Press Release

17 May 2004

Results for the year ended 31 March 2004

		% change on prior year	
	€	***Reported***	***Constant currency****
Sales – continuing activities	**2,198.0 m**	**-2.0%**	**+2.6%**
Operating profit – continuing activities**	**120.9 m**	**+8.8%**	**+14.1%**
Profit before net exceptional items, goodwill amortisation and tax	**116.1 m**	**+6.1%**	**+11.2%**
Adjusted earnings per share**	**121.89 cent**	**+9.8%**	**+15.1%**
Dividend per share	**32.40 cent**	**+15.0%**	
Operating cash flow	**151.9 m**	**+54.3%**	
Net cash at 31 March 2004	**62.7 m**	**(€20.1m: 2003)**	
Return on capital employed			
- excluding goodwill:	**39.8%**	**(42.2%: 2003)**	
- including goodwill:	**21.3%**	**(22.0%: 2003)**	

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

***** Excluding net exceptional items and goodwill amortisation***

DCC plc, the business support services group, today announced its results for the year ended 31 March 2004.

Commenting on the results, DCC's Chief Executive/Deputy Chairman, Jim Flavin, said:

> ***"Following an excellent second half, in which DCC achieved constant currency growth in operating profit of 18.9% (11.8% on a reported basis), full year constant currency growth was 14.1% (8.8% reported). It is particularly pleasing to note that constant currency operating profit growth in IT Distribution was 15.0% in the second half compared to a decline of 11.6% in the first half.***
>
> ***DCC has the business platforms, the management capacity and the financial strength to pursue ambitious organic and acquisition growth."***

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Excellent growth in operating profit

Following an excellent second half, in which DCC achieved constant currency growth in operating profit of 18.9% (11.8% on a reported basis), full year constant currency growth was 14.1% (8.8% reported).

Divisional operating profits (continuing activities) were as follows:

		% change on prior year	
	€'m	***Reported***	***Constant currency****
Energy	45.8	+8.4%	+16.1%
IT Distribution	31.3	-3.1%	+3.8%
Healthcare	13.6	+19.1%	+21.2%
Food and Beverage	10.9	-7.5%	-7.9%
Environmental	5.0	+56.7%	+63.7%
Other (Homebuilding and Supply Chain Management)	14.3	+40.5%	+40.5%
Total	**120.9**	**+8.8%**	**+14.1%**

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

It is particularly pleasing to note that constant currency operating profit growth in IT Distribution was 15.0% in the second half compared to a decline of 11.6% in the first half.

The net interest charge was €4.8 million (€5.0 million: 2003). The tax rate for the year was 12.5% (14.0%: 2003).

Adjusted earnings per share for the year increased 9.8% on a reported basis to 121.89 cent (15.1% on a constant currency basis). DCC has achieved compound annual growth in reported adjusted earnings per share of 16.3% over the last five years and 17.3% over the last ten years.

DCC again achieved excellent returns on capital employed, generating a return of 39.8% excluding goodwill and 21.3% including goodwill (42.2% and 22.0% respectively: 2003).

Excellent cash generation

DCC's record of excellent cash generation continued with operating cash flow before exceptional items growing to €151.9 million, an increase of 54.3%. Working capital decreased by €20.6 million to equate to 11.6 days' sales at 31 March 2004, which compares favourably with 15.4 days' at 31 March 2003.

Dividend increase of 15%

The directors are recommending a final dividend of 20.65 cent per share which, when added to the interim dividend of 11.75 cent per share, gives a total dividend of 32.40 cent per share for the year, a 15% increase over the prior year dividend of 28.175 cent per share. The dividend is covered 3.8 times by adjusted earnings per share (3.9 times: 2003). The final dividend will be paid on 14 July 2004 to shareholders on the register at the close of business on 28 May 2004.

Exceptional items

Operating exceptional items and non-operating net exceptional items in the year amounted to €8.2 million.

