



Press Release

19 May 2009

Preliminary Results for the Year Ended 31 March 2009

RESULTS HIGHLIGHTS

	€	<u>Change on prior year</u>	
		<i>Reported</i>	<i>Constant currency[†]</i>
Revenue	6,400.1m	+15.7%	+31.0%
Operating profit*	180.4m	+7.9%	+22.4%
Profit before exceptional items, amortisation of intangible assets and tax	159.5m	+6.3%	+21.3%
Adjusted earnings per share*	169.13 cent	+2.5%	+17.0%
Dividend per share	62.34 cent	+10.0%	
Free cash flow**	218.5m (2008: €12.4m)		
Net debt	90.7m (2008: €123.7m)		
Return on capital employed	17.8% (2008: 17.5%)		

[†] all constant currency figures quoted in this report are based on retranslating 2008/09 figures at prior year translation rates

* excluding net exceptionals and amortisation of intangible assets

** after interest and tax payments

Commenting on these results, Tommy Breen, Chief Executive, said:

“DCC achieved excellent constant currency growth of 22.4% in operating profit to €180.4 million, in a year characterised by a rapidly deteriorating economic and business climate. The Group’s strong financial position has been reinforced through a year of record cash generation, with free cash flow of €218.5 million and the Board is recommending a 10% increase in the dividend for the year.

The outlook for the current financial year is set against the background of an exceptionally difficult economic environment which we expect will continue throughout the year. At this early stage, DCC anticipates that adjusted earnings per share, on a constant currency basis, will be modestly behind to broadly in line with the year ended 31 March 2009. This would result in reported adjusted earnings per share being approximately 5% to 10% behind, reflecting the adverse impact of the translation into euro of the significant proportion of DCC’s profits which are denominated in sterling (2009: 76%) at the approximate current exchange rate of Stg£0.90 = €1.

DCC’s diversified business model, strong financial position and excellent cash generation leave the Group in a strong position to benefit from acquisition and development opportunities that are likely to arise in the current environment.”

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Results

A summary of the results for the year ended 31 March 2009 is as follows:

	€'m	<u>Change on prior year</u>	
		<i>Reported</i>	<i>Constant currency[†]</i>
Revenue	<u>6,400.1</u>	+15.7%	+31.0%
Operating profit*			
DCC Energy	100.7	+35.5%	+59.3%
DCC SerCom	40.1	+0.2%	+9.2%
DCC Healthcare	17.3	-26.2%	-20.5%
DCC Food & Beverage	12.1	-21.3%	-20.4%
DCC Environmental	<u>10.2</u>	-27.2%	-17.6%
Group operating profit*	180.4	+7.9%	+22.4%
Share of associates' profit after tax	0.2		
Finance costs (net)	<u>(21.1)</u>		
Profit before net exceptionals, amortisation of intangible assets and tax	159.5	+6.3%	+21.3%
Exceptional charge (net)	(15.9)		
Amortisation of intangible assets	<u>(5.7)</u>		
Profit before tax	137.9		
Taxation	<u>(21.0)</u>		
Profit after tax	<u>116.9</u>		
Adjusted earnings per share*	169.13 cent	+2.5%	+17.0%
Dividend per share	62.34 cent	+10.0%	
Operating cash flow	304.9m (2008: €129.0m)		
Free cash flow**	218.5m (2008: €12.4m)		
Net debt at 31 March 2009	90.7m (2008: €123.7m)		
Return on capital employed			
- including intangible assets:	17.8% (2008: 17.5%)		
- excluding intangible assets:	41.6% (2008: 38.0%)		

[†] all constant currency figures quoted in this report are based on retranslating 2008/09 figures at prior year translation rates
* excluding net exceptionals and amortisation of intangible assets
** after interest and tax payments

Revenue

DCC generated excellent constant currency revenue growth of 31.0% to €6.4 billion driven primarily by volume growth in DCC Energy and DCC SerCom.

Operating profit

The Group achieved excellent constant currency operating profit growth of 22.4% for the year to 31 March 2009 of which approximately half was organic. DCC Energy, DCC's largest division, achieved exceptional profit growth reflecting the successful integration of a number of acquisitions, a more favourable product cost environment than in recent years and a particularly cold winter. DCC SerCom performed strongly, benefiting from growth in both its Retail business in Britain and its European Enterprise business and a full year contribution from Banque Magnetique, the French Retail business. DCC Healthcare, DCC Food & Beverage and DCC Environmental experienced difficult trading conditions and, as a result, operating profit in each of these businesses declined in the year.

Approximately 76% of the Group's operating profit in the year was denominated in sterling. The average exchange rate at which sterling profits were translated during the year was Stg£0.8262 = €1, compared to an average translation rate of Stg£0.7021 = €1 in the prior year, a movement of 15%. The adverse translation impact on Group operating profit was €24.2 million, resulting in operating profit growth of 7.9% on a reported basis.

The Group's operating profit is significantly weighted towards the second half of the financial year. Operating profit in the second half grew by 18.9% on a constant currency basis (3.7% on a reported basis) to €119.8 million, which represented 66.4% of Group operating profit for the full financial year.

Finance costs (net)

Net finance costs for the year increased by €3.3 million to €21.1 million (€17.8 million in 2008) primarily due to the increase in interest rates, which reduced significantly during the second half. The Group's average net debt was €236 million during the year, a modest decline from the average of €242 million in the prior year. Interest was covered 8.5 times by Group operating profit before amortisation of intangible assets (9.4 times in 2008).

Profit before net exceptionals, amortisation of intangible assets and tax

Profit before net exceptionals, amortisation of intangible assets and tax of €159.5 million increased by 21.3% on a constant currency basis. On a reported basis the increase was 6.3%.

