



Press Release

7 November 2005

## Interim Results for the Six Months ended 30 September 2005

|                                                                               | €          | % change on prior year |                    |
|-------------------------------------------------------------------------------|------------|------------------------|--------------------|
|                                                                               |            | Reported               | Constant currency* |
| Revenue                                                                       | 1,527.5 m  | +37.5%                 | +39.1%             |
| Operating profit**                                                            | 38.6 m     | +2.9%                  | +6.7%              |
| Profit before exceptional items,<br>amortisation of intangible assets and tax | 41.1 m     | -3.0%                  | +0.3%              |
| Adjusted earnings per share**                                                 | 45.34 cent | -4.4%                  | -1.1%              |
| Dividend per share                                                            | 15.54 cent | +15.0%                 |                    |
| Net debt at 30 September 2005                                                 | 94.7 m     |                        |                    |

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

\*\* excluding exceptional items and amortisation of intangible assets

DCC, the business support services group, today announced its results for the six months ended 30 September 2005.

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

***“DCC achieved excellent growth in its Healthcare and Food & Beverage divisions and good growth in its Energy and Environmental divisions. The IT & Entertainment Products division was adversely affected by tough market conditions.***

***The Board expects that the Group will achieve double-digit earnings growth in the seasonally more important second half of the financial year.”***

**For reference, please contact:**

Jim Flavin, Chief Executive/Deputy Chairman

Tel: +353 1 2799 400

Fergal O'Dwyer, Chief Financial Officer

Email: [investorrelations@dcc.ie](mailto:investorrelations@dcc.ie)

Conor Murphy, Investor Relations Manager

Web: [www.dcc.ie](http://www.dcc.ie)

## IFRS

DCC adopted International Financial Reporting Standards (IFRS) on 1 April 2005 and these Interim Results have been prepared in accordance with IFRS. All prior year comparatives in this report have been restated under IFRS. A full restatement of DCC's results for the year ended 31 March 2005 under IFRS was issued on 30 September 2005.

## Results

A summary of the results for the six months to 30 September is as follows:

|                                                                                   |                       | <b>% change on prior year</b> |                           |
|-----------------------------------------------------------------------------------|-----------------------|-------------------------------|---------------------------|
|                                                                                   | <b>€'m</b>            | <b>Reported</b>               | <b>Constant currency*</b> |
| <b>Revenue</b>                                                                    | <b><u>1,527.5</u></b> | <b><u>+37.5%</u></b>          | <b><u>+39.1%</u></b>      |
| <b>Divisional operating profit</b>                                                |                       |                               |                           |
| Energy                                                                            | 10.7                  | +1.2%                         | +6.4%                     |
| IT & Entertainment Products                                                       | 7.6                   | -37.0%                        | -34.0%                    |
| Healthcare                                                                        | 10.1                  | +48.1%                        | +49.7%                    |
| Food & Beverage                                                                   | 7.4                   | +37.9%                        | +44.3%                    |
| Environmental                                                                     | <u>2.8</u>            | <u>+2.6%</u>                  | <u>+4.7%</u>              |
| <b>Group operating profit**</b>                                                   | <b>38.6</b>           | <b>+2.9%</b>                  | <b>+6.7%</b>              |
| Share of profit after tax of associated undertakings                              | 5.7                   | -20.7%                        | -20.7%                    |
| Net financing costs                                                               | <u>(3.2)</u>          |                               |                           |
| <b>Profit before exceptional items, amortisation of intangible assets and tax</b> | <b><u>41.1</u></b>    | <b><u>-3.0%</u></b>           | <b><u>+0.3%</u></b>       |
| <b>Adjusted EPS (cent)</b>                                                        | <b><u>45.34</u></b>   | <b><u>-4.4%</u></b>           | <b><u>-1.1%</u></b>       |

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

\*\* excluding exceptional items and amortisation of intangible assets

DCC achieved excellent growth in its Healthcare and Food & Beverage divisions and good growth in its Energy and Environmental divisions. The IT & Entertainment Products division was adversely affected by tough market conditions. Group operating profit increased by 2.9% on a reported basis and by 6.7% on a constant currency basis.

The share of profit after tax of associated undertakings of €5.7m substantially relates to DCC's 49% shareholding in Manor Park Homebuilders. Under IFRS the share of profits of associated undertakings, which was previously included in operating profit, is now separately shown net of the associated undertakings' financing costs and tax.

The net financing cost for the period increased to €3.2 million (2004: €2.2 million).

Arising from the decreased contribution from associated undertakings, profit before exceptional items, amortisation of intangible assets and tax decreased by 3.0% on a reported basis but increased by 0.3% on a constant currency basis.

Adjusted earnings per share for the period decreased by 4.4% on a reported basis and by 1.1% on a constant currency basis.

## **Acquisitions and Development**

Acquisition and development expenditure in the period amounted to €80.3 million of which €26.7 million related to capital expenditure. DCC's ongoing acquisition search process has resulted in a number of acquisitions at a total committed cost of €53.6 million. The cash impact of acquisitions in the period was €48.1 million.

On 1 April 2005, DCC Energy acquired the trade, assets and goodwill of Brett Fuels, a small UK based oil distributor. Brett Fuels distributes approximately 45 million litres of oil products per annum and has been integrated into DCC's oil distribution business in the UK.

On 13 June 2005, DCC Healthcare expanded its acute and community care business through the acquisition of Physio-Med Services Limited, a market-leading supplier of a broad range of physiotherapy and rehabilitation equipment and consumables to physiotherapists, occupational therapists, podiatrists, chiropractors and end users.

