



Press Release

10 May 2011

Preliminary Results for the year ended 31 March 2011

RESULTS HIGHLIGHTS			
	€	<u>Change on prior year</u>	
		<u>Reported</u>	<u>Constant currency[†]</u>
Revenue	8,680.6m	+29.1%	+25.4%
Operating profit*	229.6m	+19.1%	+15.5%
Profit before net exceptional items, amortisation of intangible assets and tax	214.8m	+18.0%	+14.3%
Profit before tax	189.6m	+15.0%	+10.9%
Adjusted earnings per share*	203.15 cent	+14.1%	+10.5%
Dividend per share	74.18 cent	+10.0%	
Operating cash flow	269.6m (2010: €297.8m)		
Free cash flow**	123.6m (2010: €229.1m)		
Net debt	45.2m (2010: €53.5m)		
Total equity	931.9m (2010: €836.9m)		
Return on total capital employed	19.9% (2010: 18.4%)		

[†] all constant currency figures quoted in this report are based on retranslating 2010/11 figures at prior year translation rates

* excluding net exceptionals and amortisation of intangible assets

** after interest and tax payments

DCC, the sales, marketing, distribution and business support services group, today announced its results for the year ended 31 March 2011.

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

“DCC had a very strong year with all five divisions reporting operating profit growth. Group operating profit increased by 15.5% on a constant currency basis to €230 million. The Group’s result was achieved against a continuing backdrop of difficult economic and trading conditions in certain of our markets and having delivered particularly strong operating profit growth of 12.8% and 22.4%, on a constant currency basis, in the two preceding years.

Return on total capital employed increased to 19.9% from 18.4%.

Adjusted earnings per share increased by 10.5% on a constant currency basis. Reported adjusted earnings per share increased by 14.1% to 203.15 cent, reflecting the positive impact of the 4% strengthening of the average sterling/euro

exchange rate in the year on the translation into euro of the significant proportion (2011: 77%) of DCC's profits that are denominated in sterling.

The Board is recommending a 10.0% increase in the final dividend.

The Group ended the year with a very strong, well funded and liquid balance sheet with net debt of €45 million and total equity of €932 million notwithstanding the cash impact of acquisition and net capital expenditure of €156 million during the year.

The outlook for the year to 31 March 2012 is framed against an uncertain economic environment, particularly in the UK, and the significant assumption that there will be a return to a more normal weather pattern compared to the extremely cold winter last year. In April DCC Energy has been impacted by what has been the mildest April on record, with temperatures significantly warmer than last year and this along with the impact of the number of public holidays in the UK has resulted in Group trading being well behind the prior year. However it is important to note that April represents only approximately 5% of the Group's budgeted profit for the year.

Consequently at this very early stage the Group anticipates that operating profit and adjusted earnings per share, both on a constant currency basis, will be broadly in line with the prior year. On a reported basis, assuming an exchange rate of Stg£0.8800 = €1 (which would represent a 3% weakening of the average rate from last year of Stg£0.8522 = €1), this would result in a modest decline in operating profit and adjusted earnings per share compared to the prior year.

This outlook excludes the potential benefit of acquisitions and the Group remains in a very strong financial position to pursue opportunities in the year ahead."

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Results

A summary of the results for the year ended 31 March 2011 is as follows:

	€'m	<u>Change on prior year</u>	
		<i>Reported</i>	<i>Constant currency[†]</i>
Revenue	<u>8,680.6</u>	+29.1%	+25.4%
Operating profit*			
DCC Energy	137.3	+21.4%	+17.2%
DCC SerCom	46.0	+12.7%	+9.9%
DCC Healthcare	23.2	+9.7%	+7.2%
DCC Environmental	11.6	+24.7%	+19.7%
DCC Food & Beverage	<u>11.5</u>	+36.0%	+35.6%
Group operating profit*	229.6	+19.1%	+15.5%
Share of associates' loss after tax	(0.2)		
Finance costs (net)	<u>(14.6)</u>		
Profit before net exceptional items, amortisation of intangible assets and tax	214.8	+18.0%	+14.3%
Exceptional charge (net)	(14.3)		
Amortisation of intangible assets	<u>(10.9)</u>		
Profit before tax	189.6	+15.0%	+10.9%
Taxation	(43.8)		
Non-controlling interests	<u>(0.7)</u>		
Attributable profit	<u>145.1</u>	+10.9%	+6.9%
Adjusted earnings per share*	203.15 cent	+14.1%	+10.5%
Dividend per share	74.18 cent	+10.0%	
Operating cash flow	269.6m (2010: €297.8m)		
Free cash flow**	123.6m (2010: €229.1m)		
Net debt at 31 March	45.2m (2010: €53.5m)		
Total equity at 31 March	931.9m (2010: €836.9m)		
Return on total capital employed	19.9% (2010: 18.4%)		

[†] all constant currency figures quoted in this report are based on retranslating 2010/11 figures at prior year translation rates
* excluding net exceptionals and amortisation of intangible assets
** after interest and tax payments

Overview of results

Revenue

Group revenue increased by 25.4%, on a constant currency basis, primarily as a result of acquisitions and the impact of higher oil prices. DCC Energy had a 15.5% increase in sales volumes, however, on an organic basis volumes declined by 1%. Excluding DCC Energy, Group revenue was 8.2% ahead of the prior year on a constant currency basis, of which 5.4% was organic.

Operating profit

DCC had a very strong year with all five divisions reporting operating profit growth. Group operating profit increased by 15.5%, on a constant currency basis, to €229.6 million. Approximately two thirds of the growth was organic and the balance came from acquisitions completed in the current and prior year. The Group had a strong first half which was followed by an excellent third quarter, driven by the exceptionally cold weather conditions throughout northern Europe, particularly in the last six weeks of the quarter, which benefited DCC Energy, DCC's largest division. However, trading in the fourth quarter in DCC Energy was adversely impacted by the milder weather conditions, particularly relative to the same period in the prior year.

Approximately 77% of the Group's operating profit in the period was denominated in sterling. The average exchange rate at which sterling profits were translated during the year was Stg£0.8522 = €1, compared to an average translation rate of Stg£0.8873 = €1 for the prior year, an appreciation of 4% which resulted in a positive translation impact on Group operating profit of €6.9 million. Consequently on a reported basis operating profit increased by 19.1%.

DCC Energy had the benefit of another extremely cold winter overall and generated constant currency operating profit growth of 17.2%, driven by the 15.5% increase in volumes.

DCC SerCom, DCC's second largest division, delivered a strong performance with constant currency operating profit 9.9% ahead of the prior year, reflecting another excellent result in SerCom Distribution (where operating profit, on a constant currency basis, was 16.6% ahead of the prior year). DCC Healthcare, DCC Environmental and DCC Food & Beverage each reported increases in operating profit.