Exceptional charge (net)

The Group incurred a net exceptional charge before tax of €15.9 million as follows:

	€'m
Restructuring costs	(13.0)
Closure of DCC Healthcare's German subsidiary	(9.1)
Goodwill impairments	(2.4)
Profit on sale of US associate company	6.2
Other	<u>2.4</u>
Net exceptional charge	<u>(15.9)</u>

The restructuring costs were incurred in relation to the integration of recently acquired businesses and the implementation of cost reduction programmes across the Group. The non-cash goodwill impairment charge related to certain DCC Food & Beverage and DCC Healthcare subsidiaries.

Amortisation of intangible assets

The charge for the amortisation of intangible assets decreased from €7.9 million to €5.7 million as a result of the weakening of the Stg£/€ exchange rate and certain intangible assets having been fully amortised.

Taxation

The effective tax rate for the Group was 13.0% compared to 11.0% in the prior year.

Adjusted earnings per share

Adjusted earnings per share increased by 17.0% on a constant currency basis and by 2.5% on a reported basis.

Dividend

The Board is recommending a final dividend of 39.73 cent per share which, when added to the interim dividend of 22.61 cent per share, gives a total dividend of 62.34 cent per share for the year, a 10% increase over the prior year dividend of 56.67 cent per share. The dividend is covered 2.7 times by adjusted earnings per share (2.9 times in 2008). It is proposed to pay the final dividend on 23 July 2009 to shareholders on the register at the close of business on 29 May 2009.

Cash flow

The free cash flow generated by the Group can be summarised as follows:

	2009 €'m	2009 €'m	2008 €'m	2008 €'m
Operating profit		180.4		167.2
Decrease/(increase) in working capital:				
DCC Energy	72.3		(101.6)	
DCC SerCom	4.1		20.5	
DCC Healthcare	1.3		(6.3)	
DCC Food & Beverage	(1.9)		5.2	
DCC Environmental	<u>4.2</u>	80.0	<u>(2.2)</u>	(84.4)
Depreciation and other		<u>44.5</u>		<u>46.2</u>
Operating cash flow		304.9		129.0
Capital expenditure (net)		(50.4)		(79.7)
Interest and tax paid		<u>(36.0)</u>		<u>(36.9)</u>
Free cash flow		<u>218.5</u>		<u>12.4</u>

Operating cash flow was exceptionally strong at €304.9 million, compared to €129.0 million in 2008, benefiting from the significant reduction in working capital of €80 million which was due to the decline in the price of oil and, as the year progressed, a heightened focus on cash generation throughout the Group. Working capital days reduced to 11.9 from 16.4 driven by a reduction in debtor days of 4.4 days to 41.3 from 45.7. Free cash flow was €218.5 million compared to €12.4 million in 2008.

Financial strength

At 31 March 2009, DCC had net debt of €90.7 million (2008: €123.7 million) and total equity of €726.2 million (2008: €742.4 million). This equates to gearing of 12.5% and a net debt to EBITDA ratio of 0.4 times.

The Group's strong funding and liquidity position at 31 March 2009 can be summarised as follows:

	€'m	€'m
Cash and short term bank deposits	426.8	
Overdrafts	<u>(51.3)</u>	
Cash and cash equivalents		375.5
Bank debt repayable within 1 year	(49.6)	
US Private Placement debt repayable:		
Y/e 31/3/2012	(5.6)	
Y/e 31/3/2014	(58.9)	
Y/e 31/3/2015	(163.5)	
Y/e 31/3/2016	(13.4)	
Y/e 31/3/2017	(36.7)	
Y/e 31/3/2018	(50.1)	
Y/e 31/3/2020	(84.4)	
Other debt	<u>(4.0)</u>	
Debt		<u>(466.2)</u>
Net debt		<u>(90.7)</u>

Approximately 90% of the Group's debt has been raised in the US private placement market with long term maturities.

Acquisition and capital expenditure

Committed acquisition and capital expenditure in the year amounted to €154.5 million as follows:

	Acquisitions	Capex	Total
	€'m	€'m	€'m
DCC Energy	65.3	31.5	96.8
DCC SerCom	10.9	3.9	14.8
DCC Healthcare	7.0	6.7	13.7
DCC Food & Beverage	12.0	4.1	16.1
DCC Environmental	<u>3.2</u>	<u>9.9</u>	<u>13.1</u>
Total	<u>98.4</u>	<u>56.1</u>	<u>154.5</u>

DCC Energy further expanded its oil distribution business in Britain through the acquisition of Chevron's UK oil distributor business (announced on 15 August 2008) and a number of smaller acquisitions completed during the year. DCC Energy also acquired the Cooke Fuel Cards business (announced on 5 January 2009).

DCC SerCom acquired two enterprise distribution businesses during the year in Spain and Belgium. DCC Food & Beverage acquired a leading Irish wine distribution business, Findlater Grants (announced on 15 September 2008).

DCC has announced today that it has reached conditional agreement with Shell Denmark to acquire the trade, assets and goodwill of Shell's oil distribution business in Denmark which distributes heating oils and transport fuels to domestic and small commercial and industrial customers throughout Denmark.

Capital expenditure in the year of €56.1 million was spent on facilities and equipment across the Group (including the upgrading of assets acquired in DCC Energy) and compares to a depreciation charge of €45.4 million.

DCC is continuing to pursue further acquisition and development opportunities in its core business areas.

Strategy Review

Background and Business Environment

In its preliminary announcement on 19 May 2008, DCC stated that it would undertake a reappraisal of the overall strategic direction of the Group so that it is best positioned for sustainable, long term growth and to maximise shareholder value. Accordingly, DCC has carried out an extensive analysis of the current performance and future potential of all material aspects of the Group's business. A review was also undertaken, with the benefit of external independent advice, to consider whether any significant changes in the current composition or structure of the Group are warranted at this time. This work has been carried out against the backdrop of severe turmoil in financial markets and the worst recession in decades.

DCC's Historical and Recent Performance

Since DCC's shares were listed on the Irish and London Stock Exchanges in 1994, the Group has delivered strong earnings growth and returns to shareholders. The Group's strong cash flows have allowed it to increase dividends to shareholders, to buy back 11.6% of its shares and to maintain a strong balance sheet.

