



Press Release

15 May 2006

Preliminary Results for the Year Ended 31 March 2006

	€	<i>Change on prior year</i>	
		<i>Reported</i>	<i>Constant currency*</i>
Revenue	3,436.3m	+29.9%	+30.0%
Profit before net exceptional items, amortisation of intangible assets and tax	142.0m	+15.5%	+16.5%
Profit before tax	138.8m	+37.5%	+38.7%
Adjusted earnings per share**	157.23 cent	+14.6%	+15.5%
Dividend per share	42.85 cent	+15.0%	
Net debt at 31 March 2006	32.7m		
Return on capital employed			
- excluding intangible assets:	43.0%	(44.9%: 2005)	
- including intangible assets:	19.1%	(20.4%: 2005)	

* 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 amortisation of intangible assets

DCC, the business support services group, today announced its results for the year ended 31 March 2006.

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

"Excellent profit growth was achieved in DCC Energy, DCC Healthcare, DCC Food & Beverage and in DCC's share of associates' profit after tax. DCC SerCom also achieved strong profit growth in the second half after a difficult first half.

DCC has budgeted for continued good operating profit growth from subsidiaries in the current year to 31 March 2007. As announced on 3 April 2006, the share of associates' profit after tax may be materially less in the current year, based on DCC's current expectation of a short term reduction in the profit contribution from its 49% shareholding in Manor Park Homebuilders due to planning delays. Manor Park has a large landbank for housing development and other development projects in the pipeline from which it should earn substantial profits in the future."

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

Conor Murphy, Investor Relations Manager

Web: www.dcc.ie

IFRS

DCC adopted International Financial Reporting Standards (IFRS) on 1 April 2005 and these 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 year to 31 March 2006 is as follows:

		<i>Change on prior year</i>	
	€'m	<i>Reported</i>	<i>Constant currency*</i>
Revenue	<u>3,436.3</u>	<u>+29.9%</u>	<u>+30.0%</u>
Operating profit**			
DCC Energy	56.0	+8.0%	+9.4%
DCC SerCom	25.0	-4.9%	-4.0%
DCC Healthcare	21.6	+40.1%	+41.2%
DCC Food & Beverage	15.5	+20.6%	+20.9%
DCC Environmental	<u>5.5</u>	<u>+1.2%</u>	<u>+1.7%</u>
Group operating profit	123.6	+10.5%	+11.6%
Share of associates' profit after tax	25.5	+51.6%	+51.6%
Net financing costs	<u>(7.1)</u>		
Profit before net exceptional items, amortisation of intangible assets and tax	<u>142.0</u>	<u>+15.5%</u>	<u>+16.5%</u>
Adjusted EPS** (cent)	<u>157.23</u>	<u>+14.6%</u>	<u>+15.5%</u>

* 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 amortisation of intangible assets

Excellent profit growth was achieved in DCC Energy, DCC Healthcare, DCC Food & Beverage and in DCC's share of associates' profit after tax. DCC SerCom also achieved strong profit growth in the second half after a difficult first half.

Under IFRS, DCC's profit contribution from associates is shown separately as share of associates' profit after tax.

The net financing cost for the year increased to €7.1 million (2005: €5.7 million).

Profit before net exceptional items, amortisation of intangible assets and tax increased by 15.5% on a reported basis and by 16.5% on a constant currency basis.

The effective tax rate for the Group, including associates, increased marginally to 12.7% from 12.0%.

Adjusted earnings per share for the year of 157.23 cent increased by 14.6% on a reported basis and by 15.5% on a constant currency basis.