On 15 June 2005, DCC's IT & Entertainment Products division acquired Pilton Company, a leading distributor of DVDs, computer games and other products to the home entertainment market in Ireland and with a developing business in Britain. On 6 July 2005, the division expanded its continental European operations into Belgium, Holland and Luxembourg through the acquisition of a small company, AB Computing. This business is complementary to the division's operations in France, Spain and Portugal.

The Group is actively pursuing further acquisition opportunities in each of its divisions.

## **Financial strength**

At 30 September 2005, the Group had net debt of €94.7 million and total equity of €503.0 million. In line with normal seasonal trends, working capital increased by €32.9 million since 31 March 2005 to €134.2 million, which equates to 14.0 days sales and compares favourably with 14.4 days at 30 September 2004.

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

## **Interim dividend**

The Board has decided to increase the interim dividend by 15.0% to 15.54 cent per share. This dividend will be paid on 1 December 2005 to shareholders on the register at the close of business on 18 November 2005.

## **Fyffes litigation**

The hearing of the Fyffes legal action concluded on 18 July 2005. While no date has been set, a judgment is anticipated before Christmas.

The Board of DCC set out its views on the Fyffes action in a comprehensive Stock Exchange announcement on 24 January 2002.

## **Outlook**

The Board expects that the Group will achieve double-digit earnings growth in the seasonally more important second half of the financial year.

## Operating review

### Energy

|                  | <u>% change</u> |             |                 |                          |
|------------------|-----------------|-------------|-----------------|--------------------------|
|                  | <i>2005</i>     | <i>2004</i> | <i>Reported</i> | <i>Constant currency</i> |
| Revenue          | €822.0m         | €461.7m     | +78.1%          | +80.6%                   |
| Operating profit | €10.7m          | €10.6m      | +1.2%           | +6.4%                    |

DCC's energy business recorded excellent sales volume growth driven by the acquisitions in the prior year of Shell Direct UK and Dyneley Holdings and by good organic growth. Revenue growth also reflected the increase in oil product costs. Despite this increase the gross profit per litre of product sold was satisfactory.

The Shell Direct business performed ahead of expectations but as anticipated incurred a seasonal loss. This business is well placed for the seasonally important second half.

### IT & Entertainment Products

|                  | <u>% change</u> |             |                 |                          |
|------------------|-----------------|-------------|-----------------|--------------------------|
|                  | <i>2005</i>     | <i>2004</i> | <i>Reported</i> | <i>Constant currency</i> |
| Revenue          | €448.9m         | €457.1m     | -1.8%           | -0.7%                    |
| Operating profit | €7.6m           | €12.0m      | -37.0%          | -34.0%                   |
| Operating margin | 1.7%            | 2.6%        |                 |                          |

SerCom Distribution, DCC's IT & Entertainment Products business, was significantly impacted by very difficult trading conditions in the second quarter of the financial year. The business was particularly impacted by a rapid deterioration, during that period, in the retail trading environment in Britain and a significant decline in demand in the French enterprise market. The profit contribution from the Irish businesses was in line with expectations.

The division achieved good organic sales volume growth, but revenue was impacted by severe product price deflation. This deflation also increased margin pressure in a highly competitive marketplace.

Following the recent acquisitions of Pilton Company and AB Computing, DCC is focused on driving sales growth in IT & Entertainment Products through leveraging its strong market positions and by capitalising on its enhanced range of products across the different geographic markets in which the business operates. Focus will also be maintained on margin and cost management.

SerCom Solutions, the supply chain management business, has been successfully restructured and has returned to profitability. Revenues increased by 21.3% to €54.1m and the business earned a modest operating profit of €0.2m compared to an operating loss of €1.0m in the first six months of the prior year.

**Healthcare**

|                         |                |               | <b><u>% change</u></b> |                          |
|-------------------------|----------------|---------------|------------------------|--------------------------|
|                         | <b>2005</b>    | <b>2004</b>   | <b>Reported</b>        | <b>Constant currency</b> |
| <b>Revenue</b>          | <b>€101.6m</b> | <b>€77.3m</b> | <b>+31.5%</b>          | <b>+32.8%</b>            |
| <b>Operating profit</b> | <b>€10.1m</b>  | <b>€6.8m</b>  | <b>+48.1%</b>          | <b>+49.7%</b>            |
| <b>Operating margin</b> | <b>9.9%</b>    | <b>8.8%</b>   |                        |                          |

DCC's healthcare business generated excellent sales and profit growth.

Good profit growth was achieved in acute and community care products, driven by the acquisition of Physio-Med Services and continued excellent growth in sales of intravenous pharmaceutical products and related devices.

To accelerate the growth of DCC Group own branded acute and community care products, DCC Healthcare has opened a procurement and quality control office in Shenzhen, China.

DCC Healthcare's contract services business to the health & beauty sector achieved excellent organic and acquisition growth. The acquisition of Laleham Healthcare in December 2004 has significantly expanded the breadth of DCC's contract services in this sector and is opening up new growth opportunities.

**Food & Beverage**

|                         |                |                | <b><u>% change</u></b> |                          |
|-------------------------|----------------|----------------|------------------------|--------------------------|
|                         | <b>2005</b>    | <b>2004</b>    | <b>Reported</b>        | <b>Constant currency</b> |
| <b>Revenue</b>          | <b>€139.7m</b> | <b>€101.9m</b> | <b>+37.1%</b>          | <b>+37.7%</b>            |
| <b>Operating profit</b> | <b>€7.4m</b>   | <b>€5.4m</b>   | <b>+37.9%</b>          | <b>+44.3%</b>            |
| <b>Operating margin</b> | <b>5.3%</b>    | <b>5.3%</b>    |                        |                          |

DCC's Food & Beverage business achieved excellent sales and profit growth due to organic growth and acquisition activity in the first half of the prior year.