Having operated in recent years against a background of strong economic growth in its principal markets, the resilience of DCC's business model has been tested by the deteriorating economic environment in its most recent financial year. Despite this more difficult background, DCC has generated excellent constant currency growth in operating profits, maintained its return on capital employed and again increased its dividend. The Group's financial position remains very strong as a result of its excellent cash flow, low gearing and well managed debt maturity profile.

Outcome of the Strategy Review

The strategy review has concluded as follows:-

- The Board believes that DCC's diversified business model, strong balance sheet, financial discipline and acquisition skills have been significant factors in the Group's robust performance and management of risk over an extended period. Given the scale and composition of the Group today and the current market environment, the Board has concluded that a material change to the structure or composition of the Group at this point would not enhance shareholder value.
- The management of diversity is a core competence of the DCC Group and will remain integral to DCC's strategy. However, DCC will seek, over time, to concentrate its focus on those businesses in which it has already established, or has the opportunity in the medium term to establish, leadership positions (typically no. 1 or 2 in their respective markets) and which are most likely to generate attractive and sustainable returns on capital, through a combination of organic growth and acquisitions.
- DCC will focus its acquisition activity on strengthening existing market positions and on carefully extending its geographic footprint where it believes that leadership positions can be built. DCC has extensive experience in identifying value enhancing acquisitions, in structuring transactions to retain

management incentive post acquisition and in the integration of bolt-on acquisitions with existing businesses.

- A devolved management structure and the experience and quality of its people have been key to DCC's success. The Group will continue to place significant emphasis on attracting and empowering leadership teams capable of delivering superior performance in each of its businesses.
- DCC will maintain a strong balance sheet and a prudent capital structure, both of which have been key strengths of the Group in developing relationships with key customers, suppliers and vendors of businesses. The Board believes that DCC's strong financial position leaves it well placed to take advantage of the increased level of acquisition opportunities which are likely to arise in the current environment.
- The Board will keep the Group's structure and strategic direction under periodic review in order to ensure that value continues to be maximised for shareholders.

Outlook

The outlook for the current financial year is set against the background of an exceptionally difficult economic environment which it is anticipated will continue throughout the year.

In particular, while the first half of the Group's financial year is seasonally much less significant (33.6% of operating profit last year), results for this period will be challenged by the continuing impact of the marked economic slowdown which particularly affected some of the Group's businesses in the second half of last year. In addition, DCC Energy, DCC's largest division, achieved exceptional profit growth in the first half last year (82.3% in constant currency terms) benefiting from particularly cold weather conditions in April (seasonally DCC Energy's most important trading month in the first half), which were not repeated in April 2009.

For the full year to 31 March 2010, it is currently anticipated that Group operating profit, on a constant currency basis, will be modestly behind to broadly in line with last year. However, the impact of the translation into euro of the significant proportion of DCC's profit which is earned in sterling (2009: 76%) at the approximate current exchange rate of Stg£0.90 = €1 (compared to an average translation rate last year of Stg£0.8262 = €1) would result in reported operating profit being approximately 5% to 10% behind last year.

The Group will benefit from a significant reduction in its net finance costs as a result of lower prevailing interest rates although this will be largely offset by a higher tax charge due to lower available interest deductions in the UK against the Group's taxable profits.

Consequently, at this early stage DCC anticipates adjusted earnings per share, on a constant currency basis, will be modestly behind to broadly in line with the year ended 31 March 2009, resulting in reported adjusted earnings per share being approximately 5% to 10% behind.

DCC's diversified business model, strong financial position and excellent cash generation leave the Group in a strong position to benefit from acquisition and development opportunities that are likely to arise in the current environment.

Operating review

DCC Energy

	<i>2009</i>	<i>2008</i>	<u><i>Change on prior year</i></u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€4,130.8m	€3,420.0m	+20.8%	+39.9%
Operating profit	€100.7m	€74.3m	+35.5%	+59.3%
Return on capital employed				
- including intangible assets	24.9%	20.6%		
- excluding intangible assets	63.7%	45.8%		

DCC Energy achieved exceptionally strong constant currency operating profit growth of 59.3% in the year, of which approximately two thirds was organic. Each of the division's businesses – Oil, LPG and Fuel Cards – generated excellent operating profit growth. The overall result benefited from the successful integration of a number of acquisitions, a more favourable product cost environment than in recent years and a particularly cold winter. The temperatures during the key weather dependent months of April and from October through March were below the 30 year average and significantly colder than the prior year.

DCC Energy sold 5.3 billion litres of product, an increase of 24.9% on the prior year, further strengthening its position as the leading oil and LPG distribution business in Britain and Ireland. Organic volumes declined by 2.8% due to both the weaker economic environment and management taking a more prudent approach towards the extension of credit.

The oil business in Britain benefited from continued operating cost efficiencies derived from the growth of its extensive infrastructure. The Chevron UK oil distributor business, acquired during the year, performed well ahead of expectations. The Irish oil business was impacted by the particularly weak economic environment and action is being taken to significantly reduce the cost base of this business.

The LPG distribution business in Britain and Ireland generated good sales volume growth as it benefited from the colder weather conditions and the more favourable product cost environment.

The Fuel Card business had an excellent year, driven by strong organic growth and the first time contribution from the Cooke Fuel Cards business, which performed in line with expectations.

After an exceptionally strong performance in the year to 31 March 2009, DCC Energy currently expects operating profit for the year to 31 March 2010, on a constant currency basis, to be broadly in line with the prior year, as it is anticipated that the weather pattern and the product cost environment will not be as favourable.

DCC SerCom

	2009	2008	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€1,551.3m	€1,423.4m	+9.0%	+18.7%
Operating profit	€40.1m	€40.1m	+0.2%	+9.2%
Operating margin	2.6%	2.8%		
Return on capital employed				
- including intangible assets	15.5%	15.3%		
- excluding intangible assets	26.2%	24.2%		

DCC SerCom achieved strong constant currency operating profit growth of 9.2%, despite challenging trading conditions in some of its markets. This strong growth was driven primarily by excellent growth from the Retail business in Britain, a full year contribution from Banque Magnetique (the French Retail business) and the successful integration of a number of small bolt-on acquisitions in the Enterprise business.