Exceptional costs of €4.8 million relating to legal, restructuring and redundancy costs associated with the breach of a contract to supply powered mobility products to DCC's subsidiary DMA Limited by Pihsiang Machinery Manufacturing Company Limited (a Taiwanese public company) have been recognised in these accounts. However, damages of Stg£10.2 million and an interim cost award of Stg£2.0 million – in total Stg£12.2 million (€18.3 million) – against Pihsiang, its Chairman and major shareholder Mr Donald Wu and his wife and Director Mrs Jenny Wu following a successful London High Court action by DMA have not yet been recognised in the accounts as the amount has not yet been received. The defendants are in breach of a London High Court order in respect of the non-payment of the damages and the interim cost award. Collection of the amount outstanding and interest accruing thereon at 8% per annum (per Court order) is being vigorously pursued.

Other net exceptional costs of €3.4 million were incurred, principally in relation to restructuring and redundancy, in a drive for improved efficiencies across the Group.

Acquisition and Development

Acquisition discussions are currently being pursued with a range of companies in the Energy, IT Distribution, Healthcare, Food and Beverage and Environmental sectors. DCC maintained a strong focus on organic development during the year, making solid progress in several key areas which will contribute to the Group's future growth. Development expenditure in the year totalled €39.7 million. Committed acquisition expenditure amounted to €9.2 million (of which €1.6 million was deferred) arising from the acquisition of smaller businesses in the Energy, IT Distribution, Healthcare and Food and Beverage divisions. Capital expenditure was €30.5 million, while the depreciation charge for the year was €29.4 million.

Share buybacks

As announced during the year, DCC bought back 2.3 million of its own shares (2.8% of listed share capital) at an average price per share of €10.70 and a total cost of €25.0 million. DCC has bought back a total of 8.1% of its issued share capital since July 2000 at an average price per share of €9.81 and a total cost of €71.0 million.

DCC may use its strong financial position to buy back more shares in the current financial year.

Financial strength to fund future growth

At 31 March 2004 DCC had net cash of €62.7 million (€20.1 million: 2003) and shareholders' funds of €469.6 million (€429.3 million: 2003)

In April 2004 DCC completed a private placement of debt raising the equivalent of €212.1 million in 10 and 12 year funding (average maturity 10.3 years) which further strengthens the Group's capital structure and its capacity to pursue organic and acquisition growth opportunities in all of its core business areas. The strength of DCC's business model and attractive market conditions at the time of the placement led to the funds being raised on very good terms.

Outlook

DCC has the business platforms, the management capacity and the financial strength to pursue ambitious organic and acquisition growth.

Operating review

Energy

	2004	2003	% change Reported	% change Constant currency
Sales	**€841.3m**	**€845.0m**	**-0.4%**	**+4.8%**
Operating profit	**€45.8m**	**€42.2m**	**+8.4%**	**+16.1%**
Return on capital employed				
- excluding goodwill	**39.4%**	**41.2%**		
- including goodwill	**21.9%**	**23.1%**		

DCC's strong growth in the energy sector continued during the year with operating profit increasing to €45.8 million, a constant currency increase of 16.1%. DCC is now the leading independent marketer of LPG and oil products in Britain and Ireland and delivered 2.1 billion litres of product during the year.

DCC's LPG business performed strongly. LPG sales volumes increased by 16% benefiting from the inclusion for the full year of sales of the British Gas LPG business acquired in the prior year. The integration of British Gas LPG into DCC's existing LPG business in the UK has been completed and the planned synergies have been obtained. The combined business moved to new headquarters in Syston, Leicestershire in March 2004 and has completed the upgrade to a single IT platform. These developments will facilitate the achievement of further efficiencies in the coming year.

DCC's oil business performed satisfactorily. The business in Scotland performed strongly while trading in the Republic of Ireland was more challenging. Overall, oil sales volumes were in line with the prior year.

IT Distribution

	2004	2003	% change Reported	% change Constant currency
Sales	**€859.4m**	**€894.9m**	**-4.0%**	**+2.0%**
Operating profit	**€31.3m**	**€32.3m**	**-3.1%**	**+3.8%**
Operating margin	**3.6%**	**3.6%**		
Return on capital employed				
- excluding goodwill	**41.9%**	**54.7%**		
- including goodwill	**25.5%**	**30.2%**		

Following a challenging first half, excellent constant currency profit growth of 15.0% was achieved in the second half due to strong sales volume growth and good cost control.