Excellent second half results

DCC achieved excellent profit growth in the seasonally more important second half of the year. A summary of the second half and first half performance is as follows:

	<u>Second half</u>		<u>First half</u>	
	€'m	Change	€'m	Change
Operating profit*				
DCC Energy	45.3	+9.8%	10.7	+1.2%
DCC SerCom	17.4	+22.0%	7.6	-37.0%
DCC Healthcare	11.5	+33.8%	10.1	+48.1%
DCC Food & Beverage	8.1	+8.1%	7.4	+37.9%
DCC Environmental	<u>2.7</u>	-0.3%	<u>2.8</u>	+2.6%
Group operating profit	85.0	+14.4%	38.6	+2.9%
Share of associates' profit after tax	19.8	+104.8%	5.7	-20.7%
Net financing costs	<u>(3.9)</u>		<u>(3.2)</u>	
Profit before net exceptional items, amortisation of intangibles and tax	<u>100.9</u>	+25.3%	<u>41.1</u>	-3.0%
Adjusted EPS* (cent)	<u>111.89</u>	+24.6%	<u>45.34</u>	-4.4%

* excluding net exceptional items and amortisation of intangible assets

Financial strength – continued strong cash generation

DCC's record of strong cash generation continued, with cash generated from operations of €142.9 million, an increase of 22.8% on the previous year. This cashflow substantially relates to cash generated by DCC's subsidiaries and joint ventures. While cash generation in DCC's associates increased substantially in the year, dividends received by DCC from these associates amounted to just €1.0 million.

At 31 March 2006, the Group had net debt of €32.7 million and total equity of €585.4 million. Despite a 29.9% (€791.6 million) increase in revenue, working capital increased by just €11.2 million to €114.1 million, which equates to 9.5 days revenue and compares favourably to 10.2 days revenue at 31 March 2005.

This strong financial position leaves DCC well placed to pursue its organic and acquisition growth objectives.

Dividend increase of 15.0%

The Directors are recommending a final dividend of 27.31 cent per share which, when added to the interim dividend of 15.54 cent per share, gives a total dividend of 42.85 cent per share for the year, a 15.0% increase over the prior year dividend of 37.26 cent per share. The dividend is covered 3.7 times by adjusted earnings per share (3.7 times: 2005). The final dividend will be paid on 14 July 2006 to shareholders on the register at the close of business on 26 May 2006.

Acquisitions and development

Acquisition and development expenditure in the year amounted to €120.8 million of which €57.9 million related to capital expenditure. DCC's ongoing acquisition search process resulted in the completion of a number of acquisitions at a total committed cost of €62.9 million. The cash impact of acquisitions in the year was €54.7 million.

As part of the ongoing planned expansion of its British based oil business, DCC Energy acquired a number of smaller British oil distributors during the year.

On 13 June 2005, DCC Healthcare expanded its acute and community care business through the acquisition of British based Physio-Med Services, 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 SerCom acquired Pilton Company, a leading distributor of DVDs, computer games and other products to the home entertainment market in Ireland, with a developing business in Britain. On 6 July 2005, SerCom Distribution expanded its continental European operations into Belgium, Holland and Luxembourg through the acquisition of the trade, goodwill and certain assets of AB Computing. This business is complementary to operations in France, Spain and Portugal.

Today DCC announced that it had acquired a 50% shareholding in the William Tracey Group, Scotland's leading recycling and waste management business. The acquisition increases the scale and technical expertise of DCC Environmental and also achieves the dual objective of expanding into the non-hazardous waste business and entering the British market.

The Group is actively pursuing further acquisition opportunities in all core areas.

Fyffes and other litigation

On 21 December 2005, the Irish High Court found in favour of DCC and Others in the case taken against them by Fyffes plc, under Part V of the Irish Companies Act 1990, in relation to the sale of shares by Lotus Green in February 2000. In dismissing Fyffes' claim against all of the defendants, the Court held that the share sales were entirely lawful and that none of the defendants had any liability arising from the sales of the shares in Fyffes in February 2000.

On 10 February 2006, the Irish High Court decided that Fyffes should pay most of DCC's costs in relation to Fyffes' failed legal action against the Group. DCC expects to recoup approximately €8.5 million from Fyffes following this High Court order and, accordingly, has accrued this amount as a credit under exceptional operating costs.