Wine, snackfoods, frozen and chilled logistics and Kylemore each made an increased profit contribution. In healthfoods, marketing investment in the Kelkin brand and new Kelkin product development for launch in the second half caused a small reduction in its profit contribution.

**Environmental**

|                         |               |               | <b><u>% change</u></b> |                          |
|-------------------------|---------------|---------------|------------------------|--------------------------|
|                         | <b>2005</b>   | <b>2004</b>   | <b>Reported</b>        | <b>Constant currency</b> |
| <b>Revenue</b>          | <b>€15.3m</b> | <b>€13.3m</b> | <b>+15.1%</b>          | <b>+15.7%</b>            |
| <b>Operating profit</b> | <b>€2.8m</b>  | <b>€2.8m</b>  | <b>+2.6%</b>           | <b>+4.7%</b>             |
| <b>Operating margin</b> | <b>18.5%</b>  | <b>20.8%</b>  |                        |                          |

DCC's Environmental business achieved good sales growth. Operating profits increased at a lower rate due to a change in sales mix.

**Associated undertakings**

|                                                                 | <b><u>% change</u></b> |              |                 |                              |
|-----------------------------------------------------------------|------------------------|--------------|-----------------|------------------------------|
|                                                                 | <b>2005</b>            | <b>2004</b>  | <b>Reported</b> | <b>Constant<br/>currency</b> |
| <b>Share of profit after tax of<br/>associated undertakings</b> | <b>€5.7m</b>           | <b>€7.1m</b> | <b>-20.7%</b>   | <b>-20.7%</b>                |

DCC's principal associated undertaking is Manor Park Homebuilders. As had been anticipated, DCC's share of Manor Park Homebuilders' profit after tax declined in the first half due to the phasing of sales in the current financial year.

*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](http://www.dcc.ie)*

*There will be a presentation of these results to analysts and investors/fund managers in Dublin at 8:45 GMT today. The slides for this presentation can be downloaded from DCC's website [www.dcc.ie](http://www.dcc.ie). A dial-in facility will be available for this meeting:*

*Ireland: (01) 2421074*

*International: +44 208 974 7916*

*Passcode: C 369549*

# GROUP INCOME STATEMENT

for the six months ended 30 September 2005

|                                                                      | Notes    | Unaudited 6 months ended<br>30 September 2005 |                                   |                  | Unaudited 6 months ended<br>30 September 2004 |                              |                | Audited year ended<br>31 March 2005 |                              |                |
|----------------------------------------------------------------------|----------|-----------------------------------------------|-----------------------------------|------------------|-----------------------------------------------|------------------------------|----------------|-------------------------------------|------------------------------|----------------|
|                                                                      |          | Pre<br>exceptionals<br>€'000                  | Exceptionals<br>(note 5)<br>€'000 | Total<br>€'000   | Pre net<br>exceptionals<br>€'000              | Net<br>exceptionals<br>€'000 | Total<br>€'000 | Pre net<br>exceptionals<br>€'000    | Net<br>exceptionals<br>€'000 | Total<br>€'000 |
| <b>Revenue</b>                                                       | <b>3</b> | <b>1,527,500</b>                              |                                   | <b>1,527,500</b> | 1,111,178                                     |                              | 1,111,178      | 2,644,728                           |                              | 2,644,728      |
| Cost of sales                                                        |          | (1,313,596)                                   |                                   | (1,313,596)      | (929,954)                                     |                              | (929,954)      | (2,258,200)                         |                              | (2,258,200)    |
| Gross profit                                                         |          | <b>213,904</b>                                |                                   | <b>213,904</b>   | 181,224                                       |                              | 181,224        | 386,528                             |                              | 386,528        |
| Operating costs                                                      |          | (175,289)                                     | (4,187)                           | (179,476)        | (143,694)                                     | (1,376)                      | (145,070)      | (274,715)                           | (15,967)                     | (290,682)      |
| <b>Operating profit before<br/>amortisation of intangible assets</b> |          | <b>38,615</b>                                 | <b>(4,187)</b>                    | <b>34,428</b>    | 37,530                                        | (1,376)                      | 36,154         | 111,813                             | (15,967)                     | 95,846         |
| Amortisation of intangible assets                                    |          | (2,153)                                       |                                   | (2,153)          | (145)                                         |                              | (145)          | (1,261)                             |                              | (1,261)        |
| <b>Operating profit</b>                                              | <b>4</b> | <b>36,462</b>                                 | <b>(4,187)</b>                    | <b>32,275</b>    | 37,385                                        | (1,376)                      | 36,009         | 110,552                             | (15,967)                     | 94,585         |
| Finance costs (net)                                                  |          | (3,133)                                       | (1,145)                           | (4,278)          | (2,233)                                       | (2,572)                      | (4,805)        | (5,694)                             | (4,809)                      | (10,503)       |
| Share of associates profit<br>after tax                              |          | <b>5,660</b>                                  |                                   | <b>5,660</b>     | 7,134                                         |                              | 7,134          | 16,807                              |                              | 16,807         |
| <b>Profit before tax</b>                                             |          | <b>38,989</b>                                 | <b>(5,332)</b>                    | <b>33,657</b>    | 42,286                                        | (3,948)                      | 38,338         | 121,665                             | (20,776)                     | 100,889        |
| Income tax expense                                                   |          |                                               |                                   | (3,548)          |                                               |                              | (4,074)        |                                     |                              | (12,107)       |
| <b>Profit after tax for the financial period</b>                     |          |                                               |                                   | <b>30,109</b>    |                                               |                              | 34,264         |                                     |                              | 88,782         |
| Profit attributable to:                                              |          |                                               |                                   |                  |                                               |                              |                |                                     |                              |                |
| Equity holders of the Company                                        |          |                                               |                                   | 29,197           |                                               |                              | 33,822         |                                     |                              | 87,760         |
| Minority interests                                                   |          |                                               |                                   | 912              |                                               |                              | 442            |                                     |                              | 1,022          |
| <b>Profit after tax for the financial period</b>                     |          |                                               |                                   | <b>30,109</b>    |                                               |                              | 34,264         |                                     |                              | 88,782         |
| <b>Earnings per ordinary<br/>share - basic</b>                       | <b>6</b> |                                               |                                   | <b>36.35c</b>    |                                               |                              | 42.31c         |                                     |                              | 109.68c        |
| <b>Diluted earnings per<br/>ordinary share - basic</b>               | <b>6</b> |                                               |                                   | <b>35.49c</b>    |                                               |                              | 41.43c         |                                     |                              | 107.16c        |
| <b>Dividend per ordinary<br/>share (cent)</b>                        | <b>7</b> |                                               |                                   | <b>15.54c</b>    |                                               |                              | 13.51c         |                                     |                              | 37.26c         |