DCC SerCom's Retail business had a strong year, achieving good operating profit growth. The business performed particularly well in Britain, increasing its share of the games market and benefiting from the continuing strong demand for games consoles, software and associated products. The business also saw very good growth in its own brand product range, which continues to develop well. The French business performed in line with expectations, despite a weaker market. In Ireland, the business suffered from a significant decline in consumer demand, which resulted in a reduction in profits.

DCC SerCom's Reseller business had a good year driven by strong sales growth in Britain, achieved through market share gains, particularly in PCs. Operating profit declined in the Irish business, with market conditions deteriorating throughout the year and significant restructuring has been implemented in this business to appropriately align its cost base with current revenue levels.

DCC SerCom's Enterprise business achieved excellent operating profit growth. The business grew its market share and strengthened its product portfolio particularly in software. The business also benefited from the successful integration of a number of modest bolt-on acquisitions completed during the year.

Although operating profit declined in DCC SerCom's Supply Chain Management business, trading was ahead of expectations, due to the slower than anticipated change in the procurement strategy of a major customer.

For the year to 31 March 2010, DCC SerCom anticipates that operating profit will be broadly in line with the prior year on a constant currency basis. While it is expected that SerCom Distribution will achieve good constant currency operating profit growth, operating profit in the Supply Chain Management business is likely to decline.

DCC Healthcare

	2009	2008	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€331.2m	€286.8m	+15.5%	+27.9%
Operating profit	€17.3m	€23.5m	-26.2%	-20.5%
Operating margin	5.2%	8.2%		
Return on capital employed				
- including intangible assets	9.4%	13.9%		
- excluding intangible assets	31.9%	48.8%		

DCC Healthcare's constant currency operating profits declined by 20.5% due to the impact of difficult trading conditions across its businesses.

DCC's Hospital Supplies & Services business had a challenging year. The Irish Health Service Executive's budgetary constraints have reduced demand in the marketplace. This has led to a more competitive operating environment for the business with sales in the non-acute sector particularly impacted and significant headcount reductions have been implemented over the course of the year. Continued good growth was achieved in the provision of intravenous pharma compounding services to Irish hospitals. The value added distribution services business in Britain grew its sales strongly and invested in its operational infrastructure, leaving it well placed in this developing sector of the British market.

DCC Health & Beauty Solutions' profits declined due to a reduction in contribution from the beauty sector. While strong growth in sales into the sector was achieved, margins were impacted by a lag in the recovery of significant input cost increases (raw materials and currency). Sales price increases were achieved in the last quarter of the financial year. In the nutraceuticals sector, good sales and profit growth were achieved and operational capability was further enhanced by the expansion of the tableting facility and by the development of new products, which have resulted in a number of material new business wins for the current year.

DCC Mobility & Rehab suffered from a deterioration in the trading environment in each of its geographic markets. This was most pronounced in the German market and led to DCC Healthcare taking the decision to close its German subsidiary. Margins in all areas were significantly impacted by unfavourable currency movements and price increases from Far Eastern suppliers. Sales price increases, sourcing of product from alternate suppliers and cost price reductions have now been achieved in order to recover margins.

The trading environment for DCC Healthcare remains challenging given that the majority of its revenues are derived from public healthcare spending in Ireland and Britain. However the unprecedented changes in input costs which impacted results in the year under review are not expected to recur. As a result, DCC Healthcare anticipates a strong recovery in constant currency operating profit in the year to 31 March 2010.

DCC Food & Beverage

	2009	2008	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€305.0m	€310.1m	-1.7%	+2.1%
Operating profit	€12.1m	€15.3m	-21.3%	-20.4%
Operating margin	3.9%	4.9%		
Return on capital employed				
- including intangible assets	14.1%	18.6%		
- excluding intangible assets	35.8%	51.2%		

As anticipated, DCC Food & Beverage experienced a deterioration in trading in the second half of the year and as a result operating profit declined in the year by 20.4% on a constant currency basis.

The economic downturn in Ireland has led to changes in buying patterns in the food and beverage sector with consumers spending less and seeking greater value offerings, including increased cross border shopping in Northern Ireland. The decision by a major retail customer to source third party agency brands directly from Britain has also had a negative impact. DCC Food & Beverage's Indulgence and Healthfood businesses in Ireland were negatively impacted by these changes and consequently operating profit declined in both businesses. Findlater Grants, a leading Irish wine and spirits distribution business, which was acquired during the year, has been successfully integrated with DCC's existing Irish wine business and performed in line with expectations.

The frozen and chilled logistics business performed satisfactorily and continues to achieve operational efficiencies.

The trading environment for DCC Food & Beverage is likely to remain difficult and it is anticipated that operating profit will decline in the year to 31 March 2010.

DCC Environmental

	2009	2008	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€81.8m	€91.7m	-10.8%	-0.1%
Operating profit	€10.2m	€14.0m	-27.2%	-17.6%
Operating margin	12.5%	15.3%		
Return on capital employed				
- including intangible assets	12.9%	17.4%		
- excluding intangible assets	29.5%	40.4%		

DCC Environmental was impacted by the deteriorating economic environment and, in particular, the slowdown in the construction sector in both Britain and Ireland. This was further compounded by a dramatic decline in recyclate prices in the second half of the financial year. Constant currency operating profit declined by 17.6%.

William Tracey was impacted by a decline in waste volumes in the Scottish market as a result of the general economic slowdown and by lower recyclate prices. While Wastecycle was also impacted by the difficult trading environment, operating profit was in line with the prior year as the business achieved increased recycling rates thereby diverting a greater proportion of waste from landfill.

In Ireland, Enva, the hazardous waste services business, was impacted by the deterioration in the economy in the second half, leading to a reduction in demand from customers and considerable margin pressure.