On 7 April 2006, Fyffes announced its intention to lodge an appeal to the Irish Supreme Court seeking to overturn the decision of the Irish High Court in relation to Fyffes' failed legal action against DCC plc and Others. Fyffes' appeal will be challenged vigorously and comprehensively and DCC is confident that there are no good grounds of appeal and that the detailed and considered decision of the High Court will be upheld.

On 29 November 2005, the Hsinchu District Court in Taiwan issued a judgment ordering that the London High Court order obtained by DCC's subsidiary, Days Healthcare, against Pihsiang Machinery Manufacturing Company Limited (a Taiwanese public company), Donald Wu (its chairman and major shareholder), and Jenny Wu (his wife and director), be enforced in Taiwan. Accordingly, as at 31 March 2006, these parties are jointly and severally liable to pay the DCC Group Stg£14.3 million (€20.5 million), including Stg£2.1 million in accrued interest. DCC has not accrued any of this amount due pending the outcome of an appeal by the Defendants to the Taiwanese High Court, but has expensed all the litigation costs as an exceptional item.

Outlook

DCC has budgeted for continued good operating profit growth from subsidiaries in the current year to 31 March 2007. As announced on 3 April 2006, the share of associates' profit after tax may be materially less in the current year, based on DCC's current expectation of a short term reduction in the profit contribution from its 49% shareholding in Manor Park Homebuilders due to planning delays. Manor Park has a large landbank for housing development and other development projects in the pipeline from which it should earn substantial profits in the future.

Operating review

<u>DCC Energy</u>	<u>Change on prior year</u>			
	<i>2006</i>	<i>2005</i>	<i>Reported</i>	<i>Constant currency</i>
Revenue	€1,831.6m	€1,240.6m	+47.6%	+47.7%
Operating profit	€56.0m	€51.8m	+8.0%	+9.4%
Return on capital employed				
- excluding intangible assets	53.8%	53.4%		
- including intangible assets	24.5%	25.3%		

DCC Energy achieved excellent profit growth in the year. During the year, the business delivered 2.9 billion litres of fuel products, a volume increase of 19.0% over the prior year.

DCC's LPG business performed satisfactorily against a challenging background of significantly increasing product costs.

DCC's oil business generated strong growth benefiting from the successful integration of the acquisitions in the prior year of Shell Direct UK and Dyneley Holdings. Both of these acquisitions performed ahead of expectations and have provided the oil business in Britain with a good platform for further growth.

<u>DCC SerCom</u>	<u>Change on prior year</u>			
	<i>2006</i>	<i>2005</i>	<i>Reported</i>	<i>Constant currency</i>
Revenue	€1,084.6m	€983.5m	+10.3%	+10.3%
Operating profit	€25.0m	€26.3m	-4.9%	-4.0%
Operating margin	2.3%	2.7%		
Return on capital employed				
- excluding intangible assets	24.4%	30.3%		
- including intangible assets	14.3%	18.4%		

After a difficult first half, the profits of DCC SerCom grew strongly in the second half by 22.0%, benefiting from the Pilton acquisition and the successful restructuring of SerCom Solutions.

SerCom Distribution, the IT & entertainment products business, was particularly impacted in the first half by product price deflation, a rapid deterioration in the retail trading environment in Britain and a significant decline in demand in the Continental European enterprise infrastructure market. The business enjoyed a much improved second half, benefiting from strong sales volume growth, an increased focus on consumer digital products, the launch of Xbox 360 and the acquisitions of Pilton Company and AB Computing.

The restructuring of SerCom Solutions, the supply chain management business, announced in January 2005, was successfully completed in the first half of the year. Since the restructuring, the business has performed strongly and contributed €2.8 million operating profit this year compared to a loss of €1.1 million in the prior year. The business achieved excellent top line growth, with revenue up 19.9% to €126.3 million. During the year the business strengthened its position with a number of its customers outsourcing further elements of their supply chains to SerCom Solutions.

