



Press Release

8 November 2004

Interim Results for the Six Months ended 30 September 2004

	€	% change on prior year	
		Reported	Constant currency*
Sales	1,149.0 m	+17.8%	+15.0%
Operating profit	46.0 m	+11.8%	+13.5%
Profit before net exceptional items, goodwill amortisation and tax	43.8 m	+13.0%	+14.8%
Profit before tax	37.9 m	+21.4%	+23.7%
Adjusted earnings per share**	47.44 cent	+17.7%	+19.6%
Dividend per share	13.51 cent	+15.0%	
Net debt at 30 September 2004	24.9 m		

* 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, the business support services group, today announced its results for the six months ended 30 September 2004.

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

“DCC achieved an excellent result in the first six months. Profit before tax increased by 21.4% (up 23.7% on a constant currency basis). Profit before net exceptional items, goodwill amortisation and tax increased by 13.0% (up 14.8% on a constant currency basis) driven by strong organic profit growth in IT, Healthcare, Environmental and Homebuilding, and acquisition growth in Food & Beverage. The Energy division experienced good sales volume growth but the impact of increasing product prices had a short term adverse impact on profitability. Benefiting from share buybacks, adjusted earnings per share grew at a faster rate of 17.7% (up 19.6% on a constant currency basis).

DCC's business is significantly second-half weighted and the Group expects good profit growth for the year as a whole.”

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Excellent first-half growth

DCC achieved an excellent result in the first six months. Profit before tax increased by 21.4% (up 23.7% on a constant currency basis). Profit before net exceptional items, goodwill amortisation and tax increased by 13.0% (up 14.8% on a constant currency basis) driven by strong organic profit growth in IT, Healthcare, Environmental and Homebuilding, and acquisition growth in Food & Beverage. The Energy division experienced good sales volume growth but the impact of increasing product prices had a short term adverse impact on profitability. Benefiting from share buybacks, adjusted earnings per share grew at a faster rate of 17.7% (up 19.6% on a constant currency basis).

Divisional operating profit was as follows:

		<u>% change on prior year</u>	
	€'m	Reported	Constant currency*
Energy	10.2	-5.4%	-3.6%
IT	13.0	+12.5%	+15.5%
Healthcare	7.1	+10.0%	+11.1%
Food & Beverage	5.8	+16.6%	+17.3%
Environmental	2.7	+16.4%	+19.1%
Other (Homebuilding and Supply Chain Management)	<u>7.2</u>	<u>+41.3%</u>	<u>+41.3%</u>
Total	<u>46.0</u>	<u>+11.8%</u>	<u>+13.5%</u>

The net interest charge for the period amounted to €2.2 million (2003: €2.4 million).

Acquisitions and Development

Acquisition and development expenditure in the period amounted to €81.0 million of which €17.1 million related to capital expenditure. DCC's ongoing acquisition programme has resulted in a number of acquisitions at a total committed cost of €63.9 million. The cash impact of acquisitions in the period was €36.6 million.

As announced to the Stock Exchange on 1 November 2004, DCC's Energy division completed the acquisition of the business of Shell Direct UK. The business supplies heating oils and transport fuels to domestic, agricultural and small commercial and industrial customers. While DCC anticipates that the business will be modestly profitable in the first full year of ownership, it is expected that the profit contribution from the business will significantly increase as the benefits of DCC's specialist skills and experience in the oil marketing and distribution sector flow through. The acquisition of Shell Direct UK extends DCC's reach throughout Britain in the fragmented oil sales and marketing business and provides an excellent infrastructure onto which DCC can add complementary bolt-on acquisitions in the future. DCC is now the largest independent oil marketing and distribution business in the British market.

DCC's Food & Beverage division completed the acquisition of Bottle Green Limited, a UK based wine sales and marketing business with a 5% volume share of the UK off trade wine market, and increased its shareholding from 51.5% to 100% in Allied Foods Limited, a leading player in the Irish chilled and frozen distribution market.

The Group is actively pursuing further acquisitions with a range of companies in each of its divisions.

Share buybacks

DCC bought back a further 2,065,000 of its own shares (2.53% of listed share capital) on 17 May 2004 at a price of €12.80 per share and at a total cost of €26.8 million. DCC has bought back a total of 10.45% of its issued share capital since July 2000 at an average price per share of €10.48 and at a total cost of €97.7 million.

Financial strength

At 30 September 2004, the Group had net debt of €24.9 million and shareholders' funds of €459.3 million. In line with normal seasonal trends, working capital increased by €39.1 million since 31 March 2004 to €114.1 million, which equates to 15.5 days sales and compares favourably with 17.0 days at 30 September 2003.