While each of its businesses has reacted to the current market conditions through operating cost reductions and there is some evidence of the market stabilising in Britain, DCC Environmental anticipates a decline in constant currency operating profit for the year to 31 March 2010 principally reflecting the full year impact of the slowdown in activity levels experienced in the second half of last year.

Annual Report and Annual General Meeting

DCC's 2009 Annual Report is will be published in June 2009. The Company's Annual General Meeting will be held at 11:00 am on Friday 17 July 2009 in The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

Forward-looking statements

This announcement contains some forward-looking statements that represent DCC's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. DCC believes that its expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve risk and uncertainty, which are in some cases beyond DCC's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.

Presentation of results and dial-in facility

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:

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

Group Income Statement

for the year ended 31 March 2009

	Notes	2009			2008		
		Pre exceptionals €'000	Exceptionals (note 5) €'000	Total €'000	Pre exceptionals €'000	Exceptionals €'000	Total €'000
Revenue	4	6,400,126	-	6,400,126	5,531,962	-	5,531,962
Cost of sales		(5,735,419)	-	(5,735,419)	(4,940,247)	-	(4,940,247)
Gross profit		664,707	-	664,707	591,715	-	591,715
Administration expenses		(244,227)	-	(244,227)	(205,118)	-	(205,118)
Selling and distribution expenses		(252,307)	-	(252,307)	(230,470)	-	(230,470)
Other operating income		14,320	6,176	20,496	14,564	94,763	109,327
Other operating expenses		(2,097)	(26,015)	(28,112)	(3,511)	(55,158)	(58,669)
Operating profit before amortisation of intangible assets		180,396	(19,839)	160,557	167,180	39,605	206,785
Amortisation of intangible assets		(5,719)	-	(5,719)	(7,928)	-	(7,928)
Operating profit	4	174,677	(19,839)	154,838	159,252	39,605	198,857
Finance costs		(41,262)	-	(41,262)	(44,912)	-	(44,912)
Finance income		20,152	3,919	24,071	27,120	-	27,120
Share of associates' profit after tax		168	-	168	639	-	639
Profit before tax		153,735	(15,920)	137,815	142,099	39,605	181,704
Income tax expense		(19,436)	(1,500)	(20,936)	(14,774)	(1,756)	(16,530)
Profit after tax for the financial year		134,299	(17,420)	116,879	127,325	37,849	165,174
Profit attributable to:							
Equity holders of the Company				116,314			164,491
Minority interests				565			683
				116,879			165,174
Earnings per ordinary share -							
Basic	6			142.36c			204.28c
Diluted	6			141.36c			200.31c
Adjusted earnings per ordinary share -							
Basic	6			169.13c			165.06c
Diluted	6			167.93c			161.85c

Group Statement of Recognised Income and Expense

for the year ended 31 March 2009

	2009 €'000	2008 €'000
Items of income and expense recognised directly within equity:		
Currency translation effects	(85,812)	(64,310)
Group defined benefit pension obligations:		
- actuarial loss	(9,517)	(9,086)
- movement in deferred tax asset	911	1,200
Deferred tax on share based payment	-	25
(Losses)/gains relating to cash flow hedges	(1,600)	385
Movement in deferred tax liability on cash flow hedges	204	(46)
Net expense recognised directly in equity	<u>(95,814)</u>	<u>(71,832)</u>
Profit after tax for the year	<u>116,879</u>	<u>165,174</u>
Total recognised income and expense for the year	<u>21,065</u>	<u>93,342</u>
Attributable to:		
Equity holders of the Company	20,500	92,659
Minority interest	<u>565</u>	<u>683</u>
Total recognised income and expense for the year	<u>21,065</u>	<u>93,342</u>

Group Balance Sheet

as at 31 March 2009

	Note	2009 €'000	2008 €'000
ASSETS			
Non-current assets			
Property, plant and equipment		319,301	337,058
Intangible assets		443,188	416,883
Investments in associates		2,208	4,678
Deferred income tax assets		9,435	10,199
Derivative financial instruments		128,313	25,347
		<u>902,445</u>	<u>794,165</u>
Current assets			
Inventories		208,759	219,752
Trade and other receivables		672,782	807,433
Derivative financial instruments		322	1,523
Cash and cash equivalents		426,789	485,840
		<u>1,308,652</u>	<u>1,514,548</u>
Total assets		<u>2,211,097</u>	<u>2,308,713</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Equity share capital		22,057	22,057
Share premium account		124,687	124,687
Other reserves – share options		7,807	6,651
Cash flow hedge reserve		(1,174)	222
Foreign currency translation reserve		(153,036)	(67,224)
Other reserves		1,400	1,400
Retained earnings		720,909	650,871
		<u>722,650</u>	<u>738,664</u>
Minority interest		3,581	3,771
Total equity	8	<u>726,231</u>	<u>742,435</u>
LIABILITIES			
Non-current liabilities			
Borrowings		525,405	358,119
Derivative financial instruments		17,372	43,558
Deferred income tax liabilities		15,827	11,706
Retirement benefit obligations		29,498	21,851
Provisions for liabilities and charges		5,309	5,399
Deferred acquisition consideration		15,057	16,155
Government grants		1,995	1,941
		<u>610,463</u>	<u>458,729</u>
Current liabilities			
Trade and other payables		696,294	796,902
Current income tax liabilities		54,948	53,895
Borrowings		101,657	217,546
Derivative financial instruments		1,660	17,206
Provisions for liabilities and charges		13,754	7,964
Deferred acquisition consideration		6,090	14,036
		<u>874,403</u>	<u>1,107,549</u>
Total liabilities		<u>1,484,866</u>	<u>1,566,278</u>
Total equity and liabilities		<u>2,211,097</u>	<u>2,308,713</u>
Net debt included above	9	<u>(90,670)</u>	<u>(123,719)</u>