DCC Healthcare

			<u>Change on prior year</u>	
	2006	2005	Reported	Constant currency
Revenue	€211.7m	€162.3m	+30.5%	+30.5%
Operating profit	€21.6m	€15.4m	+40.1%	+41.2%
Operating margin	10.2%	9.5%		
Return on capital employed				
- excluding intangible assets	60.5%	50.3%		
- including intangible assets	16.7%	13.6%		

DCC Healthcare achieved excellent revenue and operating profit growth.

Excellent profit growth was achieved in DCC Healthcare's sales and marketing activities, benefiting from the acquisition of Physio-Med Services in June 2005 and from good organic growth. Particularly good growth was achieved in intravenous pharmaceutical products and related devices and in DCC's own branded rehabilitation and independent living products, which was facilitated by DCC's procurement and quality control office in Shenzhen, China.

DCC Nutraceuticals, which provides contract services to the health & beauty sector, achieved excellent profit growth, benefiting from a first full year contribution from Laleham Healthcare and from continuing strong organic growth. The business deepened its relationships with existing customers by providing continuing high service levels and support in new product development. Additional business development personnel have been recruited to further accelerate the expansion of its customer base.

DCC Food & Beverage

			<u>Change on prior year</u>	
	2006	2005	Reported	Constant currency
Revenue	€276.9m	€232.6m	+19.0%	+19.0%
Operating profit	€15.5m	€12.8m	+20.6%	+20.9%
Operating margin	5.6%	5.5%		
Return on capital employed				
- excluding intangible assets	55.2%	57.1%		
- including intangible assets	18.7%	21.3%		

DCC Food & Beverage achieved excellent revenue and operating profit growth in the year, benefiting from the acquisition of Bottle Green and the full buyout of Allied Foods in the first half of the prior year and from good organic growth.

The healthfoods business continued to achieve good organic revenue growth. Investment in the Kelkin healthfood brand and new Kelkin product development resulted in a small short term reduction in its profits. The British based wine business, which enjoyed strong growth in the first half, performed below expectation in the second half. Snackfoods, the Irish wine business, the restaurant operations and the frozen and chilled business all achieved good growth.

DCC Environmental

			<u>Change on prior year</u>	
	2006	2005	Reported	Constant currency
Revenue	€31.5m	€25.8m	+22.0%	+22.0%
Operating profit	€5.5m	€5.5m	+1.2%	+1.7%
Operating margin	17.5%	21.1%		
Return on capital employed				
- excluding intangible assets	31.8%	45.7%		
- including intangible assets	17.4%	20.7%		

DCC Environmental achieved strong revenue growth in the year. Operating profit growth was held back by tighter margins in some areas of the business.

Today DCC announced that it had acquired a 50% shareholding in the William Tracey Group, Scotland's leading recycling and waste management business. The acquisition increases the scale and technical expertise of DCC Environmental and also achieves the dual objective of expanding into the non-hazardous waste business and entering the British market.

Associates

			<u>Change on prior year</u>	
	2006	2005	Reported	Constant currency
Share of associates' profit after tax	€25.5m	€16.8m	+51.6%	+51.6%

DCC's principal associate is Manor Park Homebuilders in which it holds a 49% shareholding. DCC's share of its profit after tax increased substantially. Manor Park has a large landbank for housing development and other development projects in the pipeline.