# Group Balance Sheet

as at 30 September 2005

|                                                                          | Note | Unaudited<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>30 Sept.<br>2004<br>€'000 | Audited<br>31 March<br>2005<br>€'000 |
|--------------------------------------------------------------------------|------|----------------------------------------|----------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                                            |      |                                        |                                        |                                      |
| <b>Non-current assets</b>                                                |      |                                        |                                        |                                      |
| Property, plant and equipment                                            |      | 263,458                                | 230,392                                | 254,791                              |
| Intangible assets                                                        |      | 246,207                                | 172,148                                | 208,053                              |
| Investment in associates                                                 |      | 57,304                                 | 41,513                                 | 51,384                               |
| Derivative financial instruments                                         |      | 9,086                                  | -                                      | -                                    |
| Deferred income tax assets                                               |      | 7,518                                  | 6,763                                  | 6,957                                |
|                                                                          |      | <u>583,573</u>                         | <u>450,816</u>                         | <u>521,185</u>                       |
| <b>Current assets</b>                                                    |      |                                        |                                        |                                      |
| Inventories                                                              |      | 142,521                                | 126,886                                | 124,049                              |
| Trade and other receivables                                              |      | 436,714                                | 346,799                                | 410,190                              |
| Derivative financial instruments                                         |      | 519                                    | -                                      | -                                    |
| Cash and cash equivalents                                                |      | 287,817                                | 325,488                                | 353,304                              |
|                                                                          |      | <u>867,571</u>                         | <u>799,173</u>                         | <u>887,543</u>                       |
| <b>Total assets</b>                                                      |      | <u>1,451,144</u>                       | <u>1,249,989</u>                       | <u>1,408,728</u>                     |
| <b>EQUITY</b>                                                            |      |                                        |                                        |                                      |
| <b>Capital and reserves attributable to the Company's equity holders</b> |      |                                        |                                        |                                      |
| Equity share capital                                                     |      | 22,045                                 | 22,035                                 | 22,042                               |
| Share premium account                                                    |      | 124,528                                | 124,438                                | 124,506                              |
| Other reserves                                                           |      | 2,432                                  | 1,400                                  | 1,400                                |
| Other reserves - shares to be issued                                     |      | 1,400                                  | 901                                    | 1,552                                |
| Cash flow hedge reserve                                                  |      | 182                                    | -                                      | -                                    |
| Foreign currency translation reserves                                    |      | (1,144)                                | (7,492)                                | (5,565)                              |
| Retained earnings                                                        |      | 349,094                                | 300,626                                | 343,936                              |
| Minority interests                                                       |      | 4,453                                  | 4,168                                  | 4,348                                |
| <b>Total equity</b>                                                      |      | <u>502,990</u>                         | <u>446,076</u>                         | <u>492,219</u>                       |
| <b>LIABILITIES</b>                                                       |      |                                        |                                        |                                      |
| <b>Non-current liabilities</b>                                           |      |                                        |                                        |                                      |
| Interest-bearing loans and borrowings                                    |      | 309,042                                | 322,870                                | 316,644                              |
| Derivative financial instruments                                         |      | 19,306                                 | -                                      | -                                    |
| Deferred income tax liabilities                                          |      | 10,762                                 | 3,893                                  | 9,996                                |
| Retirement benefit obligations                                           |      | 27,753                                 | 23,434                                 | 25,380                               |
| Deferred acquisition consideration                                       |      | 16,316                                 | 9,549                                  | 10,839                               |
| Capital grants                                                           |      | 914                                    | 1,039                                  | 958                                  |
| <b>Total non-current liabilities</b>                                     |      | <u>384,093</u>                         | <u>360,785</u>                         | <u>363,817</u>                       |
| <b>Current liabilities</b>                                               |      |                                        |                                        |                                      |
| Interest-bearing loans and borrowings                                    |      | 63,568                                 | 28,642                                 | 45,553                               |
| Derivative financial instruments                                         |      | 184                                    | -                                      | -                                    |
| Trade and other payables                                                 |      | 455,445                                | 371,756                                | 462,866                              |
| Current income tax liabilities                                           |      | 37,816                                 | 36,701                                 | 37,189                               |
| Deferred acquisition consideration                                       |      | 7,048                                  | 6,029                                  | 7,084                                |
| <b>Total current liabilities</b>                                         |      | <u>564,061</u>                         | <u>443,128</u>                         | <u>552,692</u>                       |
| <b>Total liabilities</b>                                                 |      | <u>948,154</u>                         | <u>803,913</u>                         | <u>916,509</u>                       |
| <b>Total equity and liabilities</b>                                      |      | <u>1,451,144</u>                       | <u>1,249,989</u>                       | <u>1,408,728</u>                     |
| <b>Net debt</b>                                                          | 8    | <u>(94,678)</u>                        | <u>(26,024)</u>                        | <u>(8,893)</u>                       |