Group Cash Flow Statement

for the year ended 31 March 2009

	Note	2009 €'000	2008 €'000
Cash flows from operating activities			
Group operating profit before exceptionals		174,677	159,252
Share-based payments expense		1,156	1,844
Depreciation		45,409	45,445
Amortisation of intangible assets		5,719	7,928
Profit on disposal of property, plant and equipment		(719)	(751)
Amortisation of government grants		(830)	(288)
Other		(539)	(7)
Decrease/(increase) in working capital		80,001	(84,380)
Cash generated from operations		304,874	129,043
Exceptionals		(60,940)	(4,168)
Interest paid		(38,274)	(38,541)
Income tax paid		(14,147)	(21,902)
Net cash flows from operating activities		191,513	64,432
Investing activities			
Inflows			
Dividend received from associate		-	172,000
Proceeds from disposal of property, plant and equipment		5,484	7,781
Government grants received		1,130	92
Proceeds on disposal of associate		8,481	8,880
Interest received		16,417	23,560
		31,512	212,313
Outflows			
Purchase of property, plant and equipment		(56,970)	(87,526)
Acquisition of subsidiaries		(89,725)	(166,584)
Deferred acquisition consideration paid		(11,987)	(9,987)
		(158,682)	(264,097)
Net cash flows from investing activities		(127,170)	(51,784)
Financing activities			
Inflows			
Re-issue of treasury shares		10,267	4,060
Increase in finance lease liabilities		-	873
Increase in interest-bearing loans and borrowings		84,348	202,049
		94,615	206,982
Outflows			
Repayment of interest-bearing loans and borrowings		(92,938)	(43,490)
Repayment of finance lease liabilities		(1,129)	(6,523)
Dividends paid to equity holders of the Company	7	(47,937)	(41,813)
Dividends paid to minority interests		(766)	(2,725)
		(142,770)	(94,551)
Net cash flows from financing activities		(48,155)	112,431
Change in cash and cash equivalents		16,188	125,079
Translation adjustment		(36,717)	(39,220)
Cash and cash equivalents at beginning of year		396,046	310,187
Cash and cash equivalents at end of year		375,517	396,046
Cash and cash equivalents consists of:			
Cash and short term bank deposits		426,789	485,840
Overdrafts		(51,272)	(89,794)
		375,517	396,046

Notes to the Preliminary Results

for the year ended 31 March 2009

1. Basis of Preparation

The financial information, from the Group Income Statement to Note 15, contained in this preliminary results statement has been extracted from the Group financial statements for the year ended 31 March 2009 and is presented in euro, rounded to the nearest thousand. The financial information presented in this report has been prepared in accordance with the Listing Rules of the Irish Stock Exchange and the accounting policies that the Group has adopted for 2009 and are consistent with those applied in the prior year.

2. Statutory Accounts

The financial information prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union included in this report does not constitute full statutory financial statements but has been derived from the Group financial statements for the year ended 31 March 2009 which were approved by the Board of Directors on 18 May 2009. The financial statements will be filed with the Irish Registrar of Companies and circulated to shareholders in due course.

3. 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 income statement amounts were as follows:

	2009 €1=Stg£	2008 €1=Stg£
Balance sheet (closing rate)	0.930	0.795
Income statement (average rate)	0.826	0.702

Notes to the Preliminary Results

for the year ended 31 March 2009

4. Segmental Reporting

For management purposes, the Group is primarily organised into five main business segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Food & Beverage and DCC Environmental.

(a) By business segment

	Year ended 31 March 2009						Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	Unallocated €'000	
Segment revenue	4,130,842	1,551,316	331,223	304,973	81,772	-	6,400,126
Operating profit*	100,694	40,138	17,300	12,040	10,224	-	180,396
Amortisation of intangible assets	(2,830)	(882)	(704)	(496)	(807)	-	(5,719)
Net operating exceptionals (note 5)	(5,803)	(2,768)	(6,077)	(3,974)	(467)	(750)	(19,839)
Operating profit	92,061	36,488	10,519	7,570	8,950	(750)	154,838

	Year ended 31 March 2008						Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Food & Beverage €'000	DCC Environmental €'000	Unallocated €'000	
Segment revenue	3,420,026	1,423,357	286,782	310,119	91,678	-	5,531,962
Operating profit*	74,339	40,062	23,440	15,301	14,038	-	167,180
Amortisation of intangible assets	(2,389)	(2,216)	(1,586)	(986)	(751)	-	(7,928)
Net operating exceptionals (note 5)	(4,807)	(1,260)	(665)	3,538	(1,392)	44,191	39,605
Operating profit	67,143	36,586	21,189	17,853	11,895	44,191	198,857

* Operating profit before amortisation of intangible assets and net operating exceptionals

(b) By geography

	Year ended 31 March 2009			Total €'000
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	
Segment revenue	1,004,169	4,819,165	576,792	6,400,126
Operating profit*	44,277	121,580	14,539	180,396
Amortisation of intangible assets	(1,741)	(3,887)	(91)	(5,719)
Net operating exceptionals (note 5)	(4,867)	(11,145)	(3,827)	(19,839)
Operating profit	37,669	106,548	10,621	154,838

	Year ended 31 March 2008			Total €'000
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	
Segment revenue	1,112,936	3,982,215	436,811	5,531,962
Operating profit*	61,999	95,521	9,660	167,180
Amortisation of intangible assets	(3,009)	(4,646)	(273)	(7,928)
Net operating exceptionals (note 5)	45,404	(5,331)	(468)	39,605
Operating profit	104,394	85,544	8,919	198,857

* Operating profit before amortisation of intangible assets and net operating exceptionals

Notes to the Preliminary Results

for the year ended 31 March 2009

5. Exceptionals

	2009 €'000	2008 €'000
Restructuring costs and other	(13,045)	(5,158)
Closure of Days Healthcare Germany	(9,046)	-
Impairment of goodwill	(2,433)	-
Legal fees	(1,491)	-
Profit on disposal of associate	6,176	-
Profit on disposal of Manor Park Homebuilders	-	94,763
Costs of legal actions with Fyffes plc	-	(50,000)
Operating exceptional items	<u>(19,839)</u>	<u>39,605</u>
Mark to market gains (included in interest)	3,919	-
Net exceptional items before taxation	<u>(15,920)</u>	<u>39,605</u>
Exceptional deferred taxation charge	<u>(1,500)</u>	<u>(1,756)</u>
Net exceptional items after taxation	<u>(17,420)</u>	<u>37,849</u>

Exceptional restructuring costs, mainly comprising redundancy costs, were incurred in relation to recently acquired and existing Group businesses.