Annual Report and Annual General Meeting

DCC's 2006 Annual Report is expected to be posted to shareholders on 7 June 2006. The Company's Annual General Meeting will be held at 11:00 am on Monday 10 July 2006 in The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

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

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

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

Ireland: + 353 1 2421074

International: +44 20 8974 7916

Passcode: C 649082

GROUP INCOME STATEMENT

for the year ended 31 March 2006

	Notes	2006			2005		
		Pre net exceptionals €'000	Net exceptionals (note 5) €'000	Total €'000	Pre net exceptionals €'000	Net exceptionals €'000	Total €'000
Revenue	3	3,436,292		3,436,292	2,644,728		2,644,728
Cost of sales		(2,992,240)		(2,992,240)	(2,258,200)		(2,258,200)
Gross profit		444,052		444,052	386,528		386,528
Operating costs		(320,457)	2,841	(317,616)	(274,715)	(15,967)	(290,682)
Operating profit before amortisation of intangible assets		123,595	2,841	126,436	111,813	(15,967)	95,846
Amortisation of intangible assets		(4,956)		(4,956)	(1,261)		(1,261)
Operating profit	4	118,639	2,841	121,480	110,552	(15,967)	94,585
Finance costs (net)		(7,041)	(1,145)	(8,186)	(5,694)	(4,809)	(10,503)
Share of associates profit after tax		25,474		25,474	16,807		16,807
Profit before tax		137,072	1,696	138,768	121,665	(20,776)	100,889
Income tax expense				(13,479)			(12,107)
Profit after tax for the year				125,289			88,782
Profit attributable to:							
Equity holders of the Company				123,764			87,760
Minority interests				1,525			1,022
Profit after tax for the year				125,289			88,782
Earnings per ordinary share - basic	6			153.92c			109.68c
Diluted earnings per ordinary share - basic	6			150.46c			107.16c

Group Balance Sheet

as at 31 March 2006

	Note	2006 €'000	2005 €'000
ASSETS			
Non-current assets			
Property, plant and equipment		267,494	254,791
Intangible assets		248,475	208,053
Investment in associates		76,789	51,384
Derivative financial instruments		8,989	-
Deferred income tax assets		4,596	6,957
		<u>606,343</u>	<u>521,185</u>
Current assets			
Inventories		138,734	124,049
Trade and other receivables		522,143	410,190
Derivative financial instruments		144	-
Cash and cash equivalents		345,280	353,304
		<u>1,006,301</u>	<u>887,543</u>
Total assets		<u>1,612,644</u>	<u>1,408,728</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Equity share capital		22,057	22,042
Share premium account		124,687	124,506
Other reserves		1,400	1,400
Other reserves – share options		3,392	1,552
Cash flow hedge reserve		20	-
Foreign currency translation reserves		(10,344)	(5,565)
Retained earnings		439,477	343,936
		<u>580,689</u>	<u>487,871</u>
Minority interests		4,714	4,348
Total equity		<u>585,403</u>	<u>492,219</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings		292,793	316,644
Derivative financial instruments		27,077	-
Deferred income tax liabilities		10,718	9,996
Retirement benefit obligations		20,679	25,380
Deferred acquisition consideration		18,808	10,839
Capital grants		1,991	958
Total non-current liabilities		<u>372,066</u>	<u>363,817</u>
Current liabilities			
Interest-bearing loans and borrowings		67,151	45,553
Derivative financial instruments		73	-
Trade and other payables		543,913	447,717
Current income tax liabilities		36,697	37,189
Provisions for liabilities and charges		3,785	15,149
Deferred acquisition consideration		3,556	7,084
Total current liabilities		<u>655,175</u>	<u>552,692</u>
Total liabilities		<u>1,027,241</u>	<u>916,509</u>
Total equity and liabilities		<u>1,612,644</u>	<u>1,408,728</u>
Net debt	8	<u>(32,681)</u>	<u>(8,893)</u>