DCC's strong financial position leaves the Group well placed to pursue its organic and acquisition growth objectives.

Dividend increase of 15%

The Board has decided to increase the interim dividend by 15% to 13.51 cent per share. This dividend will be paid on 1 December 2004 to shareholders on the register at the close of business on 19 November 2004.

Developments in Fyffes and Pihsiang legal actions

Following DCC's application to the High Court in Dublin in July 2004 to expedite the hearing of the legal action against DCC and others initiated by Fyffes plc in January 2002, the action is scheduled to be heard in the High Court in Dublin commencing on 2 December 2004. The Board of DCC plc reiterates its view that the legal action by Fyffes is wholly unjustified, totally inconsistent and utterly without merit and it will be vigorously rebutted.

In October 2004 the Court of Appeal in London struck out the appeal by Pihsiang Machinery Manufacturing Company, Donald Wu, its Chairman and major shareholder, and Jenny Wu, his wife and Director (the Defendants), in relation to the London High Court Judgment of 29 January 2004. The Defendants were held jointly and severally liable for the payment to DCC's British based subsidiary, DMA, of Stg£10.2 million in damages and interim costs of Stg£2.0 million. These amounts, together with court awarded interest of 8% per annum, amount to Stg£13.0 million (€18.6 million). Payment is still outstanding from the Defendants and DCC is pursuing collection of all outstanding amounts by applying to the Taiwanese courts for enforcement of the London High Court judgment.

During the period non-operating exceptional items comprising costs in relation to these legal actions totalled €1.4 million. DCC has not recognised the Pihsiang award in its accounts pending collection of the outstanding amount.

Outlook

DCC's business is significantly second-half weighted and the Group expects good profit growth for the year as a whole.

Operating review

Energy

	2004	2003	% change	
			Reported	Constant currency
Sales	€461.7m	€361.9m	+27.6%	+24.2%
Operating profit	€10.2m	€10.7m	-5.4%	-3.6%

DCC's Energy business achieved good sales volume growth in the seasonally quieter first half. During the first half crude oil prices increased by 47% and increased product costs had a short term adverse impact on profitability.

Good growth in LPG sales volumes was offset by reduced margins as sale price increases lagged increasing product prices. In the oil business good sales and profit growth was achieved.

DCC Energy is well placed to achieve a good result in the seasonally more important second half.

IT

	2004	2003	% change	
			Reported	Constant currency
Sales	€412.4m	€378.6m	+8.9%	+5.6%
Operating profit	€13.0m	€11.6m	+12.5%	+15.5%
Operating margin	3.2%	3.1%		

DCC's IT business achieved an excellent first half result in a market that was very challenging. The business recorded strong sales volume growth and, after the impact of product sales price deflation, sales revenues grew by 5.6% on a constant currency basis. Operating profit increased by 15.5% on a constant currency basis benefiting from an improvement in the operating margin.

DCC's UK hardware distribution business performed well in the first half of the year, driven by strong sales growth in digital imaging products and PCs.

DCC's UK software distribution business had an excellent first half performance, with particularly strong growth in sales of security software and peripheral products into the major retailers. The leisure business performed well, despite the fact that there were no new major games releases in the period. The business continued to broaden its product range in line with its strategy to be a specialist distributor to the retail channel of software, peripherals and consumer electronics.

DCC's Irish IT distribution business had a satisfactory first half performance by leveraging its position as Ireland's leading IT distributor and its broad range of suppliers and customers.

DCC's Continental European IT distribution business had a challenging first half, particularly in the Spanish market. The European enterprise infrastructure market was highly competitive. Strong volume growth was more than offset by severe price deflation which, along with changes in the trading terms set by some key suppliers, will have a more significant impact in the second half.

Healthcare

			% change	
	2004	2003	Reported	Constant currency
Sales	€81.1m	€76.6m	+5.8%	+3.9%
Operating profit	€7.1m	€6.5m	+10.0%	+11.1%
Operating margin	8.8%	8.4%		

DCC's healthcare business achieved good sales and profit growth and strengthened its operations in all areas of its activities.

Within DCC's hospital and community care activities, sales of pharmaceutical products continued to show good growth and the new pharmaceutical compounding facility in Ireland commenced trading during the first half, enhancing the service DCC provides to acute care hospitals. DCC Healthcare also expanded its Irish sales force, further strengthening its position as the leading company in hospital and community care supplies in Ireland. Good sales penetration was achieved by DCC's own *Strider* range of electrically powered scooters in Britain.