The benefits of cost efficiencies achieved in the prior year were maintained, with operating costs 1% higher than the prior year (on a constant currency basis and adjusted for the impact of acquisitions and disposals) notwithstanding the organic increase in revenues in many of the Group's businesses and an increase in DCC Energy's operating costs in November and December 2010 as it made significant efforts to service its customers during this extremely cold period.

Excellent second half performance

Overall, DCC's results in the significantly more important second half of its financial year were excellent. An analysis of the performance in each half, on a constant currency basis, is as follows:

	2010/11*			2009/10			Change		
	H1 €'m	H2 €'m	FY €'m	H1 €'m	H2 €'m	FY €'m	H1	H2	FY
Operating profit									
DCC Energy	29.0	103.5	132.5	25.2	87.9	113.1	+14.8%	+17.9%	+17.2%
DCC SerCom	13.9	31.0	44.9	13.7	27.1	40.8	+1.3%	+14.2%	+9.9%
DCC Healthcare**	10.9	11.8	22.7	8.7	12.4	21.1	+25.8%	-5.6%	+7.2%
DCC Environmental	6.7	4.4	11.1	4.7	4.6	9.3	+43.9%	-4.9%	+19.7%
DCC Food & Beverage	<u>5.4</u>	<u>6.1</u>	<u>11.5</u>	<u>4.3</u>	<u>4.2</u>	<u>8.5</u>	<u>+26.0%</u>	<u>+45.2%</u>	<u>+35.6%</u>
Group	<u>65.9</u>	<u>156.7</u>	<u>222.7</u>	<u>56.6</u>	<u>136.2</u>	<u>192.8</u>	<u>+16.5%</u>	<u>+15.1%</u>	<u>+15.5%</u>
Adjusted EPS (cent)	<u>55.83</u>	<u>140.92</u>	<u>196.75</u>	<u>50.07</u>	<u>127.91</u>	<u>177.98</u>	<u>+11.5%</u>	<u>+10.2%</u>	<u>+10.5%</u>

* all constant currency figures quoted in this report are based on retranslating 2010/11 figures at prior year translation rates

**continuing activities (excluding Mobility & Rehabilitation) constant currency changes are H1 +17.8%, H2 +4.9% and FY +10.5%

Finance costs (net)

Net finance costs increased to €14.6 million (2010: €10.9 million) primarily due to the additional interest costs associated with the €284 million of private placement debt which the Group raised in March 2010 to fund future acquisitions and development. The Group's net debt averaged €167 million during the year, compared to €155 million during the prior year. Interest was covered 15.8 times by Group operating profit before amortisation of intangible assets (17.7 times in 2010).

Profit before net exceptional items, amortisation of intangible assets and tax

Profit before net exceptional items, amortisation of intangible assets and tax of €214.8 million increased by 14.3% on a constant currency basis (an increase of 18.0% on a reported basis).

Net exceptional charge and amortisation of intangible assets

The Group incurred a net exceptional charge before tax of €14.3 million as follows:

	Total €'m
Gain on disposal of subsidiaries	0.8
Cumulative foreign exchange translation losses relating to subsidiaries disposed of	(3.1)
Restructuring of pension arrangements	5.0
Write down of property, plant and equipment	(6.1)
Acquisition costs	(3.6)
Reorganisation costs and other	<u>(7.3)</u>
Total	<u>(14.3)</u>

During the first half DCC Healthcare disposed of its Mobility & Rehabilitation businesses and DCC Food & Beverage disposed of one of its smaller Irish businesses. The net cash impact of these transactions (€28.4 million) resulted in a pre-tax gain on their book carrying values, including goodwill, of €0.8 million. These businesses had accounted for less than 1% of DCC's operating profit for the year ended 31 March 2010.

IAS 21 requires that any foreign exchange translation differences which have been written off directly to reserves in prior years be recycled through the Income Statement on the disposal of the related asset. The amount of such differences relating to the above disposals, which did not have any impact on the Group's total equity, was €3.1 million.

Restructuring of certain of the Group's pension arrangements during the year gave rise to a net reduction in pension liabilities and an exceptional gain of €5.0 million.

The Group made a provision of €6.1 million against the carrying value of one of its buildings.

IFRS 3 (revised) requires that the professional (legal and financial due diligence) and tax (such as stamp duty) costs relating to the evaluation and completion of an acquisition are expensed in the Income Statement whereas previously they were capitalised as part of the acquisition cost. During the year these costs amounted to €3.6 million.

The balance of the net exceptional charge relates primarily to restructuring costs arising from the integration of recently acquired businesses.

The charge for the amortisation of intangible assets increased to €10.9 million (2010: €6.2 million).

Profit before tax

Profit before tax of €189.6 million increased by 10.9% on a constant currency basis (15.0% on a reported basis).

Taxation

The effective tax rate for the Group increased to 21% compared to 19% in the previous year, primarily due to the increased proportion of profits arising in Britain and continental Europe.

Adjusted earnings per share

Adjusted earnings per share of 203.15 cent increased by 10.5% on a constant currency basis (an increase of 14.1% on a reported basis).

Dividend

The Board is recommending an increase of 10.0% in the final dividend to 48.07 cent per share which, when added to the interim dividend of 26.11 cent per share, gives a total dividend of 74.18 cent per share for the year, a 10.0% increase over the prior year dividend of 67.44 cent per share. The dividend is covered 2.7 times by adjusted earnings per share (2.6 times in 2010). It is proposed to pay the final dividend on 21 July 2011 to shareholders on the register at the close of business on 20 May 2011.

Cash flow

In recent years the Group has achieved a significant reduction in net working capital days which reduced from 16.4 days at 31 March 2008 to 4.6 days at 31 March 2010. These gains were largely retained at 31 March 2011 when net working capital days were 4.9 days. The cash flow generated by the Group for the year ended 31 March 2011 and the impact on net debt can be summarised as follows:

Year ended 31 March	2011 €'m	2011 €'m	2010 €'m	2010 €'m
Operating profit		229.6		192.8
(Increase)/decrease in working capital:				
DCC Energy	(19.8)		45.9	
DCC SerCom	8.9		8.7	
DCC Healthcare	2.1		6.1	
DCC Environmental	0.6		1.0	
DCC Food & Beverage	<u>(2.6)</u>	<u>(10.8)</u>	<u>10.1</u>	71.8
Depreciation and other		<u>50.8</u>		<u>33.2</u>
Operating cash flow		269.6		297.8
Capital expenditure (net)		<u>(77.2)</u>		(35.7)
Interest and tax paid		<u>(68.8)</u>		<u>(33.0)</u>
Free cash flow		123.6		229.1
Acquisitions		<u>(78.3)</u>		(133.6)
Disposals		28.4		0.8
Dividends		<u>(58.3)</u>		(52.5)
Exceptional items		<u>(8.9)</u>		(12.8)
Share issues		<u>3.8</u>		<u>7.7</u>
Net inflow		10.3		38.7
Opening net debt		<u>(53.5)</u>		(90.7)
Translation		<u>(2.0)</u>		<u>(1.5)</u>
Closing net debt		<u>(45.2)</u>		<u>(53.5)</u>

Operating cash flow in 2011 was €269.6 million compared to €297.8 million in 2010 which benefited from a net reduction in working capital in that year. After higher than normal capital expenditure and tax payments, free cash flow was €123.6 million compared to €229.1 million in the prior year.