Group Cash Flow Statement

for the year ended 31 March 2006

	Note	2006 €'000	2005 €'000
Cash flows from operating activities			
Group operating profit before exceptional items		118,639	110,552
Depreciation		34,142	32,867
Share-based payments expense		1,840	1,003
Amortisation of intangible assets		4,956	1,261
Increase in working capital		(11,162)	(24,678)
Profit on disposal of property, plant and equipment		(1,295)	(2,050)
Amortisation of capital grants		(112)	(155)
Dividends received from associates		1,028	1,354
Other		(5,114)	(3,758)
Cash generated from operations		142,922	116,396
Exceptional items		(15,377)	(6,560)
Interest paid		(20,573)	(15,627)
Income tax paid		(12,157)	(9,289)
Net cash flow from operating activities		94,815	84,920
Cash flows from investing activities			
Inflows			
Proceeds from disposal of fixed assets		11,223	7,875
Interest received		13,650	12,833
Capital grants received		1,174	-
		26,047	20,708
Outflows			
Purchase of property, plant and equipment		(57,652)	(43,647)
Acquisition of subsidiaries		(48,625)	(77,288)
Purchase of minority interests		(506)	(905)
Deferred acquisition consideration paid		(5,580)	(2,955)
		(112,363)	(124,795)
Net cash outflow from investing activities		(86,316)	(104,087)
Cash flows from financing activities			
Inflows			
Proceeds from issue of shares		3,344	6,858
Increase in interest-bearing loans and borrowings		36,624	213,244
		39,968	220,102
Outflows			
Share buyback		-	(26,762)
Repayment of interest-bearing loans and borrowings		(663)	(88,918)
Repayment of finance lease liabilities		(5,973)	(5,062)
Dividends paid to equity holders of the Company	7	(31,568)	(27,212)
Dividends paid to minority interests		(201)	(176)
		(38,405)	(148,130)
Net cash inflow from financing activities		1,563	71,972
Change in cash and cash equivalents		10,062	52,805
Translation adjustment		(4,541)	(10,074)
Cash and cash equivalents at beginning of year		314,397	271,666
Cash and cash equivalents at end of year		319,918	314,397
Cash and cash equivalents consists of:			
Cash at bank and short term deposits		345,280	353,304
Overdrafts		(25,362)	(38,907)
		319,918	314,397

Group Statement of Recognised Income and Expense

for the year ended 31 March 2006

	2006 €'000	2005 €'000
Items of income/(expense) recognised directly within equity:		
Currency translation	(4,779)	(5,565)
Group defined benefit pension schemes:		
- actuarial gain/(loss)	1,779	(7,742)
- deferred tax asset	82	771
Deferred tax on share based payment	25	25
Gains relating to cash flow hedges (net)	23	-
Deferred tax liability on cash flow hedge	(3)	-
Net expense recognised directly within equity	<u>(2,873)</u>	<u>(12,511)</u>
Group profit for the year	<u>125,289</u>	<u>88,782</u>
Total recognised income and expense for the year	<u>122,416</u>	<u>76,271</u>
Attributable to:		
Equity holders of the Company	120,891	75,249
Minority interests	<u>1,525</u>	<u>1,022</u>
Total recognised income and expense for the year	<u>122,416</u>	<u>76,271</u>

Group Statement of Changes in Equity

for the year ended 31 March 2006

	2006 €'000	2005 €'000
At beginning of year	492,219	462,816
Impact of adoption of IAS 32 and 39	<u>(1,689)</u>	<u>-</u>
At beginning of year as adjusted	490,530	462,816
Issue of share capital	3,344	6,858
Share based payment	1,840	1,003
Share buyback	-	(26,762)
Dividends	(31,568)	(27,212)
Movement in minority interest	366	267
Total recognised income and expense for the year attributable to equity holders	<u>120,891</u>	<u>75,249</u>
At end of year	<u>585,403</u>	<u>492,219</u>

Notes to the Preliminary Results

for the year ended 31 March 2006

1. International Financial Reporting Standards

Basis of Preparation

The financial information presented in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act, 1963 to 2005 applicable to companies reporting under IFRS published on 30 September 2005. The financial statements have been prepared under the historical cost convention. The financial statements for the year ended 31 March 2005, which were prepared in accordance with accounting policies generally accepted in the Republic of Ireland (Irish GAAP), have, with the exception of IAS 32 *Financial Instruments: Disclosure and Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement*, been restated under IFRS with effect from the transition date.