DCC's UK hardware distribution business recorded strong sales growth in several key product areas, with particular growth in sales of PC and multi-function office products. An improved second half benefitted from a moderation in the rate of product price deflation and strong sales volume growth.

DCC's UK software distribution business had a satisfactory performance notwithstanding the fact that there were no major new product releases by its entertainment software vendors during the year. Lower selling prices of games consoles resulted in an increase in the installed base which should contribute to increased future demand for related software and accessories.

DCC's Irish IT distribution subsidiary had a very good year and delivered strong profit growth despite product price deflation which was particularly severe in the first half. The business continues to benefit from its position as the leading IT distribution business in Ireland and from its very broad range of suppliers and customers.

DCC's Continental European IT distribution business, Distrilogie, generated excellent profit growth, with improved margins and good cost control. The acquisition of a small French enterprise software distribution business shortly before the year end and its integration with Distrilogie broadened the product base and strengthened DCC's market position as a leading enterprise infrastructure distributor.

Healthcare			***% change***	
	2004	***2003***	***Reported***	***Constant currency***
Sales	**€149.0m**	**€161.6m**	**-7.8%**	**-4.8%**
Operating profit	**€13.6m**	**€11.4m**	**+19.1%**	**+21.2%**
Operating margin	**9.1%**	**7.1%**		
Return on capital employed				
- excluding goodwill	**37.0%**	**33.6%**		
- including goodwill	**12.1%**	**12.4%**		

Strong profit growth in DCC's healthcare business resulted from improved profitability in all areas of its activities. Operating margins improved from 7.1% to 9.1% on slightly reduced sales, reflecting good growth in higher margin business and the discontinuation of some activities.

Profit growth was strong in the hospital and community care business with a particularly strong performance in specialist pharmaceutical products where Technopharm continued its excellent record of rapid growth. A number of exciting organic developments took place including the establishment of a pharmaceutical compounding facility in Ireland, the establishment of a pharma sales division in Britain and the European launch of a new range of mobility and rehabilitation products under DCC's own brands.

Strong organic sales growth drove excellent profit growth in the nutraceuticals business. The upgrading of the licenced packing facility in Cheshire was successfully completed. The business continued to broaden its customer base and achieved particularly good progress in Continental Europe with export sales from the UK growing by 38% to represent 50% of total nutraceuticals sales for the year.

Food and Beverage

	2004	2003	% change Reported	% change Constant currency
Sales	**€170.7m**	**€185.2m**	**-7.8%**	**-7.1%**
Operating profit	**€10.9m**	**€11.8m**	**-7.5%**	**-7.9%**
Operating margin	**6.4%**	**6.3%**		
Return on capital employed				
- excluding goodwill	**42.0%**	**55.8%**		
- including goodwill	**21.4%**	**26.3%**		

DCC's food and beverage business was impacted by a slowdown in demand across the Irish grocery and food service sectors which contributed to a 7.5% reduction in operating profit. The reported sales figure for 2004 was also impacted by comparison with 2003 due to a contract amounting to €19.7 million in 2003 which changed to a commission based contract in 2004. Good sales growth was achieved in a number of categories including wine and certain health food segments.

DCC expanded its food and beverage business in Northern Ireland through the acquisition of Savoury Foods, which had a well developed van sales force, and DWS, a wine importer and distributor. Also, building upon its successful track record of marketing KP products in the Republic of Ireland, DCC reached agreement during the year to market KP products in Northern Ireland. DCC now has a sales and distribution reach throughout Ireland in each of the snackfoods, healthy foods, hot and cold beverage and wine segments in which it operates.