Return on total capital employed

Reflecting the strong operating profit growth and continued good working capital management, DCC's return on total capital employed improved to 19.9% (2010: 18.4%).

Acquisition and Capital Expenditure

Committed acquisition and net capital expenditure amounted to €207.9 million, as follows:

	Acquisitions	Capex	Total
	€'m	€'m	€'m
DCC Energy	68.0	40.8	108.8
DCC SerCom	55.9	20.1	76.0
DCC Healthcare	1.9	4.1	6.0
DCC Environmental	0.4	10.1	10.5
DCC Food & Beverage	<u>4.5</u>	<u>2.1</u>	<u>6.6</u>
Total	<u>130.7</u>	<u>77.2</u>	<u>207.9</u>

Committed acquisition expenditure amounted to €130.7 million in the year ended 31 March 2011. The cash outflow on acquisitions during the year was €78.3 million.

In May 2010, as previously announced, DCC Energy acquired Pearts, a medium sized oil distribution business operating from four locations and selling 190 million litres of fuel in the north east of England, for consideration of €15 million on a cash free/debt free basis. In June 2010, also as previously announced, DCC Energy acquired two oil importation and storage terminals in Inverness and Aberdeen in Scotland for consideration of €19 million. These terminals are being used to provide storage and throughput services to major oil companies who continue to sell fuel directly into the market place. This acquisition enhances DCC Energy's position in the Scottish market by creating opportunities for expansion into marine fuels. In February 2011, as previously announced, DCC Energy reached conditional agreement to acquire the entire issued share capital of Pace Fuelcare, a British oil distribution business, for €28 million on a cash free/debt free basis. In its last financial year Pace Fuelcare sold 515 million litres of fuel to independent retail petrol stations and a broad range of commercial, industrial, agricultural and domestic customers. The acquisition is subject, inter alia, to clearance from the UK Office of Fair Trading. The scale of the Group's oil distribution business in Austria was increased when DCC Energy completed the acquisition in April of the trade and certain assets of Top Oil GmbH, a 140 million litre oil distributor based in Northern Austria for a modest consideration.

In August 2010, DCC SerCom announced the acquisition of Comtrade SA, a leading distributor of consumer electronic and audio visual products to the retail sector in France, for an initial cash free/debt free consideration of €11.4 million plus further payments based on the future performance of the business. This acquisition was completed in October 2010. Comtrade, which is based in Paris, distributes a broad range of products including iPod and MP3 docking stations, speakers and portable hard drives from suppliers such as Altec Lansing, Western Digital and iHome to major retailers such as Carrefour, E.Leclerc, Auchan and FNAC and to a wide range of internet, supermarket and specialist electronics retailers. This acquisition is a further step in DCC SerCom's strategy to extend its product, customer and market coverage in Retail distribution. In September 2010, DCC SerCom completed the acquisition of Codework Limited for a modest upfront consideration. Codework is a distributor of enterprise software and further extended the geographic reach of DCC SerCom's Enterprise distribution activities into Britain. In March 2011, also as previously announced, DCC SerCom acquired Advent Data Limited ("Advent"), a leading distributor of electronic office supplies to a broad range of resellers, retailers and e-tailers in the UK. Including net debt acquired the initial outlay by DCC SerCom for Advent was €19 million plus further payments based on the future performance of the business.

Net capital expenditure in the year of €77.2 million is significantly higher than the prior year amount of €35.7 million and compares to a depreciation charge of €52.9 million in the current year. DCC Energy's net capital expenditure of €40.8 million is higher than its depreciation charge (€31.2 million) due to increased investment in its distribution fleet and in supporting its ongoing development of new business.

In November 2010, DCC SerCom's UK Retail distribution business purchased a 250,000 square feet warehouse near Wellingborough, north of London. The total cost of the warehouse including fit-out was €17 million. This investment allows Gem Distribution to market its third party logistics services to software and DVD publishers from a modern, customised facility within easy reach of the south east of England.

Financial Strength

DCC's financial position remains very strong, well funded and highly liquid. At 31 March 2011 the Group had net debt of €45.2 million and total equity of €931.9 million. DCC has significant cash resources and relatively long term debt maturities. Substantially all of the Group's debt has been raised in the US private placement market with an average credit margin of 1.23% over floating Euribor/Libor and an average maturity of 6.0 years from 31 March 2011.

Outlook

The outlook for the year to 31 March 2012 is framed against an uncertain economic environment, particularly in the UK, and the significant assumption that there will be a return to a more normal weather pattern compared to the extremely cold winter last year. In April DCC Energy has been impacted by what has been the mildest April on record, with temperatures significantly warmer than last year and this along with the impact of the number of public holidays in the UK has resulted in Group trading being well behind the prior year. However it is important to note that April represents only approximately 5% of the Group's budgeted profit for the year.

Consequently at this very early stage the Group anticipates that operating profit and adjusted earnings per share, both on a constant currency basis, will be broadly in line with the prior year. On a reported basis, assuming an exchange rate of Stg£0.8800 = €1 (which would represent a 3% weakening of the average rate from last year of Stg£0.8522 = €1), this would result in a modest decline in operating profit and adjusted earnings per share compared to the prior year.

This outlook excludes the potential benefit of acquisitions and the Group remains in a very strong financial position to pursue opportunities in the year ahead.

Operating review

DCC Energy

	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€6,129.8m	€4,420.1m	+38.7%	+34.3%
Operating profit	€137.3m	€113.1m	+21.4%	+17.2%
Return on total capital employed	26.9%	26.5%		

DCC Energy's operating profit was 17.2% ahead of the prior year on a constant currency basis. This was another year of excellent growth and the business benefited from the successful integration of a number of acquisitions completed in prior years and another extremely cold winter overall, particularly in the last six weeks of the third quarter ended 31 December 2010. However, trading in the fourth quarter was adversely impacted by the milder weather conditions, particularly relative to the same period in the prior year.

DCC Energy sold 7.1 billion litres of product, an increase of 15.5% on the prior year. While the division achieved good organic volume growth in the nine months ended 31 December 2010, this was negated in the fourth quarter primarily as a result of the mild weather conditions. For the full year, volumes were approximately 1% behind the prior year on an organic basis.

On a constant currency basis, the operating profit per litre for the year was 1.86 cent, broadly in line with the prior year of 1.84 cent.

