

5 February 2008

## **DCC plc Interim Management Statement**

DCC plc, the procurement, sales, marketing, distribution and business support services group listed on both the Irish and London stock exchanges, is issuing this Interim Management Statement in accordance with the reporting requirements of the Transparency Regulations 2007.

### **Quarter to 31 December 2007**

DCC had excellent revenue and operating profit growth in its third quarter to 31 December 2007 driven by particularly strong growth in DCC Energy, DCC SerCom and DCC Environmental. DCC Food & Beverage results were in line with the Group's expectations while DCC Healthcare was impacted by weaker results in its Health & Beauty Solutions business.

### **Relevance of sterling / euro exchange rate**

It is estimated that sterling profits will represent approximately 63% of DCC's operating profits in the current financial year and, due to seasonal factors, approximately 73% in the fourth quarter. The sterling exchange rate against the euro weakened significantly towards the end of the third quarter and has weakened further in the fourth quarter to date.

### **Outlook for the fourth quarter and the year to 31 March 2008**

Taking into account trading in January and the outlook for February and March, strong growth in Group operating profit is anticipated for the fourth quarter. However, the adverse impact of the current sterling / euro exchange rate on the translation of DCC's sterling profits into euro will reduce the rate of growth.

The translation into euro of expected sterling profits will reduce euro operating profit by approximately €3 million in the year to 31 March 2008. DCC now expects to achieve mid to high teen growth in operating profit in the year.

### **Material events and transactions**

As previously announced, DCC received a dividend of €172 million from Manor Park Homebuilders Limited ('Manor Park') on 18 December 2007 and subsequently disposed of its 49% shareholding in Manor Park for a cash consideration of €9 million.

The original cost of investment in Manor Park in February 1980 was €56,000 (IR£44,100). In addition to the dividend of €172 million received on 18 December 2007, DCC had in earlier years received dividends amounting in total to approximately €10 million. The total profit on cost was therefore €191 million. The book carrying value of the investment in Manor Park, having taken account of DCC's share of post acquisition profits, was €86 million, which gave rise to a profit of €95 million over book value.

DCC announced on 12 November 2007 that it had reached conditional agreement to acquire Banque Magnetique SAS, a French company based in Paris, which is a leading distributor of consumer electronic products and IT peripherals to the French retail market, for a cash cost of €38.1 million, made up of consideration of €12.5 million and net debt of €25.6 million. The acquisition was completed on 20 December 2007.

As announced on 23 November 2007, DCC Healthcare has expanded its presence in Britain through the acquisition of Squadron Medical Limited ('Squadron') for an initial consideration of €16 million and further consideration of up to €12 million, dependant on future profits. Based in Chesterfield, Squadron procures and supplies medical and surgical products on a just in time basis to point of use within hospitals. Squadron is well positioned for continued strong growth in the British hospital supply sector.

DCC is actively pursuing further acquisitions in each of its core areas, with a particular focus on DCC's energy, healthcare and environmental services businesses.

### **Net exceptional profit**

Arising from the dividend from Manor Park and the profit on its subsequent disposal and after allowing for exceptional costs, the most material of which relates to the exceptional charge of €50 million made in the six months to 30 September 2007 in relation to the Fyffes action, DCC expects to report an overall Group exceptional profit for the year to 31 March 2008 of approximately €34 million.

### **Financial position**

After the expenditure on recent acquisitions, the financing of increased working capital arising from substantial revenue growth and seasonal factors, the receipt of the dividend from Manor Park and the proceeds of its subsequent sale, the current Group net debt is approximately €250 million. In line with normal seasonal working capital patterns, it is expected that the net debt at the year end will be significantly lower.

### **Potential impact of sterling / euro exchange rate in the year to 31 March 2009**

Based on current exchange rates, the adverse impact of the translation into euro of estimated sterling profits in the year to 31 March 2009 would be approximately €12 million in that year.

### **Jim Flavin, Executive Chairman of DCC plc, commented:**

*"We achieved accelerated operating profit growth in the quarter to 31 December 2007 and we expect strong growth in the final quarter. The weakness of sterling is not helpful but DCC is well positioned, both commercially and financially, to maintain its record of growth since listing in 1994."*

### **Financial calendar**

DCC expects to announce its preliminary results for the year to 31 March 2008 on Monday, 19 May 2008.

### **For reference:**

Jim Flavin, Executive Chairman  
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Fergal O'Dwyer, Chief Financial Officer  
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**About DCC plc:**

DCC plc is a procurement, sales, marketing, distribution and business support services group headquartered in Dublin with international operations across four continents. DCC has five divisions – DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage. In its last financial year to 31 March 2007, DCC had sales of €4.046 billion and operating profits of €140.1 million and currently employs approximately 7,000 people in 16 countries. DCC's shares are listed on both the Irish and London stock exchanges under Business Support Services.