Environmental

	2004	2003	% change Reported	% change Constant currency
Sales	**€24.1m**	**€19.2m**	**+25.6%**	**+28.1%**
Operating profit	**€5.0m**	**€3.2m**	**+56.7%**	**+63.7%**
Operating margin	**20.9%**	**16.8%**		
Return on capital employed				
- excluding goodwill	**50.8%**	**38.2%**		
- including goodwill	**19.8%**	**14.4%**		

Excellent growth in all areas of DCC's environmental business continued during the year with constant currency sales increasing by 28.1% (25.6% on a reported basis) to €24.1 million and operating profit increasing by 63.7% (56.7% reported) to €5.0 million.

The environmental industry continues to develop, driven by the increased amount and enforcement of environmental legislation.

Following the acquisitions in recent years of Envirotech and Shannon Environmental Services, DCC has leading positions in a number of environmental market segments in Ireland. DCC now provides a broad range of services including waste chemical, water and oil treatment, soil remediation and emergency response to industrial and commercial customers from its three Environmental Protection Agency/Environment and Heritage Service licenced sites in Ireland.

Other (Homebuilding and Supply Chain Management)

			% change	
	2004	*2003*	*Reported*	*Constant currency*
Sales	**€153.4m**	**€136.9m**	**+12.0%**	**+12.0%**
Operating profit	**€14.3m**	**€10.2m**	**+40.5%**	**+40.5%**

Manor Park Homebuilders (a 49% owned associate company), which is a leading Irish homebuilding company, contributed operating profit of €15.2 million (€9.6 million: 2003). This excellent growth in profit was driven by an increase in completed house and apartment sales to 607 from 500 in the prior year.

SerCom Solutions, the supply chain management business, generated a small second-half operating profit and reported an operating loss for the year of €0.9 million (operating profit of €0.6 million: 2003). The business has continued to generate good positive cash flow. During the second half SerCom Solutions announced that it had entered into a strategic partnership with Kuehne & Nagel, one of the world's leading logistics companies, to combine their respective businesses' capabilities in supply chain management and global logistics solutions.

Annual Report and Annual General Meeting

DCC's 2004 Annual Report is expected to be posted to shareholders on 3 June 2004. The Company's Annual General Meeting will be held at 11.00 a.m. on Thursday 8 July 2004 in The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

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

This announcement and further information on DCC is available on the web at www.dcc.ie

SUMMARISED CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2004

	Notes	2004 €'000	2003 €'000
Turnover			
– Continuing activities	**2**	**2,197,965**	**2,242,884**
– Discontinued activities		-	29,490
		2,197,965	**2,272,374**
Operating profit before operating exceptional items			
– Continuing activities	**3**	**120,876**	**111,093**
– Discontinued activities		-	3,239
		120,876	**114,332**
Operating exceptional items	4	(2,288)	(2,898)
Operating profit		118,588	111,434
Net interest payable		(4,802)	(4,970)
Profit on ordinary activities before goodwill amortisation and non-operating net exceptional items		**113,786**	**106,464**
Goodwill amortisation		(8,282)	(7,340)
Non-operating net exceptional items	4	(5,897)	(1,756)
Profit on ordinary activities before taxation		**99,607**	**97,368**
Taxation		(14,509)	(15,311)
Profit after taxation		**85,098**	**82,057**
Minority interests		(771)	(1,248)
Profit attributable to Group shareholders		**84,327**	**80,809**
Dividends	5	(26,572)	(23,559)
Profit retained for the year		**57,755**	**57,250**
Earnings per ordinary share			
– basic (cent)	6	101.98c	96.66c
– diluted (cent)	6	100.42c	95.50c
Adjusted earnings per ordinary share			
– basic (cent)	**6**	**121.89c**	**111.00c**
– diluted (cent)	**6**	**120.03c**	**109.67c**
Dividend per ordinary share (cent)	**5**	**32.400c**	**28.175c**