The Oil distribution business had another excellent performance in Britain, benefiting from the integration, consequent synergies and strong performance of recent acquisitions. DCC further strengthened its position in the British market through the acquisition of Pearts (a 190 million litre business in Northern England, completed in May 2010) and the acquisition of two oil importation and storage terminals in Inverness and Aberdeen in Scotland (completed in June 2010). In February 2011, as previously announced, DCC Energy reached conditional agreement to acquire the entire issued share capital of Pace Fuelcare, a British oil distribution business. In its last financial year Pace Fuelcare sold 515 million litres of fuel to independent retail petrol stations and a broad range of commercial, industrial, agricultural and domestic customers. The acquisition is subject, inter alia, to clearance from the UK Office of Fair Trading. DCC is the clear market leader in oil distribution in Britain and on completion of the acquisition of Pace Fuelcare would have a market share of approximately 15% and is well positioned to further consolidate what remains a very fragmented market.

DCC Energy's oil distribution businesses in continental Europe (Denmark and Austria) performed strongly and made an important contribution to the division's overall result. Having reached conditional agreement in February, the scale of the Group's oil distribution business in Austria was increased when DCC Energy completed the acquisition in April of the trade and certain assets of Top Oil GmbH, a 140 million litre oil distributor based in Northern Austria. Despite the continued weak economic environment in Ireland, there was a modest recovery in the profitability of the Irish oil business reflecting cost reductions achieved in the prior year.

The LPG business performed satisfactorily in the year, achieving market share growth in Britain, particularly in the commercial sector, although volumes in Ireland declined primarily due to the difficult Irish economy. The overall result was adversely impacted by a rising product pricing environment, reducing the operating profit of the business.

The Fuel Card business had another excellent year, driven by the additional contribution from the acquisition of the Brogan fuel card business (completed in December 2009) and good organic volume growth.

The outlook for DCC Energy for the year to 31 March 2012 is set against the significant assumption that there will be a return to a more normal weather pattern compared to the extremely cold winter last year. Consequently it is anticipated, at this very early stage, that operating profit, on a constant currency basis, in DCC Energy for the year to 31 March 2012 will be behind the prior year.

DCC SerCom

	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€1,868.9m	€1,618.5m	+15.5%	+12.9%
Operating profit	€46.0m	€40.8m	+12.7%	+9.9%
Operating margin	2.5%	2.5%		
Return on total capital employed	16.2%	16.1%		

DCC SerCom's operating profit grew by 9.9% on a constant currency basis. This was driven by an excellent performance in SerCom Distribution, which achieved constant currency operating profit growth of 16.6% of which 6.3% was organic, reflecting very strong organic growth in the Reseller business, good organic growth in the Retail business and the benefit of acquisitions completed during the year.

DCC SerCom's Retail distribution business achieved very strong operating profit growth. The business in Britain performed well, growing market share with key suppliers while also investing in its logistics and ancillary services capability through the acquisition of a substantial new facility north of London. In France, the Retail business achieved good organic profit growth and significantly strengthened its market and service proposition through the acquisition of Comtrade SA, a leading distributor of audio visual (AV) accessories and peripherals, which was announced in August 2010.

DCC SerCom's Reseller distribution business had an excellent year, generating significant operating profit growth in both Britain and Ireland. The business gained market share in core product areas, particularly PCs, supported by the introduction of new suppliers. The continuing investment in strengthening its technical and commercial expertise in communications, AV and the converging IT and mobile telephony channels also generated a strong return. In March 2011 DCC SerCom acquired Advent Data Limited, a leading independent distributor of electronic office supplies in the UK. Advent is highly complementary to DCC's Reseller business and significantly strengthens its customer and supplier base in this market.

DCC SerCom's Enterprise distribution business had a challenging year in France. Profits declined modestly, despite good progress in Belgium and the Netherlands and extending its presence in the UK market during the year.

DCC SerCom's Supply Chain Management business, which now accounts for less than 10% of DCC SerCom's operating profit, continued to suffer from a decline in procurement volumes with its major customer, as a result of changes in its manufacturing strategy.

DCC SerCom anticipates very strong growth in operating profit, on a constant currency basis, for the year to 31 March 2012, through a combination of the benefit of acquisitions completed in the prior year and further organic growth, notwithstanding what is likely to be a less favourable environment for consumer demand.

DCC Healthcare

	2011	2010	<u>Change on prior year</u>	
			Reported	Constant Currency
Revenue	€323.3m	€334.0m	-3.2%	-5.9%
Operating profit	€23.2m	€21.1m	+9.7%	+7.2%
Operating margin	7.2%	6.3%		
Return on total capital employed	14.2%	11.3%		

Continuing activities (excluding Mobility & Rehabilitation)

Revenue	€311.1m	€280.5m	+10.9%	+7.9%
Operating profit	€22.5m	€19.9m	+13.1%	+10.5%
Operating margin	7.2%	7.1%		
Return on total capital employed	16.3%	14.6%		

DCC Healthcare achieved growth in operating profit from continuing activities of 10.5% on a constant currency basis, which represented a strong performance against a challenging market background.

The successful disposal of its Mobility & Rehabilitation businesses in June 2010 has enabled DCC Healthcare to bring greater focus to the development of its Hospital Supplies & Services and Health & Beauty Solutions businesses, as well as improving the return on capital employed of the division.

DCC Hospital Supplies & Services recorded good revenue and profit growth. In the Republic of Ireland, government austerity measures have reduced demand and increased price pressure in the public healthcare system, which impacted the gross margin in DCC Hospital Supplies & Services. This was offset by tight cost control, the full year benefit of bolt-on acquisitions completed in the prior year and other revenue growth primarily driven by the expansion of DCC's Pharma compounding service capacity and new product introductions. The British value added distribution services business had a challenging year but contributed modestly to profits as it continued to invest in improving its management and operational capacity. While government austerity measures, particularly in the Republic of Ireland, are likely to hold back profit growth in DCC Hospital Supplies & Services in the short term, they are also expected to create new opportunities in the provision of outsourced services to hospitals.

DCC Health & Beauty Solutions generated excellent revenue and operating profit growth. Revenue growth was particularly strong in skincare and fish oil products across a range of customers, benefiting from continued business development with existing customers as well as new customer wins, including in continental Europe. Despite raw material cost inflation, the business managed its input costs and overheads very well. These measures, together with efficiency gains as a result of investments in infrastructure and skilled people in recent years, delivered a very strong performance.

While pressure on healthcare spending will impact DCC Hospital Supplies & Services, DCC Health & Beauty Solutions is budgeting for strong profit growth. Overall DCC Healthcare expects operating profit from continuing activities, on a constant currency basis, in the year to 31 March 2012 to be modestly ahead of the prior year.

DCC Environmental

	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€106.4m	€77.4m	+37.6%	+33.1%
Operating profit	€11.6m	€9.3m	+24.7%	+19.7%
Operating margin	10.9%	12.0%		
Return on total capital employed	10.0%	9.7%		

DCC Environmental's operating profit was 19.7% ahead of the prior year on a constant currency basis. The results benefited from the consolidation of 100% of the operating profit of the William Tracey Group for the full year. On a like for like basis, however, operating profit declined modestly.