As permitted under IFRS1: *First-time Adoption of International Financial Reporting Standards*, 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.

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.

Statutory accounts

The accounts in this preliminary announcement are not the statutory accounts of the Company, a copy of which is required to be annexed to the Company's annual return to the Companies Registration Office. A copy of the statutory accounts in respect of the year ended 31 March 2006 will be annexed to the Company's annual return for 2006. The auditors of the Company have made a report, without any qualification on their audit, of the statutory accounts of the Company in respect of the year ended 31 March 2005 and the Directors approved the statutory accounts of the Company in respect the year ended 31 March 2006 on 12 May 2006. A copy of the statutory accounts of the Company in respect of the year ended 31 March 2005 has been annexed to the Company's annual return for 2005 to the Companies Registration Office.

Approved IFRS

The Group's accounting policies under IFRS are based on the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board (IASB) and on International Accounting Standards (IAS) and Standing Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently authorised by the IASB and remain in effect.

Notes to the Preliminary Results

for the year ended 31 March 2006

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:

	2006 €1=Stg£	2005 €1=Stg£
Balance sheet (closing rate)	0.697	0.689
Profit and loss (average rate)*	<u>0.682</u>	<u>0.672</u>

* The average exchange rate for the year ended 31 March 2005 has been adjusted for the impact of forward foreign exchange contracts used to hedge a portion of the Group's sterling profits for that year.

3. Revenue

	2006 €'000	2005 €'000
DCC Energy	1,831,608	1,240,551
DCC SerCom	1,084,606	983,483
DCC Healthcare	211,701	162,279
DCC Food & Beverage	276,917	232,635
DCC Environmental	<u>31,460</u>	<u>25,780</u>
Revenue	<u>3,436,292</u>	<u>2,644,728</u>
Of which acquisitions contributed	<u>119,348</u>	<u>312,253</u>

4. Operating Profit

	2006 €'000	2005 €'000
DCC Energy	55,965	51,806
DCC SerCom	25,015	26,292
DCC Healthcare	21,636	15,441
DCC Food & Beverage	15,467	12,827
DCC Environmental	<u>5,512</u>	<u>5,447</u>
	<u>123,595</u>	<u>111,813</u>
Amortisation of intangible assets	(4,956)	(1,261)
Operating net exceptional items	<u>2,841</u>	<u>(15,967)</u>
Operating profit	<u>121,480</u>	<u>94,585</u>
Of which acquisitions contributed	<u>8,121</u>	<u>9,596</u>

Notes to the Preliminary Results

for the year ended 31 March 2006

5. Net Exceptional Items

Exceptional items gave rise to a net credit of €1.696 million as follows:

	2006 €'000
Costs of legal actions with Fyffes plc and others	(5,147)
Provision for recovery of legal costs from Fyffes plc	8,500
Other	(512)
Operating net exceptional items	2,841
Foreign exchange losses on intercompany financing loans to 30 September 2005	(1,145)
	<u>1,696</u>

On 21 December 2005, the Irish High Court found in favour of DCC and Others in the case taken against them by Fyffes plc, under Part V of the Irish Companies Act 1990, in relation to the sale of shares by Lotus Green in February 2000. In dismissing Fyffes' claim against all of the defendants, the Court held that the share sales were entirely lawful and that none of the defendants had any liability arising from the sales of the shares in Fyffes in February 2000.

On 10 February 2006, the Irish High Court decided that Fyffes should pay most of DCC's costs in relation to Fyffes' failed legal action against the Group. DCC expects to recoup approximately €8.5 million from Fyffes following this High Court order and, accordingly, has accrued this amount as a credit under exceptional operating costs.