# Group Cash Flow Statement

for the six months ended 30 September 2005

|                                                     | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|-----------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| <b>Cash flows from operating activities</b>         |                                                             |                                                             |                                                       |
| Group operating profit before exceptional items     | 36,462                                                      | 37,385                                                      | 110,552                                               |
| Depreciation                                        | 16,785                                                      | 15,888                                                      | 32,867                                                |
| Share-based payments expense                        | 880                                                         | 352                                                         | 1,003                                                 |
| Amortisation of intangible assets                   | 2,153                                                       | 145                                                         | 1,261                                                 |
| Increase in working capital                         | (32,884)                                                    | (39,489)                                                    | (24,678)                                              |
| Profit on disposal of property, plant and equipment | (420)                                                       | (745)                                                       | (2,050)                                               |
| Amortisation of capital grants                      | (44)                                                        | (73)                                                        | (155)                                                 |
| Dividends received from associates                  | 581                                                         | 428                                                         | 1,354                                                 |
| Other                                               | (2,513)                                                     | (1,502)                                                     | (3,758)                                               |
| Cash generated from operations                      | 21,000                                                      | 12,389                                                      | 116,396                                               |
| Exceptional items                                   | (11,727)                                                    | (521)                                                       | (6,560)                                               |
| Interest paid                                       | (9,417)                                                     | (5,951)                                                     | (15,627)                                              |
| Income tax paid                                     | (3,403)                                                     | (3,922)                                                     | (9,289)                                               |
| Net cash flow from operating activities             | (3,547)                                                     | 1,995                                                       | 84,920                                                |
| <b>Cash flows from investing activities</b>         |                                                             |                                                             |                                                       |
| Inflows                                             |                                                             |                                                             |                                                       |
| Proceeds from disposal of fixed assets              | 4,637                                                       | 1,665                                                       | 7,875                                                 |
| Interest received                                   | 7,096                                                       | 5,211                                                       | 12,833                                                |
|                                                     | 11,733                                                      | 6,876                                                       | 20,708                                                |
| Outflows                                            |                                                             |                                                             |                                                       |
| Purchase of property, plant and equipment           | (27,620)                                                    | (18,521)                                                    | (43,647)                                              |
| Acquisition of subsidiaries                         | (45,295)                                                    | (32,706)                                                    | (77,288)                                              |
| Purchase of minority interests                      | (506)                                                       | (6)                                                         | (905)                                                 |
| Deferred acquisition consideration paid             | (2,272)                                                     | (3,902)                                                     | (2,955)                                               |
|                                                     | (75,693)                                                    | (55,135)                                                    | (124,795)                                             |
| Net cash outflow from investing activities          | (63,960)                                                    | (48,259)                                                    | (104,087)                                             |
| <b>Cash flows from financing activities</b>         |                                                             |                                                             |                                                       |
| Inflows                                             |                                                             |                                                             |                                                       |
| Proceeds from issue of shares                       | 586                                                         | 3,842                                                       | 6,858                                                 |
| Increase in interest-bearing loans and borrowings   | 35,666                                                      | 213,244                                                     | 213,244                                               |
| Increase in finance lease liabilities               | -                                                           | 186                                                         | -                                                     |
|                                                     | 36,252                                                      | 217,272                                                     | 220,102                                               |
| Outflows                                            |                                                             |                                                             |                                                       |
| Share buyback                                       | -                                                           | (26,762)                                                    | (26,762)                                              |
| Repayment of interest-bearing loans and borrowings  | -                                                           | (86,458)                                                    | (88,918)                                              |
| Repayment of finance lease liabilities              | -                                                           | -                                                           | (5,062)                                               |
| Dividends paid to equity holders of the Company     | (19,073)                                                    | (16,401)                                                    | (27,212)                                              |
| Dividends paid to minority interests                | (147)                                                       | (122)                                                       | (176)                                                 |
|                                                     | (19,220)                                                    | (129,743)                                                   | (148,130)                                             |
| Net cash inflow from financing activities           | 17,032                                                      | 87,529                                                      | 71,972                                                |
| <b>Change in cash and cash equivalents</b>          | (50,475)                                                    | 41,265                                                      | 52,805                                                |
| Translation adjustment                              | 2,766                                                       | (7,596)                                                     | (10,074)                                              |
| Cash and cash equivalents at beginning of period    | 314,397                                                     | 271,666                                                     | 271,666                                               |
| Cash and cash equivalents at end of period          | 266,688                                                     | 305,335                                                     | 314,397                                               |
| Cash and cash equivalents consists of:              |                                                             |                                                             |                                                       |
| Cash at bank and short term deposits                | 287,817                                                     | 325,488                                                     | 353,304                                               |
| Overdrafts                                          | (21,129)                                                    | (20,153)                                                    | (38,907)                                              |
|                                                     | 266,688                                                     | 305,335                                                     | 314,397                                               |