Market conditions in Britain were difficult, with a further decline in construction derived waste volumes, exacerbated by the extreme weather conditions in December, resulting in a like for like decline in operating profit in Britain. Some of this weakness was offset by the strong growth in recyclate prices and the benefit of a new material recycling facility in Glasgow to process domestic recyclable waste. The joint venture development (with Scottish and Southern Energy Plc) of Scotland's largest anaerobic digestion plant reached a significant milestone with the completion of construction and commencement of the commissioning phase.

The Irish business made progress during the year and recorded growth in operating profit despite the challenging market conditions.

With its strong focus on recycling and resource recovery, DCC Environmental expects to achieve good growth in operating profit, on a constant currency basis, in the year to 31 March 2012 in spite of the challenging trading environment prevailing in Britain and Ireland.

DCC Food & Beverage

	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€252.2m	€275.0m	-8.3%	-9.2%
Operating profit	€11.5m	€8.5m	+36.0%	+35.6%
Operating margin	4.6%	3.1%		
Return on total capital employed	14.9%	10.2%		

DCC Food & Beverage reported a very strong increase in operating profit in the year of 35.6% on a constant currency basis, despite the impact on consumer spending of the weakness of the Irish economy. This result was driven by good cost control following the actions taken in the prior year, operating efficiencies and the introduction of new products.

The Indulgence and Healthfoods businesses both delivered good operating profit growth. The Indulgence business experienced a decline in sales in Ireland, however, a deliberate policy of reduced promotional activity in certain categories allied with strong control of costs delivered operating profit growth. The business added to its portfolio of company owned brands with the acquisition of the Goodall's and YR brands (completed in December 2010), which contributed modestly in the fourth quarter. The Healthfoods business achieved strong sales growth in its Kelkin brand in both the grocery and pharmacy channels, however, this was offset somewhat by a decline in sales in certain third party grocery brands.

The Frozen and Chilled Logistics business performed well in a difficult market through its focus on operational efficiencies, however a customer has terminated its contract following a change in its supply chain strategy for Ireland, which will impact the performance of the business in the year to 31 March 2012.

DCC Food & Beverage anticipates good operating profit growth, on a constant currency basis, in the year to 31 March 2012.

Annual Report and Annual General Meeting

DCC's 2011 Annual Report will be published in June 2011. The Company's Annual General Meeting will be held at 11:00 am on Friday 15 July 2011 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 statements.

Presentation of results and dial-in facility

There will be a presentation of these results to analysts and investors/fund managers in Dublin at 9.00 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: 1800 946 811 or +353 1 242 1074

International: +44 844 800 3850

Passcode: 244 037

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

Group Income Statement

for the year ended 31 March 2011

	Notes	2011			2010		
		Pre exceptionals €'000	Exceptionals (note 5) €'000	Total €'000	Pre exceptionals €'000	Exceptionals (note 5) €'000	Total €'000
Revenue	4	8,680,573	-	8,680,573	6,724,971	-	6,724,971
Cost of sales		(7,925,798)	-	(7,925,798)	(6,054,577)	-	(6,054,577)
Gross profit		754,775	-	754,775	670,394	-	670,394
Administration expenses		(257,899)	-	(257,899)	(234,181)	-	(234,181)
Selling and distribution expenses		(289,748)	-	(289,748)	(251,118)	-	(251,118)
Other operating income		25,423	7,177	32,600	9,703	827	10,530
Other operating expenses		(2,931)	(19,827)	(22,758)	(1,965)	(10,591)	(12,556)
Operating profit before amortisation of intangible assets		229,620	(12,650)	216,970	192,833	(9,764)	183,069
Amortisation of intangible assets		(10,962)	-	(10,962)	(6,150)	-	(6,150)
Operating profit	4	218,658	(12,650)	206,008	186,683	(9,764)	176,919
Finance costs		(50,517)	(1,623)	(52,140)	(34,300)	(1,285)	(35,585)
Finance income		35,939	-	35,939	23,415	-	23,415
Share of associates' (loss)/profit after tax		(239)	-	(239)	152	-	152
Profit before tax		203,841	(14,273)	189,568	175,950	(11,049)	164,901
Income tax expense		(42,417)	(1,354)	(43,771)	(33,207)	-	(33,207)
Profit after tax for the financial year		161,424	(15,627)	145,797	142,743	(11,049)	131,694
Profit attributable to:							
Owners of the Parent				145,109			130,803
Non-controlling interests				688			891
				145,797			131,694
Earnings per ordinary share							
Basic	6			174.48c			158.76c
Diluted	6			173.90c			157.92c
Adjusted earnings per ordinary share							
Basic	6			203.15c			177.98c
Diluted	6			202.48c			177.04c

Group Statement of Comprehensive Income

for the year ended 31 March 2011

	2011 €'000	2010 €'000
Group profit for the financial year	145,797	131,694
Other comprehensive income:		
Currency translation effects	4,636	23,353
Group defined benefit pension obligations:		
- actuarial loss	(2,590)	(1,595)
- movement in deferred tax asset	336	861
Gains relating to cash flow hedges	1,623	986
Movement in deferred tax liability on cash flow hedges	(341)	(107)
Other comprehensive income for the financial year, net of tax	3,664	23,498
Total comprehensive income for the financial year	149,461	155,192
Attributable to:		
Owners of the Parent	148,773	154,212
Non-controlling interests	688	980
	149,461	155,192

Group Balance Sheet

as at 31 March 2011

	Note	2011 €'000	2010 €'000
ASSETS			
Non-current assets			
Property, plant and equipment		395,485	358,096
Intangible assets		636,114	595,090
Investments in associates		2,281	2,393
Deferred income tax assets		9,328	12,166
Derivative financial instruments		84,376	101,921
		<u>1,127,584</u>	<u>1,069,666</u>
Current assets			
Inventories		248,129	234,898
Trade and other receivables		1,034,275	922,019
Derivative financial instruments		3,562	1,343
Cash and cash equivalents		700,340	714,917
		<u>1,986,306</u>	<u>1,873,177</u>
Total assets		<u>3,113,890</u>	<u>2,942,843</u>
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital		22,057	22,057
Share premium		124,687	124,687
Other reserves - share options	8	10,537	9,148
Cash flow hedge reserve	8	987	(295)
Foreign currency translation reserve	8	(125,136)	(129,772)
Other reserves	8	1,400	1,400
Retained earnings		895,108	806,452
		<u>929,640</u>	<u>833,677</u>
Non-controlling interests		2,234	3,249
Total equity		<u>931,874</u>	<u>836,926</u>
LIABILITIES			
Non-current liabilities			
Borrowings		762,244	793,663
Derivative financial instruments		30,142	19,331
Deferred income tax liabilities		25,434	23,479
Retirement benefit obligations	10	19,335	23,690
Provisions for liabilities and charges		14,256	11,429
Deferred and contingent acquisition consideration		65,188	49,351
Government grants		2,864	3,678
		<u>919,463</u>	<u>924,621</u>
Current liabilities			
Trade and other payables		1,149,786	1,039,641
Current income tax liabilities		59,427	71,699
Borrowings		40,542	58,169
Derivative financial instruments		533	557
Provisions for liabilities and charges		3,109	6,372
Deferred and contingent acquisition consideration		9,156	4,858
		<u>1,262,553</u>	<u>1,181,296</u>
Total liabilities		<u>2,182,016</u>	<u>2,105,917</u>
Total equity and liabilities		<u>3,113,890</u>	<u>2,942,843</u>
Net debt included above	9	<u>(45,183)</u>	<u>(53,539)</u>