Strong organic sales growth drove excellent profit growth in DCC's nutraceuticals business. Following on from good business development in export markets last year, during the first half the business won a number of important new customers with strong domestic brands.

Food & Beverage

			% change	
	2004	2003	Reported	Constant currency
Sales	€111.6m	€84.7m	+31.7%	+30.7%
Operating profit	€5.8m	€5.0m	+16.6%	+17.3%
Operating margin	5.2%	5.9%		

DCC's Food & Beverage division achieved strong sales and profit growth due to acquisition activity in the first half. Having regard to the slowdown in demand across the Irish grocery and foodservice sectors good organic sales growth was achieved particularly in health foods, but margins were generally under pressure.

Environmental

			% change	
	2004	2003	Reported	Constant currency
Sales	€13.3m	€13.4m	-0.9%	-1.9%
Operating profit	€2.7m	€2.3m	+16.4%	+19.1%
Operating margin	20.4%	17.4%		

DCC's environmental business continued to achieve strong profit growth during the period with operating profit increasing by 16.4% to €2.7 million. Good results were achieved across the waste water, chemical and oil treatment sectors.

DCC provides a broad range of services to industrial and commercial customers in Ireland and is seeking opportunities for development in the British market as environmental legislation is implemented and enforced.

<u>Other (Homebuilding & Supply Chain Management)</u>	<u>% change</u>			
	2004	2003	Reported	Constant currency
Sales	€69.0m	€59.8m	+15.3%	+15.3%
Operating profit	€7.2m	€5.1m	+41.3%	+41.3%

Manor Park Homebuilders (a 49% owned associate company), which is a leading Irish homebuilding company, contributed operating profit of €8.2 million (2003: €6.1 million) from house, apartment and commercial development sales.

SerCom Solutions, the supply chain management business, had a similar performance to the first half last year recording an operating loss of €1.0 million (2003: €1.0 million). The business continues to be focused on broadening its customer base into new sectors and into selective geographical regions. During the period the company was successful in winning new business in the US and in Poland.

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 six months ended 30 September 2004

	Notes	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Turnover	2	<u>1,149,038</u>	<u>975,122</u>	<u>2,197,965</u>
Operating profit before operating exceptional items	3	46,012	41,164	120,876
Operating exceptional items	4	<u>-</u>	<u>95</u>	<u>(2,288)</u>
Operating profit		46,012	41,259	118,588
Net interest payable		<u>(2,167)</u>	<u>(2,357)</u>	<u>(4,802)</u>
Profit on ordinary activities before goodwill amortisation and non-operating net exceptional items		43,845	38,902	113,786
Goodwill amortisation		<u>(4,583)</u>	<u>(3,959)</u>	<u>(8,282)</u>
Non-operating net exceptional items	4	<u>(1,376)</u>	<u>(3,726)</u>	<u>(5,897)</u>
Profit on ordinary activities before taxation		37,886	31,217	99,607
Taxation		<u>(5,481)</u>	<u>(4,851)</u>	<u>(14,509)</u>
Profit after taxation		32,405	26,366	85,098
Minority interests		<u>(442)</u>	<u>(241)</u>	<u>(771)</u>
Profit attributable to Group shareholders		31,963	26,125	84,327
Dividends	5	<u>(10,379)</u>	<u>(9,823)</u>	<u>(26,572)</u>
Profit retained for the period		<u>21,584</u>	<u>16,302</u>	<u>57,755</u>
Earnings per ordinary share				
- basic (cent)	6	<u>39.99c</u>	<u>31.24c</u>	<u>101.98c</u>
- diluted (cent)	6	<u>39.15c</u>	<u>30.87c</u>	<u>100.42c</u>
Adjusted earnings per ordinary share				
- basic (cent)	6	<u>47.44c</u>	<u>40.32c</u>	<u>121.89c</u>
- diluted (cent)	6	<u>46.45c</u>	<u>39.84c</u>	<u>120.03c</u>
Dividend per ordinary share (cent)	5	<u>13.51c</u>	<u>11.75c</u>	<u>32.40c</u>