DCC Healthcare closed its subsidiary in Germany at a cost of €9.0 million, which includes redundancies and other exit costs, asset write offs and an impairment of acquisition goodwill of €3.0 million.

There was a non-cash goodwill impairment charge. An impairment review is performed annually for each cash-generating unit to which a carrying amount of goodwill has been allocated. The Group has written down the carrying value of goodwill amounts in relation to certain Healthcare and Food & Beverage subsidiaries and accordingly a charge of €2.4 million has been taken in the year ended 31 March 2009.

The disposal of a small US associate company gave rise to an exceptional profit of €6.2 million and a cash inflow of €8.5 million.

Most of the Group's debt has been raised in the US Private Placement debt market and swapped, using long term interest, currency and cross currency derivatives to floating rate sterling and euro. Under IAS 39, after "marking to market" swaps designated as fair value hedges and the related fixed rate debt, the level of ineffectiveness is taken to the Income Statement. The recent volatility in capital markets has given rise to a mark to market ineffectiveness gain of €3.9 million. This significant gain will unwind as a loss over the remaining life of the relevant swaps and the Group regards this gain and similar movements in the future as exceptional in nature.

An exceptional deferred tax charge of €1.5 million arises in relation to a recent UK tax legislation change providing for the withdrawal of industrial building allowances.

Notes to the Preliminary Results

for the year ended 31 March 2009

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

	2009 €'000	2008 €'000
Profit attributable to equity holders of the Company	116,314	164,491
Amortisation of intangible assets after tax	4,448	6,269
Exceptionals after tax (note 5)	17,420	(37,849)
Adjusted profit after taxation and minority interests	138,182	132,911
Basic earnings per ordinary share	cent	cent
Basic earnings per ordinary share	142.36c	204.28c
Adjusted basic earnings per ordinary share*	169.13c	165.06c
Weighted average number of ordinary shares in issue ('000)	81,704	80,522
Diluted earnings per ordinary share	cent	cent
Diluted earnings per ordinary share	141.36c	200.31c
Adjusted diluted earnings per ordinary share*	167.93c	161.85c
Diluted weighted average number of ordinary shares in issue ('000)	82,284	82,119

* adjusted to exclude amortisation of intangible assets and exceptionals after tax.

7. Dividends

	2009 €'000	2008 €'000
Interim 2008/2009 dividend of 22.61 cent per share (2007/2008: 20.55 cent per share)	18,564	16,555
Final 2007/2008 dividend of 36.12 cent per share (2006/2007: 31.41 cent per share)	29,373	25,258
	47,937	41,813

The Directors are proposing a final dividend in respect of the year ended 31 March 2009 of 39.73 cent per ordinary share (€32.634 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

Notes to the Preliminary Results

for the year ended 31 March 2009

8. Movement in Total Equity

	2009 €'000	2008 €'000
At beginning of year	742,435	687,730
Re-issue of treasury shares	10,267	4,060
Share based payment	1,156	1,844
Dividends	(47,937)	(41,813)
Movement in minority interest	(190)	(2,045)
Total recognised income and expense for the year attributable to equity holders	<u>20,500</u>	<u>92,659</u>
At end of year	<u>726,231</u>	<u>742,435</u>

9. Analysis of Net Debt

	2009 €'000	2008 €'000
Non-current assets:		
Derivative financial instruments	<u>128,313</u>	<u>25,347</u>
Current assets:		
Derivative financial instruments	322	1,523
Cash and cash equivalents	<u>426,789</u>	<u>485,840</u>
	<u>427,111</u>	<u>487,363</u>
Non-current liabilities:		
Borrowings	(1,828)	(4,548)
Derivative financial instruments	(17,372)	(43,558)
Unsecured Notes due 2011 to 2019	<u>(523,577)</u>	<u>(353,571)</u>
	<u>(542,777)</u>	<u>(401,677)</u>
Current liabilities:		
Borrowings	(101,657)	(157,718)
Derivative financial instruments	(1,660)	(17,206)
Unsecured Notes due 2008	-	(59,828)
	<u>(103,317)</u>	<u>(234,752)</u>
Net debt	<u>(90,670)</u>	<u>(123,719)</u>

10. Retirement Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at market value at 31 March 2009. The defined benefit pension schemes' liabilities at 31 March 2009 were updated to reflect material movements in underlying assumptions.

The deficit on the Group's retirement benefit obligations increased from €21.851 million at 31 March 2008 to €29.498 million at 31 March 2009. The increase in the deficit was primarily driven by a deterioration in investment returns which was partially offset by a reduction in the valuation of pension liabilities due to an increase in corporate bond yields used to value liabilities.

Notes to the Preliminary Results

for the year ended 31 March 2009

11. Business Combinations

The principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:

- the acquisition of the trade, assets and goodwill of Chevron's UK oil distributor business ('Chevron') announced on 15 August 2008;
- Findlater Grants (100%): an Irish based wine and spirits distributor, announced on 15 September 2008;
- Cooke Fuel Cards business (100%): a UK based fuel card sales and marketing business, announced on 5 January 2009; and
- Mambo Technology (100%): a Spanish based enterprise distribution business, announced on 3 February 2009.