## Group Statement of Recognised Income and Expense

for the six months ended 30 September 2005

|                                                              | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|--------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Items of income/(expense) recognised directly within equity: |                                                             |                                                             |                                                       |
| Currency translation                                         | 4,421                                                       | (7,492)                                                     | (5,565)                                               |
| Group defined benefit pension schemes:                       |                                                             |                                                             |                                                       |
| - actuarial loss                                             | (4,257)                                                     | (4,938)                                                     | (7,742)                                               |
| - deferred tax asset                                         | 406                                                         | 750                                                         | 796                                                   |
| Gains relating to cash flow hedges (net)                     | 182                                                         | -                                                           | -                                                     |
| Deferred tax recognised through equity                       | 13                                                          | -                                                           | -                                                     |
| Net income/(expense) recognised directly within equity       | 765                                                         | (11,680)                                                    | (12,511)                                              |
| Group profit for the financial period                        | 30,109                                                      | 34,264                                                      | 88,782                                                |
| Total recognised income and expense for the period           | 30,874                                                      | 22,584                                                      | 76,271                                                |
| Attributable to:                                             |                                                             |                                                             |                                                       |
| Equity holders of the Company                                | 29,962                                                      | 22,142                                                      | 75,249                                                |
| Minority interests                                           | 912                                                         | 442                                                         | 1,022                                                 |
| Total recognised income and expense for the period           | 30,874                                                      | 22,584                                                      | 76,271                                                |

## Group Statement of Changes in Equity

for the six months ended 30 September 2005

|                                                                                   | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| At beginning of period                                                            | 492,219                                                     | 462,816                                                     | 462,816                                               |
| Impact of adoption of IAS 32 and 39                                               | (1,689)                                                     | -                                                           | -                                                     |
| At beginning of period as adjusted                                                | 490,530                                                     | 462,816                                                     | 462,816                                               |
| Issue of share capital                                                            | 586                                                         | 3,842                                                       | 6,858                                                 |
| Share based payment                                                               | 880                                                         | 352                                                         | 1,003                                                 |
| Share buyback                                                                     | -                                                           | (26,762)                                                    | (26,762)                                              |
| Dividends                                                                         | (19,073)                                                    | (16,401)                                                    | (27,212)                                              |
| Movement in minority interest                                                     | 297                                                         | 87                                                          | 397                                                   |
| Business combinations                                                             | (192)                                                       | -                                                           | (130)                                                 |
| Total recognised income and expense for the period attributable to equity holders | 29,962                                                      | 22,142                                                      | 75,249                                                |
| At end of period                                                                  | 502,990                                                     | 446,076                                                     | 492,219                                               |

# Notes to the Interim Results

for the six months ended 30 September 2005

## 1. International Financial Reporting Standards

### Basis of Preparation

The financial information presented in this Interim Report has been prepared in accordance with the Group's accounting policies under International Financial Reporting Standards (IFRS). The transition date for implementation of IFRS by the Group was 1 April 2004. The financial statements for the six months ended 30 September 2004 and for the year ended 31 March 2005, which were prepared in accordance with accounting policies generally accepted in the Republic of Ireland, have been restated under IFRS with effect from the transition date. The Group has availed of the exemption under the transition rules of IFRS 1 not to restate the comparative information under IAS 32 and IAS 39. Comparative information on financial instruments for the six months ended 30 September 2004 and for the year ended 31 March 2005 is presented on the existing Irish GAAP basis. Note 9 details the impact of adoption of IAS 32 and IAS 39 on the Consolidated Balance Sheet as at 1 April 2005.

Full details of the accounting policies adopted by the Group on implementation of IFRS, and of the impact on the reported results and balance sheet of the Group on transition to IFRS, were published on 30 September 2005 and are available on the Group's website [www.dcc.ie](http://www.dcc.ie).

### Approved IFRS

The interim financial information has been prepared in accordance with the recognition and measurement principles of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations expected to be applicable at 31 March 2006. The majority of the IASs/IFRSs have been approved by the European Commission. However, a number of IASs/IFRSs remain to be approved at the date of publication of this document, and failure to approve these outstanding standards in time for financial reporting for the year ending 31 March 2006 could lead to changes in the basis of accounting or in the basis of presentation of certain financial information from that adopted for the purposes of this Interim Report. In particular, the Directors have assumed that the European Commission will endorse the Amendment to IAS 19 Employee Benefits, Actuarial Gains and Losses, Group Plans and Disclosures issued by the IASB in December 2004.

Furthermore, the financial information provided in this document is subject to the issuance by the International Accounting Standards Board of additional interpretations prior to the end of the financial year to 31 March 2006 which may require changes to the financial information contained in this document for the full year to 31 March 2005, prior to its inclusion as comparative data in the published consolidated financial statements for the year ending 31 March 2006 under IFRS.

### Joint Ventures

During the period the Group undertook a review to ascertain whether certain associated undertakings may be more correctly treated as joint ventures. The result of this review was that the Group's 50% shareholdings in Kylemore Foods Holdings Limited and KP (Ireland) Limited are both required under IAS 31 Interests in Joint Ventures to be treated as joint ventures. In line with the benchmark methodology contained in IAS 31, the Group has opted to apply proportionate consolidation in accounting for its interests in joint venture undertakings. Comparative amounts have been regrouped and restated, where necessary, on the same basis as the amounts for the current period. The reclassification of certain associated undertakings as joint ventures has no net effect on total equity, retained earnings or adjusted earnings per share for the current and comparative periods.