CONSOLIDATED BALANCE SHEET
as at 31 March 2004

	Note	2004 €'000	2003 €'000
Fixed Assets			
Goodwill arising on the acquisition of subsidiaries		129,566	132,044
Tangible fixed assets		212,252	209,432
Associated undertakings		53,780	40,330
		395,598	381,806
Current Assets			
Stocks		110,577	103,030
Debtors		330,385	321,650
Cash and term deposits		320,616	353,986
		761,578	778,666
Creditors: Amounts falling due within one year			
Bank and other debt		143,732	218,419
Trade and other creditors		362,688	334,997
Corporation tax		36,077	29,291
Proposed dividend		16,824	15,017
		559,321	597,724
Net Current Assets		202,257	180,942
Total Assets less Current Liabilities		**597,855**	**562,748**
FINANCED BY:			
Creditors: Amounts falling due after more than one year			
Bank and other debt		16,555	21,250
Unsecured notes due 2008/11		97,612	94,258
Deferred acquisition consideration		6,799	11,887
		120,966	127,395
Provisions for Liabilities and Charges		2,084	1,157
		123,050	128,552
Capital and Reserves			
Equity share capital and share premium		146,473	146,479
Reserves		323,139	282,800
Equity Shareholders' Funds		**469,612**	**429,279**
Minority interests		4,081	3,632
Capital grants		1,112	1,285
		474,805	434,196
		597,855	**562,748**
Net cash	**7**	**62,717**	**20,059**

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
for the year ended 31 March 2004

	2004 €'000	2003 €'000
Profit attributable to Group shareholders	84,327	80,809
Dividends	(26,572)	(23,559)
	57,755	57,250
Equity share capital issued (net of expenses)	1,122	231
Share buyback (inclusive of costs)	(24,986)	-
Exchange adjustments and other	6,442	(19,632)
Net movement in shareholders' funds	40,333	37,849
Opening shareholders' funds	429,279	391,430
Closing shareholders' funds	469,612	429,279

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2004

	Note	2004 €'000	2003 €'000
Inflows			
Operating cash flow (see below)		**141,246**	**92,467**
Disposal proceeds		-	14,732
Shares issues (net)		1,122	231
		142,368	107,430
Outflows			
Capital expenditure (net)		28,092	34,832
Acquisitions		14,308	88,215
Share buyback		24,986	-
Interest paid		3,609	4,864
Taxation paid		5,295	2,923
Dividends paid		24,765	21,258
		101,055	152,092
Net cash inflow/(outflow)		**41,313**	**(44,662)**
Translation adjustment		1,345	1,648
Movement in net cash		**42,658**	**(43,014)**
Opening net cash		**20,059**	**63,073**
Closing net cash	**7**	**62,717**	**20,059**

OPERATING CASH FLOW
for the year ended 31 March 2004

	2004 €'000	2003 €'000
Group operating profit	120,876	114,332
Operating profit of associated undertakings	(19,201)	(17,709)
Dividends received from associated undertakings	3,094	1,317
Depreciation of tangible fixed assets	29,401	29,495
Decrease/(increase) in working capital	20,606	(25,740)
Other	(2,860)	(3,212)
Operating cash flow before exceptional costs	**151,916**	**98,483**
Exceptional redundancy and net restructuring costs	(10,670)	(6,016)
Operating cash flow after exceptional costs	**141,246**	**92,467**

NOTES TO THE PRELIMINARY RESULTS
for the year ended 31 March 2004

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 2004 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 2003, containing an unqualified auditors' report, have been delivered to the Registrar of Companies.

The financial statements for the year ended 31 March 2004 have been prepared in accordance with the accounting policies set out in the financial statements for the year ended 31 March 2003.

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 rates used in translating sterling balance sheet and profit and loss account amounts were as follows:-

	2004	**2003**
	€1=Stg£	**€1=Stg£**
Balance sheet (closing rate)	0.666	0.690
Profit and loss (average rate)*	0.647	0.593

** Average exchange rates adjusted for the impact of profit and loss hedges*

2. Turnover – Continuing Activities

	2004	**2003**
	€'000	**€'000**
Energy	841,344	845,032
IT Distribution	859,441	894,897
Healthcare	148,961	161,647
Food and Beverage	170,665	185,159
Environmental	24,131	19,215
Other (Homebuilding and Supply Chain Management)	153,423	136,934
Turnover - continuing activities	**2,197,965**	**2,242,884**
Analysis of turnover – continuing activities by subsidiary undertakings and associated undertakings:		
Subsidiary undertakings	2,074,465	2,111,066
Associated undertakings	123,500	131,818
Turnover – continuing activities	**2,197,965**	**2,242,884**
Of which acquisitions in the year contributed	23,024	47,283