Group Statement of Changes in Equity

For the year ended 31 March 2011

	Attributable to owners of the Parent					Non-controlling interests	Total equity
	Equity share capital €'000	Share premium account €'000	Retained earnings €'000	Other reserves (note 8) €'000	Total €'000		
At 1 April 2010	22,057	124,687	806,452	(119,519)	833,677	3,249	836,926
Profit for the financial year	-	-	145,109	-	145,109	688	145,797
Other comprehensive income/(expense):							
Currency translation	-	-	-	4,636	4,636	-	4,636
Group defined benefit pension obligations:							
- actuarial loss	-	-	(2,590)	-	(2,590)	-	(2,590)
- movement in deferred tax asset	-	-	336	-	336	-	336
Gains relating to cash flow hedges	-	-	-	1,623	1,623	-	1,623
Movement in deferred tax liability on cash flow hedges	-	-	-	(341)	(341)	-	(341)
Total comprehensive income	-	-	142,855	5,918	148,773	688	149,461
Re-issue of treasury shares	-	-	3,835	-	3,835	-	3,835
Share based payment	-	-	-	1,389	1,389	-	1,389
Dividends	-	-	(58,034)	-	(58,034)	-	(58,034)
Other movements in non-controlling interests	-	-	-	-	-	(1,703)	(1,703)
At 31 March 2011	22,057	124,687	895,108	(112,212)	929,640	2,234	931,874

For the year ended 31 March 2010

	Attributable to owners of the Parent					Non-controlling interests	Total equity
	Equity share capital €'000	Share premium account €'000	Retained earnings €'000	Other reserves (note 8) €'000	Total €'000		
At 1 April 2009	22,057	124,687	720,909	(145,003)	722,650	3,581	726,231
Profit for the financial year	-	-	130,803	-	130,803	891	131,694
Other comprehensive income/(expense):							
Currency translation	-	-	-	23,264	23,264	89	23,353
Group defined benefit pension obligations:							
- actuarial loss	-	-	(1,595)	-	(1,595)	-	(1,595)
- movement in deferred tax asset	-	-	861	-	861	-	861
Gains relating to cash flow hedges	-	-	-	986	986	-	986
Movement in deferred tax liability on cash flow hedges	-	-	-	(107)	(107)	-	(107)
Total comprehensive income	-	-	130,069	24,143	154,212	980	155,192
Re-issue of treasury shares	-	-	7,657	-	7,657	-	7,657
Share based payment	-	-	-	1,341	1,341	-	1,341
Dividends	-	-	(52,183)	-	(52,183)	-	(52,183)
Other movements in non-controlling interests	-	-	-	-	-	(1,312)	(1,312)
At 31 March 2010	22,057	124,687	806,452	(119,519)	833,677	3,249	836,926

Group Cash Flow Statement

for the year ended 31 March 2011

	Note	2011 €'000	2010 €'000
Cash flows from operating activities			
Profit for the financial year		145,797	131,694
Add back non-operating (income)/expense			
- tax		43,771	33,207
- share of loss/(profit) from associates		239	(152)
- net operating exceptionals		12,650	9,764
- net finance costs		16,201	12,170
Group operating profit before exceptionals		218,658	186,683
Share-based payments expense		1,389	1,341
Depreciation		52,906	46,956
Amortisation of intangible assets		10,962	6,150
Profit on disposal of property, plant and equipment		(818)	(1,515)
Amortisation of government grants		(730)	(800)
Other		(1,927)	(12,872)
(Increase)/decrease in working capital		(10,868)	71,814
Cash generated from operations		269,572	297,757
Exceptionals		(8,935)	(12,842)
Interest paid		(43,276)	(32,297)
Income tax paid		(56,343)	(20,548)
Net cash flows from operating activities		161,018	232,070
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment		5,586	9,831
Government grants received		626	1,799
Proceeds on disposal of subsidiaries		28,431	-
Proceeds on disposal of associate		-	827
Interest received		30,809	19,824
		65,452	32,281
Outflows			
Purchase of property, plant and equipment		(83,381)	(47,268)
Acquisition of subsidiaries		(74,614)	(129,515)
Deferred and contingent acquisition consideration paid		(3,709)	(4,127)
		(161,704)	(180,910)
Net cash flows from investing activities		(96,252)	(148,629)
Financing activities			
Inflows			
Re-issue of treasury shares		3,835	7,657
Increase in finance lease liabilities		-	1,035
Increase in interest-bearing loans and borrowings		658	293,568
		4,493	302,260
Outflows			
Repayment of interest-bearing loans and borrowings		(21,157)	(43,424)
Repayment of finance lease liabilities		(1,234)	(618)
Dividends paid to owners of the Parent	7	(58,034)	(52,183)
Dividends paid to non-controlling interests		(219)	(275)
		(80,644)	(96,500)
Net cash flows from financing activities		(76,151)	205,760
Change in cash and cash equivalents		(11,385)	289,201
Translation adjustment		2,552	10,243
Cash and cash equivalents at beginning of year		674,961	375,517
Cash and cash equivalents at end of year		666,128	674,961
Cash and cash equivalents consists of:			
Cash and short term bank deposits		700,340	714,917
Overdrafts		(34,212)	(39,956)
		666,128	674,961

Notes to the Preliminary Results

for the year ended 31 March 2011

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 2011 and is presented in euro, rounded to the nearest thousand. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.dcc.ie. It will also be filed with the Companies Registration Office. The auditors have reported on the financial statements for the year ended 31 March 2011 and their report was unqualified. The financial information for the year ended 31 March 2010 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office.

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 2011 and are consistent with those applied in the prior year except as otherwise set out below:

Adoption of new IFRS

The following revised standard is mandatory for the first time for the financial year beginning 1 April 2010:

- IFRS 3 Revised *Business Combinations*. This standard establishes principles for how an acquirer recognises, measures and discloses in its financial statements the goodwill acquired in a business combination and the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. Contingent consideration is measured at fair value with subsequent changes recognised in the Income Statement. Transaction costs, other than share and debt issue costs, are expensed as incurred.