Consolidated Balance Sheet

as at 30 September 2004

	Note	Unaudited 30 Sept. 2004 €'000	Unaudited 30 Sept. 2003 €'000	Audited 31 March 2004 €'000
Fixed Assets				
Intangible assets – goodwill		164,506	130,543	129,566
Tangible fixed assets		222,952	205,152	212,252
Financial assets – associated undertakings		53,686	44,329	53,780
		<u>441,144</u>	<u>380,024</u>	<u>395,598</u>
Current Assets				
Stocks		126,552	113,224	110,577
Debtors		358,428	286,636	330,385
Cash and term deposits		325,037	203,120	320,616
		<u>810,017</u>	<u>602,980</u>	<u>761,578</u>
Creditors: Amounts falling due within one year				
Bank and other debt		28,222	58,653	143,732
Trade and other creditors		377,858	309,487	362,688
Corporation tax		36,611	30,102	36,077
Proposed dividend		10,802	9,823	16,824
		<u>453,493</u>	<u>408,065</u>	<u>559,321</u>
Net Current Assets		<u>356,524</u>	<u>194,915</u>	<u>202,257</u>
Total Assets less Current Liabilities		<u>797,668</u>	<u>574,939</u>	<u>597,855</u>
FINANCED BY:				
Creditors: Amounts falling due after more than one year				
Bank and other debt		16,254	19,310	16,555
Unsecured Notes due 2008/11/14/16		305,436	93,043	97,612
Deferred acquisition consideration		9,549	11,991	6,799
Capital grants		1,039	1,269	1,112
		<u>332,278</u>	<u>125,613</u>	<u>122,078</u>
Provisions for Liabilities and Charges		<u>1,932</u>	<u>2,518</u>	<u>2,084</u>
		<u>334,210</u>	<u>128,131</u>	<u>124,162</u>
Capital and Reserves				
Equity share capital and share premium		146,473	146,479	146,473
Reserves		312,817	296,569	323,139
Equity Shareholders' Funds		<u>459,290</u>	<u>443,048</u>	<u>469,612</u>
Minority interests		4,168	3,760	4,081
		<u>463,458</u>	<u>446,808</u>	<u>473,693</u>
		<u>797,668</u>	<u>574,939</u>	<u>597,855</u>
Net (debt)/cash	7	<u>(24,875)</u>	<u>32,114</u>	<u>62,717</u>

Reconciliation of Movements in Equity Shareholders' Funds

for the six months ended 30 September 2004

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Profit attributable to Group shareholders	31,963	26,125	84,327
Dividends	(10,379)	(9,823)	(26,572)
Profit retained for the period	21,584	16,302	57,755
Share buyback (inclusive of costs)	(26,762)	(405)	(24,986)
Equity share capital issued (net of expenses)	3,842	119	1,122
Exchange adjustments	(8,986)	(2,247)	6,442
Net movement in shareholders' funds	(10,322)	13,769	40,333
Opening shareholders' funds	469,612	429,279	429,279
Closing shareholders' funds	459,290	443,048	469,612

Consolidated Cash Flow Statement

for the six months ended 30 September 2004

	Note	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Inflows				
Operating cash flow (see below)		11,108	47,918	141,246
Share issues (net)		<u>3,842</u>	<u>119</u>	<u>1,122</u>
		14,950	48,037	142,368
Outflows				
Capital expenditure (net)		15,403	12,043	28,092
Acquisitions		36,614	4,452	14,308
Share buyback		26,762	405	24,986
Interest paid		832	1,924	3,609
Tax paid		3,845	2,452	5,295
Dividends paid		<u>16,401</u>	<u>15,017</u>	<u>24,765</u>
		99,857	36,293	101,055
Net cash (outflow)/inflow		(84,907)	11,744	41,313
Translation adjustment		<u>(2,685)</u>	<u>311</u>	<u>1,345</u>
Movement in net cash for the period		(87,592)	12,055	42,658
Opening net cash		62,717	20,059	20,059
Closing net (debt)/cash	7	<u>(24,875)</u>	<u>32,114</u>	<u>62,717</u>

Operating Cash Flow

for the six months ended 30 September 2004

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Group operating profit	46,012	41,164	120,876
Operating profit of associated undertakings	(9,486)	(7,922)	(19,201)
Dividends received from associated undertakings	428	2,442	3,094
Depreciation of tangible fixed assets	15,507	14,358	29,401
(Increase)/decrease in working capital	(39,089)	4,010	20,606
Other	<u>(1,743)</u>	<u>(1,152)</u>	<u>(2,860)</u>
Operating cash flow before exceptional costs	11,629	52,900	151,916
Exceptional redundancy and net restructuring costs	<u>(521)</u>	<u>(4,982)</u>	<u>(10,670)</u>
Operating cash flow after exceptional costs	<u>11,108</u>	<u>47,918</u>	<u>141,246</u>

Notes to the Interim Results

for the six months ended 30 September 2004

1. Basis of Preparation

The interim financial statements for the six months ended 30 September 2004 have been prepared in accordance with the accounting policies set out in the financial statements for the year ended 31 March 2004.