## 2. Reporting Currency

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<br>30 Sept. 2005<br>€1=Stg£ | 6 months ended<br>30 Sept. 2004<br>€1=Stg£ | Year ended<br>31 March 2005<br>€1=Stg£ |
|---------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------|
| Balance sheet (closing rate)    | 0.683                                      | 0.687                                      | 0.689                                  |
| Profit and loss (average rate)* | <u>0.682</u>                               | <u>0.637</u>                               | <u>0.672</u>                           |

\* The average exchange rates for the six months to 30 September 2004 and for the year ended 31 March 2005 have been adjusted for the impact of forward foreign exchange contracts entered into to hedge sterling profits for those periods.

## Notes to the Interim Results

for the six months ended 30 September 2005

### 3. Revenue

|                                   | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|-----------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Energy                            | 822,026                                                     | 461,661                                                     | 1,240,551                                             |
| IT & Entertainment Products       | 448,890                                                     | 457,070                                                     | 983,483                                               |
| Healthcare                        | 101,605                                                     | 77,280                                                      | 162,279                                               |
| Food & Beverage                   | 139,701                                                     | 101,888                                                     | 232,635                                               |
| Environmental                     | 15,278                                                      | 13,279                                                      | 25,780                                                |
| Revenue                           | <u>1,527,500</u>                                            | <u>1,111,178</u>                                            | <u>2,644,728</u>                                      |
| Of which acquisitions contributed | <u>51,785</u>                                               | <u>40,383</u>                                               | <u>312,253</u>                                        |

### 4. Operating Profit

|                                   | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|-----------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Energy                            | 10,734                                                      | 10,607                                                      | 51,806                                                |
| IT & Entertainment Products       | 7,550                                                       | 11,977                                                      | 26,292                                                |
| Healthcare                        | 10,072                                                      | 6,800                                                       | 15,441                                                |
| Food & Beverage                   | 7,428                                                       | 5,387                                                       | 12,827                                                |
| Environmental                     | 2,831                                                       | 2,759                                                       | 5,447                                                 |
|                                   | <u>38,615</u>                                               | <u>37,530</u>                                               | <u>111,813</u>                                        |
| Amortisation of intangible assets | (2,153)                                                     | (145)                                                       | (1,261)                                               |
| Operating exceptional items       | <u>(4,187)</u>                                              | <u>(1,376)</u>                                              | <u>(15,967)</u>                                       |
| Operating profit                  | <u>32,275</u>                                               | <u>36,009</u>                                               | <u>94,585</u>                                         |
| Of which acquisitions contributed | <u>2,451</u>                                                | <u>1,656</u>                                                | <u>9,596</u>                                          |

# Notes to the Interim Results

for the six months ended 30 September 2005

## 5. Exceptional Items

|                                                         | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|---------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Litigation and restructuring costs                      | 4,187                                                       | 1,376                                                       | 15,967                                                |
| Foreign exchange losses on intercompany financing loans | 1,145                                                       | 2,572                                                       | 4,809                                                 |
|                                                         | <b>5,332</b>                                                | <b>3,948</b>                                                | <b>20,776</b>                                         |

Litigation costs totalled €4.187 million and relate to legal costs being incurred in relation to the Pihsiang and Fyffes legal cases.

Certain intercompany loans had been treated under Irish GAAP as part of net investment in foreign operations and foreign exchange gains or losses arising on these loans had been recognised directly in reserves. On transition from Irish GAAP, certain of these loans between fellow subsidiaries do not qualify under IFRS as part of net investment in foreign operations and therefore gains or losses on these loans must be recognised in the Income Statement.

The financial impact of the above is a charge to the Income Statement of €1.145 million for the six months ended 30 September 2005 (six months ended 30 September 2004: charge of €2.572 million) in respect of foreign exchange losses and the amounts are included in exceptional items.

The majority of the intercompany balances which gave rise to these accounting charges (previously taken to reserves) were eliminated during the year ended 31 March 2005 and the half year ended 30 September 2005 so as to eliminate accounting volatility from 30 September 2005 onwards.

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

|                                                                              | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Profit after taxation and minority interests                                 | 29,197                                                      | 33,822                                                      | 87,760                                                |
| Amortisation of intangible assets                                            | 2,153                                                       | 145                                                         | 1,261                                                 |
| Tax credit on amortisation of intangible assets                              | (258)                                                       | -                                                           | -                                                     |
| Exceptional items                                                            | 5,332                                                       | 3,948                                                       | 20,776                                                |
| Adjusted profit after taxation and minority interests                        | <b>36,424</b>                                               | <b>37,915</b>                                               | <b>109,797</b>                                        |
| <b>Basic earnings per ordinary share</b>                                     | <b>cent</b>                                                 | <b>cent</b>                                                 | <b>cent</b>                                           |
| Basic earnings per ordinary share                                            | <b>36.35c</b>                                               | <b>42.31c</b>                                               | <b>109.68c</b>                                        |
| Adjusted basic earnings per ordinary share*                                  | <b>45.34c</b>                                               | <b>47.43c</b>                                               | <b>137.22c</b>                                        |
| Weighted average number of ordinary shares in issue during the period ('000) | <b>80,327</b>                                               | <b>79,932</b>                                               | <b>80,018</b>                                         |
| <b>Diluted earnings per ordinary share</b>                                   | <b>cent</b>                                                 | <b>cent</b>                                                 | <b>cent</b>                                           |
| Diluted earnings per ordinary share                                          | <b>35.49c</b>                                               | <b>41.43c</b>                                               | <b>107.16c</b>                                        |
| Adjusted diluted earnings per ordinary share*                                | <b>44.28c</b>                                               | <b>46.44c</b>                                               | <b>134.07c</b>                                        |
| Diluted weighted average number of ordinary shares ('000)                    | <b>82,258</b>                                               | <b>81,635</b>                                               | <b>81,898</b>                                         |

\*adjusted to exclude amortisation of intangible assets and exceptional items.