The carrying amounts of the assets and liabilities acquired (excluding net cash acquired), determined in accordance with IFRS before completion of the business combinations, together with the fair value adjustments made to those carrying values were as follows:

	2009 €'000 Chevron	2009 €'000 Others	2009 €'000 Total	2008 €'000 Total
Assets				
Non-current assets				
Property, plant and equipment	5,776	3,565	9,341	16,130
Intangible assets - goodwill	23,383	46,513	69,896	112,545
Intangible assets - other intangible assets	2,120	5,791	7,911	8,482
Deferred income tax assets	-	3,415	3,415	479
Total non-current assets	<u>31,279</u>	<u>59,284</u>	<u>90,563</u>	<u>137,636</u>
Current assets				
Inventories	6,105	10,020	16,125	48,244
Trade and other receivables	84,994	28,146	113,140	139,071
Total current assets	<u>91,099</u>	<u>38,166</u>	<u>129,265</u>	<u>187,315</u>
Equity				
Minority interest	-	(12)	(12)	-
Total equity	<u>-</u>	<u>(12)</u>	<u>(12)</u>	<u>-</u>
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	(593)	(1,692)	(2,285)	(2,044)
Provisions for liabilities and charges	-	-	-	(553)
Government grants	-	(6)	(6)	-
Total non-current liabilities	<u>(593)</u>	<u>(1,698)</u>	<u>(2,291)</u>	<u>(2,597)</u>
Current liabilities				
Trade and other payables	(85,183)	(33,179)	(118,362)	(140,828)
Current income tax liabilities	-	(734)	(734)	(1,971)
Total current liabilities	<u>(85,183)</u>	<u>(33,913)</u>	<u>(119,096)</u>	<u>(142,799)</u>
Total consideration (enterprise value)	<u>36,602</u>	<u>61,827</u>	<u>98,429</u>	<u>179,555</u>
Satisfied by:				
Cash	36,602	63,432	100,034	156,859
Net (cash)/debt acquired	-	(10,309)	(10,309)	9,725
Net cash outflow	<u>36,602</u>	<u>53,123</u>	<u>89,725</u>	<u>166,584</u>
Deferred acquisition consideration	-	8,704	8,704	12,971
Total consideration	<u>36,602</u>	<u>61,827</u>	<u>98,429</u>	<u>179,555</u>

Notes to the Preliminary Results

for the year ended 31 March 2009

11. Business Combinations – continued

The acquisition of Chevron has been deemed to be a substantial transaction and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the year were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

	Book value €'000	Fair value adjustments €'000	Fair value €'000
Chevron			
Non-current assets (excluding goodwill)	5,776	2,120	7,896
Current assets	93,250	(2,151)	91,099
Non-current liabilities and minority interest	-	(593)	(593)
Current liabilities	(85,183)	-	(85,183)
Identifiable net assets acquired	13,843	(624)	13,219
Goodwill arising on acquisition	22,759	624	23,383
Total consideration (enterprise value)	36,602	-	36,602
	Book value €'000	Fair value adjustments €'000	Fair value €'000
Other acquisitions			
Non-current assets (excluding goodwill)	6,980	5,791	12,771
Current assets	38,586	(420)	38,166
Non-current liabilities and minority interest	(88)	(1,622)	(1,710)
Current liabilities	(33,913)	-	(33,913)
Identifiable net assets acquired	11,565	3,749	15,314
Goodwill arising on acquisition	50,262	(3,749)	46,513
Total consideration (enterprise value)	61,827	-	61,827
	Book value €'000	Fair value adjustments €'000	Fair value €'000
Total			
Non-current assets (excluding goodwill)	12,756	7,911	20,667
Current assets	131,836	(2,571)	129,265
Non-current liabilities and minority interest	(88)	(2,215)	(2,303)
Current liabilities	(119,096)	-	(119,096)
Identifiable net assets acquired	25,408	3,125	28,533
Goodwill arising on acquisition	73,021	(3,125)	69,896
Total consideration (enterprise value)	98,429	-	98,429

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these deals. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2010 Annual Report as stipulated by IFRS 3.

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

Notes to the Preliminary Results

for the year ended 31 March 2009

11. Business Combinations – continued

The total adjustments processed during the year to the fair value of business combinations completed during the year ended 31 March 2008 where those fair values were not readily determinable as at 31 March 2008 were as follows:

	Initial fair value assigned €'000	Adjustments to provisional fair values €'000	Revised fair value €'000
Non-current assets (excluding goodwill)	25,091	-	25,091
Current assets	187,315	377	187,692
Non-current liabilities and minority interest	(2,597)	-	(2,597)
Current liabilities	(142,799)	377	(142,422)
Identifiable net assets acquired	67,010	754	67,764
Goodwill arising on acquisition	112,545	(754)	111,791
Total consideration (enterprise value)	179,555	-	179,555

The post-acquisition impact of business combinations completed during the year on Group profit for the financial year was as follows:

	2009 €'000	2008 €'000
Revenue	624,717	618,957
Cost of sales	(588,184)	(576,804)
Gross profit	36,533	42,153
Operating costs	(26,574)	(28,826)
	9,959	13,327
Operating exceptional items	(766)	(1,705)
Operating profit	9,193	11,622
Finance costs (net)	(86)	81
Profit before tax	9,107	11,703
Income tax expense	(2,199)	(3,245)
Group profit for the financial year	6,908	8,458

The revenue and profit of the Group for the financial period determined in accordance with IFRS as though the acquisition date for all business combinations effected during the year had been the beginning of that year would be as follows:

	2009 €'000	2008 €'000
Revenue	7,016,264	6,237,843
Group profit for the financial year	117,019	170,668

12. Seasonality of Operations

The Group's operations are significantly second-half weighted primarily due to a portion of the demand for DCC Energy's products being weather dependent and seasonal buying patterns in SerCom Distribution.

Notes to the Preliminary Results

for the year ended 31 March 2009

13. Related Party Transactions

There have been no related party transactions or changes in related party transactions that could have a material impact on the financial position or performance of the Group during the 2009 financial year.

14. Events after the Balance Sheet Date

There have been no material events subsequent to 31 March 2009 which would require disclosure in this report.

15. Board Approval

This announcement was approved by the Board of Directors of DCC plc on 18 May 2009.