The interim financial statements for the six months ended 30 September 2004 and the comparative figures for the six months ended 30 September 2003 are unaudited. The summary financial statements for the year ended 31 March 2004 represent an abbreviated version of the Group's full accounts for that year, on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

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 amounts were as follows:

	6 months ended 30 Sept. 2004 £1=Stg£	6 months ended 30 Sept. 2003 £1=Stg£	Year ended 31 March 2004 £1=Stg£
Balance sheet (closing rate)	0.687	0.699	0.666
Profit and loss (average rate)*	<u>0.637</u>	<u>0.619</u>	<u>0.647</u>

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

2. Turnover

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Energy	461,661	361,895	841,344
IT	412,425	378,628	859,441
Healthcare	81,057	76,590	148,961
Food & Beverage	111,585	84,749	170,665
Environmental	13,322	13,438	24,131
Other (Homebuilding and Supply Chain Management)	<u>68,988</u>	<u>59,822</u>	<u>153,423</u>
Turnover	<u>1,149,038</u>	<u>975,122</u>	<u>2,197,965</u>
Analysis of turnover by subsidiary undertakings and associated undertakings:			
Subsidiary undertakings	1,103,047	920,864	2,074,465
Associated undertakings	<u>45,991</u>	<u>54,258</u>	<u>123,500</u>
	<u>1,149,038</u>	<u>975,122</u>	<u>2,197,965</u>
Of which acquisitions contributed	<u>30,422</u>	<u>2,123</u>	<u>23,024</u>

Notes to the Interim Results

for the six months ended 30 September 2004

3. Operating Profit

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Energy	10,110	10,684	45,791
IT	13,016	11,566	31,274
Healthcare	7,114	6,465	13,595
Food & Beverage	5,829	5,001	10,876
Environmental	2,716	2,333	5,044
Other (Homebuilding and Supply Chain Management)	7,227	5,115	14,296
Group operating profit	46,012	41,164	120,876
Analysis of operating profit by subsidiary undertakings and associated undertakings:			
Subsidiary undertakings	36,526	33,242	101,675
Associated undertakings	9,486	7,922	19,201
Operating profit	46,012	41,164	120,876
Of which acquisitions contributed	1,319	-	168

4. Exceptional Items

Non-operating exceptional items totalled €1.376 million and relate to costs incurred in respect of the Fyffes and Pihsiang legal actions.

5. Dividends

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Interim dividend of 13.51 cent per share (2003: 11.75 cent per share)	10,802	9,823	9,823
Proposed final dividend of 20.65 cent per share	-	-	16,824
Dividend attaching to shares bought-back	(423)	-	(75)
	10,379	9,823	26,572

Notes to the Interim Results

for the six months ended 30 September 2004

6. Earnings per Ordinary Share and Adjusted Earnings per Ordinary Share

	Unaudited 6 months ended 30 Sept. 2004 €'000	Unaudited 6 months ended 30 Sept. 2003 €'000	Audited year ended 31 March 2004 €'000
Profit after taxation and minority interests	31,963	26,125	84,327
Goodwill amortisation	4,583	3,959	8,282
Net exceptional items	1,376	3,631	8,185
Adjusted profit after taxation and minority interests	37,922	33,715	100,794
Basic earnings per ordinary share	cent	cent	cent
Basic earnings per ordinary share	39.99	31.24	101.98
Adjusted basic earnings per ordinary share*	47.44	40.32	121.89
Weighted average number of ordinary shares in issue during the period ('000)	79,932	83,618	82,690
Diluted earnings per ordinary share	cent	cent	cent
Diluted earnings per ordinary share	39.15	30.87	100.42
Adjusted diluted earnings per ordinary share*	46.45	39.84	120.03
Diluted weighted average number of ordinary shares ('000)	81,635	84,627	83,974

*adjusted to exclude goodwill amortisation and net exceptional items.

7. Analysis of Net (Debt)/Cash

	Unaudited 30 Sept. 2004 €'000	Unaudited 30 Sept. 2003 €'000	Audited 31 March 2004 €'000
Cash and term deposits	325,037	203,120	320,616
Bank and other debt repayable within one year	(28,222)	(58,653)	(143,732)
Bank and other debt repayable after more than one year	(16,254)	(19,310)	(16,555)
Unsecured Notes due 2008/11/14/16	(305,436)	(93,043)	(97,612)
Net (debt)/cash	(24,875)	32,114	62,717

8. Distribution of Interim Report

This announcement and further information on DCC is available at the Company's website at www.dcc.ie. A printed copy of this report is being posted to shareholders and will be available to the public at the Company's registered office at DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland.