<u>96,297</u>

DCC plc
Notes to the Preliminary Results for the Year ended 31 March 2001

1. Basis of Preparation

The financial information set out herein does not represent full accounts and has been abridged from the financial statements of DCC plc for the year ended 31 March 2001 which carry an unqualified auditors' report and which have not yet been filed with the Registrar of Companies. Full accounts for the year ended 31 March 2000, containing an unqualified auditors' report, have been delivered to the Registrar of Companies.

The financial statements for the year ended 31 March 2001 have been prepared in accordance with the accounting policies set out in the financial statements for the year ended 31 March 2000.

Comparative amounts have been regrouped and restated, where necessary, on the same basis as the amounts for the current year.

The Group's financial statements are prepared in euro, denoted by the symbol €. The exchange rates used in translating sterling balance sheet and profit and loss account amounts were as follows:-

	Year ended 31 March 2001	Year ended 31 March 2000
	€1=Stg£	€1=Stg£
Balance sheet (closing rate)	0.619	0.599
Profit and loss (average rate)	0.613	0.643

2. Turnover

	Year ended 31 March 2001 €'000	Year ended 31 March 2000 €'000
IT	753,887	542,298
Energy	610,257	369,812
Healthcare	182,657	155,555
Other Activities	<u>323,340</u>	<u>248,446</u>
Continuing activities	1,870,141	1,316,111
Discontinued activities	—	<u>210,889</u>
	<u>1,870,141</u>	<u>1,527,000</u>
Subsidiary undertakings	1,712,402	1,203,758
Associated undertakings	<u>157,739</u>	<u>112,353</u>
Turnover – continuing activities	<u>1,870,141</u>	<u>1,316,111</u>
Of which acquisitions in the year contributed	<u>69,028</u>	<u>49,547</u>

3. Profit before Tax

	Year ended 31 March 2001 €'000	Year ended 31 March 2000 €'000
IT	31,203	20,458
Energy	23,617	20,053
Healthcare	20,313	15,951
Other Activities	<u>16,604</u>	<u>17,323</u>
Operating profit – continuing activities*	91,737	73,785
Discontinued activities	—	<u>3,958</u>
Operating profit	91,737	77,743
Net interest payable	<u>(4,402)</u>	<u>(6,400)</u>
Profit before net exceptional gains and goodwill amortisation	87,335	71,343
Net exceptional gains	-	71,365
Goodwill amortisation	<u>(4,923)</u>	<u>(3,535)</u>
Profit before tax	<u>82,412</u>	<u>139,173</u>
Analysis of operating profit - continuing activities by subsidiary undertakings and associated undertakings:		
Subsidiary undertakings	82,787	66,256
Associated undertakings	<u>8,950</u>	<u>7,529</u>
Operating profit – continuing activities	<u>91,737</u>	<u>73,785</u>
* Of which acquisitions in the year contributed	<u>1,078</u>	<u>598</u>

4. Dividends

	Year ended 31 March 2001 €'000	Year ended 31 March 2000 €'000
Interim dividend of 7.74 cent per share (2000: 6.45 cent)	6,619	5,631
Proposed final dividend of 13.38 cent per share (2000: 11.15 cent)	11,449	9,735
Additional dividend	<u>72</u>	<u>-</u>
	<u>18,140</u>	<u>15,366</u>

The additional dividend of €72,000 is in respect of shares issued after the date of approval of the 31 March 2000 financial statements but qualifying for receipt of the final dividend declared in respect of that year.

5. Earnings per Ordinary Share

	Year ended 31 March 2001 €'000	Year ended 31 March 2000 €'000
Profit after tax and minority interests	68,082	119,841
Net exceptional gains (net of taxation)	-	(63,365)
Goodwill amortisation	<u>4,923</u>	<u>3,535</u>
Adjusted profit after tax and minority interests	<u>73,005</u>	<u>60,011</u>
Basic earnings per ordinary share		
Basic earnings per ordinary share	<u>78.98c</u>	<u>137.39c</u>
Adjusted basic earnings per ordinary share*	<u>84.69c</u>	<u>68.80c</u>
Weighted average number of ordinary shares in issue during the year ('000)	<u>86,202</u>	<u>87,225</u>
Diluted earnings per ordinary share		
Diluted earnings per ordinary share	<u>78.28c</u>	<u>133.43c</u>
Adjusted diluted earnings per ordinary share*	<u>83.94c</u>	<u>66.89c</u>
Diluted weighted average number of ordinary shares for the year ('000)	<u>87,030</u>	<u>89,925</u>

* adjusted to exclude goodwill amortisation and net exceptional gains

The diluted earnings used in the calculation of diluted earnings per ordinary share were €68.131 million (2000: €119.989 million) and in the calculation of adjusted diluted earnings per ordinary share were €73.054 million (2000: €60.159 million).

6. Analysis of Net Cash

	31 March 2001 €'000	31 March 2000 €'000
Cash and term deposits	454,582	551,276
Bank and other debt repayable within one year	(200,621)	(191,781)
Bank and other debt repayable after more than one year	(65,753)	(161,725)
Unsecured notes due 2008/11	(104,977)	(108,611)
Net cash	<u>83,231</u>	<u>89,159</u>