The following interpretations or amended standards are mandatory for the first time for the financial year beginning 1 April 2010 but do not have any significant impact on the Group Financial Statements:

- IFRS 1 Revised *First-time Adoption of International Financial Reporting Standards*;
- IFRS 2 (Amendment) *Share-based Payments: Group Cash-Settled share-based Payment Transactions*;
- IAS 27 (Amendment) *Consolidated and Separate Financial Statements*;
- IAS 32 (Amendment) *Classification of Rights Issues*;
- IAS 39 (Amendment) *Eligible Hedged Items*;
- IFRIC 17 *Distributions of Non-cash Assets to Owners*;
- IFRIC 18 *Transfers of Assets from Customers*.

The Group has also adopted the *Improvements to IFRS* issued by the IASB. This standard amends a number of other standards, basis of conclusions and guidance. The improvements include changes in presentation, recognition and measurement plus terminology and editorial changes. These amendments do not have a significant impact on the Group Financial Statements.

2. Statutory Accounts

The financial information 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 2011 which were approved by the Board of Directors on 9 May 2011.

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:

	2011 €1=Stg£	2010 €1=Stg£
Balance sheet (closing rate)	0.884	0.889
Income statement (average rate)	0.852	0.887

Notes to the Preliminary Results

for the year ended 31 March 2011

4. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as Mr. Tommy Breen, Chief Executive. The Group is primarily organised into five main operating segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

DCC Energy markets and sells oil products for commercial/industrial, transport and domestic use in Britain, Ireland and Continental Europe. DCC Energy markets and sells liquefied petroleum gas for similar uses in Britain and Ireland. DCC Energy also includes a fuel card services business.

DCC SerCom markets and sells a broad range of IT and consumer electronic products in Britain, Ireland and Continental Europe to computer resellers, high street retailers, computer superstores, on-line retailers and mail order companies. DCC SerCom also includes a supply chain management business.

DCC Healthcare markets and sells medical, surgical, laboratory and intravenous pharmaceutical products and provides related value added services to the acute care, community care and scientific sectors in Ireland and Britain. DCC Healthcare is also a leading provider of outsourced services to the health and beauty industry in Europe.

DCC Environmental provides a broad range of waste management and recycling services to the industrial, commercial, construction and public sectors in Britain and Ireland.

DCC Food & Beverage markets and sells food and beverages in Ireland and wine in Britain. These include healthy foods, snackfoods, fresh coffee and wine to a broad range of catering, convenience store, food service and multiple grocer customers. DCC Food & Beverage is also a leading provider of frozen food distribution in Ireland.

Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis below.

(a) By operating segment

	Year ended 31 March 2011					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	<u>6,129,786</u>	<u>1,868,877</u>	<u>323,291</u>	<u>106,442</u>	<u>252,177</u>	<u>8,680,573</u>
Operating profit*	137,307	46,029	23,203	11,589	11,492	229,620
Amortisation of intangible assets	(7,145)	(944)	(800)	(2,073)	-	(10,962)
Net operating exceptionals (note 5)	<u>(6,475)</u>	<u>(2,120)</u>	<u>(2,129)</u>	<u>(6)</u>	<u>(1,920)</u>	<u>(12,650)</u>
Operating profit	<u>123,687</u>	<u>42,965</u>	<u>20,274</u>	<u>9,510</u>	<u>9,572</u>	<u>206,008</u>

	Year ended 31 March 2010					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	<u>4,420,122</u>	<u>1,618,455</u>	<u>334,044</u>	<u>77,366</u>	<u>274,984</u>	<u>6,724,971</u>
Operating profit*	113,105	40,835	21,143	9,297	8,453	192,833
Amortisation of intangible assets	(4,510)	(318)	(394)	(799)	(129)	(6,150)
Net operating exceptionals (note 5)	<u>(4,195)</u>	<u>(1,051)</u>	<u>(897)</u>	<u>-</u>	<u>(3,621)</u>	<u>(9,764)</u>
Operating profit	<u>104,400</u>	<u>39,466</u>	<u>19,852</u>	<u>8,498</u>	<u>4,703</u>	<u>176,919</u>

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

Notes to the Preliminary Results

for the year ended 31 March 2011

4. Segmental Reporting (continued)

(b) By geography

	Year ended 31 March 2011			
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	Total €'000
Segment revenue	919,966	6,388,742	1,371,865	8,680,573
Operating profit*	34,236	164,541	30,843	229,620
Amortisation of intangible assets	(470)	(8,773)	(1,719)	(10,962)
Net operating exceptionals (note 5)	(3,076)	(8,582)	(992)	(12,650)
Operating profit	30,690	147,186	28,132	206,008

	Year ended 31 March 2010			
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	Total €'000
Segment revenue	1,107,364	4,748,268	869,339	6,724,971
Operating profit*	34,191	133,361	25,281	192,833
Amortisation of intangible assets	(962)	(4,317)	(871)	(6,150)
Net operating exceptionals (note 5)	(3,175)	(5,429)	(1,160)	(9,764)
Operating profit	30,054	123,615	23,250	176,919

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

5. Exceptionals

	2011 €'000	2010 €'000
Profit on disposal of subsidiaries	894	-
Cumulative foreign exchange translation losses relating to subsidiaries disposed of	(3,145)	-
Restructuring of Group defined benefit pension schemes	4,976	-
Impairment of property, plant and equipment	(6,074)	-
Acquisition related fees	(3,566)	-
Restructuring costs and other	(5,735)	(8,683)
Impairment of goodwill	-	(1,908)
Profit on disposal of associate	-	827
Operating exceptional items	(12,650)	(9,764)
Mark to market losses (included in interest)	(1,623)	(1,285)
Net exceptional items before taxation	(14,273)	(11,049)
Exceptional taxation charge	(1,354)	-
Net exceptional items after taxation	(15,627)	(11,049)

During the first half of the financial year, DCC Healthcare disposed of its Mobility & Rehabilitation businesses and DCC Food & Beverage disposed of one of its smaller Irish businesses. The net cash impact of these transactions (€28.431 million) resulted in a pre-tax gain on their book carrying values, including goodwill, of €0.894 million. These businesses accounted for less than 1% of DCC's operating profit for the year ended 31 March 2010.

IAS 21 requires that any foreign exchange translation differences which have been written off directly to reserves in prior years be recycled through the Income Statement on the disposal of the related asset. The amount of such differences relating to the above disposals, which did not have any impact on the Group's total equity, was €3.145 million.

Notes to the Preliminary Results

for the year ended 31 March 2011

5. Exceptionals (continued)

Restructuring of certain of the Group's pension arrangements during the year gave rise to a net reduction in pension liabilities and an exceptional gain of €4.976 million.

The Group made a provision of €6.074 million against the carrying value of one of its buildings.

IFRS 3 (revised) requires that the professional (legal and financial due diligence) and tax costs (such as stamp duty) relating to the evaluation and completion of an acquisition are expensed in the Income Statement whereas previously they were capitalised as part of the acquisition cost. During the year these costs amounted to €3.566 million.