# Notes to the Interim Results

for the six months ended 30 September 2005

## 7. Dividends

|                                                                                                | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2004<br>€'000 | Audited<br>year<br>ended<br>31 March<br>2005<br>€'000 |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Interim dividend 2004/2005 of 13.51 cent per share                                             | -                                                           | -                                                           | 10,802                                                |
| Proposed final dividend 2004/2005 of 23.75 cent per share<br>(2003/2004: 20.65 cent per share) | 19,070                                                      | 16,824                                                      | 16,824                                                |
| Additional dividend/dividend attaching to shares bought-back                                   | 3                                                           | (423)                                                       | (414)                                                 |
|                                                                                                | <b>19,073</b>                                               | <b>16,401</b>                                               | <b>27,212</b>                                         |

On 4 November 2005, the Board approved an interim dividend of 15.54 cent per share (2004/2005 interim dividend: 13.51 cent per share). These interim accounts do not reflect this dividend payable.

## 8. Analysis of Net Debt

|                                                   | Unaudited<br>30 Sept.<br>2005<br>€'000 | Unaudited<br>30 Sept.<br>2004<br>€'000 | Audited<br>31 March<br>2005<br>€'000 |
|---------------------------------------------------|----------------------------------------|----------------------------------------|--------------------------------------|
| <b>Non-current assets:</b>                        |                                        |                                        |                                      |
| Derivative financial instruments                  | 9,086                                  | -                                      | -                                    |
| <b>Current assets:</b>                            |                                        |                                        |                                      |
| Derivative financial instruments                  | 519                                    | -                                      | -                                    |
| Cash and term deposits                            | 287,817                                | 325,488                                | 353,304                              |
|                                                   | <b>288,336</b>                         | <b>325,488</b>                         | <b>353,304</b>                       |
| <b>Non-current liabilities:</b>                   |                                        |                                        |                                      |
| Interest-bearing loans and borrowings             | (11,568)                               | (17,434)                               | (11,550)                             |
| Derivative financial instruments                  | (19,306)                               | -                                      | -                                    |
| Unsecured Notes due 2008 to 2016                  | (297,474)                              | (305,436)                              | (305,094)                            |
|                                                   | <b>(328,348)</b>                       | <b>(322,870)</b>                       | <b>(316,644)</b>                     |
| <b>Current liabilities:</b>                       |                                        |                                        |                                      |
| Interest-bearing loans and borrowings             | (63,568)                               | (28,642)                               | (45,553)                             |
| Derivative financial instruments                  | (184)                                  | -                                      | -                                    |
|                                                   | <b>(63,752)</b>                        | <b>(28,642)</b>                        | <b>(45,553)</b>                      |
| Net debt                                          | <b>(94,678)</b>                        | <b>(26,024)</b>                        | <b>(8,893)</b>                       |
| Including Group share of joint ventures' net debt | <b>(563)</b>                           | <b>(1,149)</b>                         | <b>(701)</b>                         |

### Note:

The comparative financial information at 30 September 2004 and 31 March 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39 which were implemented from 1 April 2005. This impacts the comparison of Group net debt which, on a comparable basis, was €93.606 million at 30 September 2005.

# Notes to the Interim Results

for the six months ended 30 September 2005

## 9. Impact of Adoption of IAS 32 & 39 – Financial Instruments

As permitted under IFRS 1, the Group applied hedge accounting in accordance with Irish GAAP for the year ended 31 March 2005 and adopted IAS 32 and IAS 39 from 1 April 2005. The effect of adopting IAS 32 and IAS 39 on the balance sheet of the Group at 1 April 2005 is shown in the table below:

|                              | IFRS<br>31 March<br>2005<br>€'000 | Effect of<br>adoption of<br>IAS 32 & 39<br>€'000 | IFRS<br>1 April<br>2005<br>€'000 |
|------------------------------|-----------------------------------|--------------------------------------------------|----------------------------------|
| Non-current assets           | 521,185                           | 9,006                                            | 530,191                          |
| Current assets               | 887,543                           | -                                                | 887,543                          |
| Total assets                 | <u>1,408,728</u>                  | <u>9,006</u>                                     | <u>1,417,734</u>                 |
| Equity                       | 492,219                           | (1,689)                                          | 490,530                          |
| Non-current liabilities      | 363,817                           | 10,695                                           | 374,512                          |
| Current liabilities          | 552,692                           | -                                                | 552,692                          |
| Total liabilities            | <u>916,509</u>                    | <u>10,695</u>                                    | <u>927,204</u>                   |
| Total equity and liabilities | <u>1,408,728</u>                  | <u>9,006</u>                                     | <u>1,417,734</u>                 |

Included within non-current assets and non-current liabilities are €8.776 million and €8.934 million respectively in relation to the fair value of interest rate contracts entered into by the Group to swap floating rate assets and liabilities into fixed rate assets and liabilities. The balance of €0.158 million is included within equity and deferred tax.

The Group uses cross currency interest rate swaps, interest rate swaps and currency swaps to hedge interest rate and currency risks in relation to the Group's Unsecured Notes due 2008/11 and 2014/16. The Group's non-current liabilities have been increased by €29.816 million to reflect the fair value of these derivatives and reduced by €28.055 million to reflect the adjustment of the carrying amount of the Group's Unsecured Notes due 2008/11 and 2014/16 in accordance with fair value hedge accounting rules. The balance of €1.761 million has been included within equity and deferred tax.

## 10. Distribution of Interim Report

This announcement and further information on DCC is available at the Company's website [www.dcc.ie](http://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.