On 7 April 2006, Fyffes announced its intention to lodge an appeal to the Irish Supreme Court seeking to overturn the decision of the Irish High Court in relation to Fyffes' failed legal action against DCC plc and Others. Fyffes' appeal will be challenged vigorously and comprehensively and DCC is confident that there are no good grounds of appeal and that the detailed and considered decision of the High Court will be upheld.

On 29 November 2005, the Hsinchu District Court in Taiwan issued a judgment ordering that the London High Court order obtained by DCC's subsidiary, Days Healthcare, against Pihsiang Machinery Manufacturing Company Limited (a Taiwanese public company), Donald Wu (its chairman and major shareholder), and Jenny Wu (his wife and director), be enforced in Taiwan. Accordingly, as at 31 March 2006, these parties are jointly and severally liable to pay the DCC Group Stg£14.3 million (€20.5 million), including Stg£2.1 million in accrued interest. DCC has not accrued any of this amount due pending the outcome of an appeal by the Defendants to the Taiwanese High Court, but has expensed all the litigation costs.

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 year ended 31 March 2006 (year ended 31 March 2005: charge of €4.809 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 restructured 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.

Notes to the Preliminary Results

for the year ended 31 March 2006

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

	2006 €'000	2005 €'000
Profit after taxation and minority interests	123,764	87,760
Amortisation of intangible assets (net of tax)	4,361	1,261
Net exceptional items	<u>(1,696)</u>	<u>20,776</u>
Adjusted profit after taxation and minority interests	<u>126,429</u>	<u>109,797</u>
Basic earnings per ordinary share	cent	cent
Basic earnings per ordinary share	<u>153.92c</u>	<u>109.68c</u>
Adjusted basic earnings per ordinary share*	<u>157.23c</u>	<u>137.22c</u>
Weighted average number of ordinary shares in issue during the period ('000)	<u>80,408</u>	<u>80,018</u>
Diluted earnings per ordinary share	cent	cent
Diluted earnings per ordinary share	<u>150.46c</u>	<u>107.16c</u>
Adjusted diluted earnings per ordinary share*	<u>153.70c</u>	<u>134.07c</u>
Diluted weighted average number of ordinary shares ('000)	<u>82,255</u>	<u>81,898</u>

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

Notes to the Preliminary Results

for the year ended 31 March 2006

7. Dividends

	2006 €'000	2005 €'000
Interim 2005/2006 dividend of 15.54 cent per share (2004/2005: 13.51 cent per share)	12,495	10,811
Final 2004/2005 dividend of 23.75 cent per share (2003/2004: 20.65 cent per share)	<u>19,073</u>	<u>16,401</u>
	<u>31,568</u>	<u>27,212</u>

On 12 May 2006, the Board proposed a final 2005/2006 dividend of 27.31 cent per share. These accounts do not reflect this dividend payable.

8. Analysis of Net Debt

	2006 €'000	2005 €'000
Non-current assets:		
Derivative financial instruments	<u>8,989</u>	<u>-</u>
Current assets:		
Derivative financial instruments	144	-
Cash and term deposits	<u>345,280</u>	<u>353,304</u>
	<u>345,424</u>	<u>353,304</u>
Non-current liabilities:		
Interest-bearing loans and borrowings	(6,327)	(11,550)
Derivative financial instruments	(27,077)	-
Unsecured Notes due 2008 to 2016	<u>(286,466)</u>	<u>(305,094)</u>
	<u>(319,870)</u>	<u>(316,644)</u>
Current liabilities:		
Interest-bearing loans and borrowings	(67,151)	(45,553)
Derivative financial instruments	(73)	-
	<u>(67,224)</u>	<u>(45,553)</u>
Net debt	<u>(32,681)</u>	<u>(8,893)</u>
Including Group share of joint ventures' net cash/(debt)	<u>469</u>	<u>(701)</u>