NOTES TO THE PRELIMINARY RESULTS
for the year ended 31 March 2004 *continued*

3. Operating Profit – Continuing Activities

	2004 €'000	2003 €'000
Energy	45,791	42,239
IT Distribution	31,274	32,289
Healthcare	13,595	11,415
Food and Beverage	10,876	11,756
Environmental	5,044	3,219
Other (Homebuilding and Supply Chain Management)	14,296	10,175
Operating profit – continuing activities	**120,876**	**111,093**

Analysis of operating profit – continuing activities by subsidiary undertakings and associated undertakings:

	2004 €'000	2003 €'000
Subsidiary undertakings	101,675	96,623
Associated undertakings	19,201	14,470
Operating profit – continuing activities	**120,876**	**111,093**
Of which acquisitions in the year contributed	168	5,165

4. Exceptional items

Operating exceptional items and non-operating net exceptional items in the year amounted to €8.2 million.

Exceptional costs of €4.8 million relating to legal, restructuring and redundancy costs associated with the breach of a contract to supply powered mobility products to DCC's subsidiary DMA Limited by Pihsiang Machinery Manufacturing Company Limited (a Taiwanese public company) have been recognised in these accounts. However, damages of Stg£10.2 million and an interim cost award of Stg£2.0 million – in total Stg£12.2 million (€18.3 million) – against Pihsiang, its Chairman and major shareholder Mr Donald Wu and his wife and Director Mrs Jenny Wu following a successful London High Court action by DMA have not yet been recognised in the accounts as the amount has not yet been received. The defendants are in breach of a London High Court order in respect of the non-payment of the damages and the interim cost award. Collection of the amount outstanding and interest accruing thereon at 8% per annum (per Court order) is being vigorously pursued.

Other net exceptional costs of €3.4 million were incurred, principally in relation to restructuring and redundancy, in a drive for improved efficiencies across the Group.

NOTES TO THE PRELIMINARY RESULTS
for the year ended 31 March 2004 *continued*

5. Dividends

	2004 €'000	2003 €'000
Interim dividend of 11.750 cent per share (10.217 cent: 2003)	9,748	8,542
Proposed final dividend of 20.650 cent per share (17.958 cent: 2003)	16,824	15,017
	26,572	23,559

6. Earnings per Ordinary Share

	2004 €'000	2003 €'000
Profit after tax and minority interests	84,327	80,809
Net exceptional items	8,185	4,654
Goodwill amortisation	8,282	7,340
Adjusted profit after tax and minority interests	100,794	92,803
	cent	**cent**
Basic earnings per ordinary share		
Basic earnings per ordinary share	101.98	96.66
Adjusted basic earnings per ordinary share*	121.89	111.00
Weighted average number of ordinary shares in issue during the year ('000)	82,690	83,603
Diluted earnings per ordinary share		
Diluted earnings per ordinary share	100.42	95.50
Adjusted diluted earnings per ordinary share*	120.03	109.67
Diluted weighted average number of ordinary shares for the year ('000)	83,974	84,617

* adjusted to exclude net exceptional items and goodwill amortisation.

The diluted earnings used in the calculation of diluted earnings per ordinary share were €84.327 million (€80.809 million: 2003) and in the calculation of adjusted diluted earnings per ordinary share were €100.794 million (€92.803 million: 2003).

7. Analysis of Net Cash

	2004 €'000	**2003 €'000**
Cash and term deposits	320,616	353,986
Bank and other debt repayable within one year	(143,732)	(218,419)
Bank and other debt repayable after more than one year	(16,555)	(21,250)
Unsecured notes due 2008/11	(97,612)	(94,258)
Net cash	62,717	20,059