Most of the Group's debt has been raised in the US Private Placement market and swapped, using long term interest, currency and cross currency derivatives, to floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 by marking to market swaps designated as fair value hedges and the related fixed rate debt, together with gains or losses arising from marking to market swaps not designated as fair value hedges offset by gains or losses on that related fixed rate debt, is charged or credited as an exceptional item. In the year to 31 March 2011 this amounted to a total exceptional charge of €1.623 million.

The balance of the net exceptional charge relates primarily to restructuring costs arising from the integration of recently acquired businesses.

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

	2011 €'000	2010 €'000
Profit attributable to owners of the Parent	145,109	130,803
Amortisation of intangible assets after tax	8,220	4,787
Exceptionals after tax (note 5)	15,627	11,049
Adjusted profit after taxation and non-controlling interests	168,956	146,639
Basic earnings per ordinary share	cent	cent
Basic earnings per ordinary share	174.48c	158.76c
Adjusted basic earnings per ordinary share*	203.15c	177.98c
Weighted average number of ordinary shares in issue ('000)	83,167	82,391
Diluted earnings per ordinary share	cent	cent
Diluted earnings per ordinary share	173.90c	157.92c
Adjusted diluted earnings per ordinary share*	202.48c	177.04c
Diluted weighted average number of ordinary shares in issue ('000)	83,445	82,830

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

Notes to the Preliminary Results

for the year ended 31 March 2011

7. Dividends

	2011 €'000	2010 €'000
Final - paid 43.70 cent per share on 22 July 2010 (2010: paid 39.73 cent per share on 23 July 2009)	36,296	32,657
Interim - paid 26.11 cent per share on 3 December 2010 (2010: paid 23.74 cent per share on 4 December 2009)	21,738	19,526
	58,034	52,183

The Directors are proposing a final dividend in respect of the year ended 31 March 2011 of 48.07 cent per ordinary share (€40.051 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

8. Other Reserves

Group	Share options €'000	Cash flow hedge reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Total €'000
At 31 March 2009	7,807	(1,174)	(153,036)	1,400	(145,003)
Currency translation	-	-	23,264	-	23,264
Cash flow hedges					
- fair value gains in year	-	4,062	-	-	4,062
- tax on fair value gains	-	(926)	-	-	(926)
- transfers to sales	-	(180)	-	-	(180)
- transfers to cost of sales	-	(2,896)	-	-	(2,896)
- tax on transfers to income tax expense	-	819	-	-	819
Share based payment	1,341	-	-	-	1,341
At 31 March 2010	9,148	(295)	(129,772)	1,400	(119,519)
Currency translation	-	-	4,636	-	4,636
Cash flow hedges					
- fair value gains in year	-	9,038	-	-	9,038
- tax on fair value gains	-	(1,935)	-	-	(1,935)
- transfers to sales	-	(116)	-	-	(116)
- transfers to cost of sales	-	(7,299)	-	-	(7,299)
- tax on transfers to income tax expense	-	1,594	-	-	1,594
Share based payment	1,389	-	-	-	1,389
At 31 March 2011	10,537	987	(125,136)	1,400	(112,212)

Notes to the Preliminary Results

for the year ended 31 March 2011

9. Analysis of Net Debt

	2011 €'000	2010 €'000
Non-current assets:		
Derivative financial instruments	<u>84,376</u>	<u>101,921</u>
Current assets:		
Derivative financial instruments	3,562	1,343
Cash and cash equivalents	<u>700,340</u>	<u>714,917</u>
	<u>703,902</u>	<u>716,260</u>
Non-current liabilities:		
Borrowings	(763)	(2,508)
Derivative financial instruments	(30,142)	(19,331)
Unsecured Notes due 2013 to 2022	<u>(761,481)</u>	<u>(791,155)</u>
	<u>(792,386)</u>	<u>(812,994)</u>
Current liabilities:		
Borrowings	(35,263)	(58,169)
Derivative financial instruments	(533)	(557)
Unsecured Notes due 2011	<u>(5,279)</u>	<u>-</u>
	<u>(41,075)</u>	<u>(58,726)</u>
Net debt	<u>(45,183)</u>	<u>(53,539)</u>

10. Retirement Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at market value at 31 March 2011. The defined benefit pension schemes' liabilities at 31 March 2011 were updated to reflect material movements in underlying assumptions.

The deficit on the Group's retirement benefit obligations decreased to €19.335 million at 31 March 2011 from €23.690 million at 31 March 2010. The decrease in the deficit was primarily driven by the restructuring of certain schemes together with total contributions in excess of the total service cost, in line with actuarial advice. This was somewhat offset by lower than expected asset returns combined with assumed greater longevity when valuing the liabilities.

Notes to the Preliminary Results

for the year ended 31 March 2011

11. Business Combinations

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

- F. Peart (100%): a medium sized oil distribution business which operates from four locations in the north of England, announced on 4 May 2010;
- the acquisition of two oil importation and storage terminals in Scotland, announced on 16 July 2010;
- Comtrade SA (74%): a leading distributor of consumer electronic and audio visual products to the retail sector in France, announced on 23 August 2010; and
- Advent Data Limited (100%): a UK based distributor of electronic office supplies, announced on 9 March 2011.

The carrying amounts of the assets and liabilities acquired (excluding net debt/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:

	2011 €'000 Total	2010 €'000 Total
Assets		
Non-current assets		
Property, plant and equipment	22,708	38,532
Intangible assets - other intangible assets	15,075	25,331
Investment in associates	127	-
Deferred income tax assets	47	479
Total non-current assets	37,957	64,342
Current assets		
Inventories	19,214	9,917
Trade and other receivables	47,272	86,765
Total current assets	66,486	96,682
Equity		
Non-controlling interests	-	1,037
Total equity	-	1,037
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	(4,583)	(9,207)
Retirement benefit obligations	-	57
Provisions for liabilities and charges	(70)	(5,399)
Deferred acquisition consideration	-	(450)
Government grants	-	(650)
Total non-current liabilities	(4,653)	(15,649)
Current liabilities		
Trade and other payables	(44,224)	(102,869)
Current income tax liabilities	(685)	(1,374)
Total current liabilities	(44,909)	(104,243)
Identifiable net assets acquired	54,881	42,169
Intangible assets - goodwill	46,783	123,094
Total consideration (enterprise value)	101,664	165,263
Satisfied by:		
Cash	73,503	142,439
Net debt/(cash) acquired	1,111	(12,924)
Net cash outflow	74,614	129,515
Deferred and contingent acquisition consideration	27,050	35,748
Total consideration	101,664	165,263

Notes to the Preliminary Results

for the year ended 31 March 2011

11. Business Combinations (continued)

None of the 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
Total			
Non-current assets (excluding goodwill)	22,882	15,075	37,957
Current assets	68,945	(2,459)	66,486
Non-current liabilities and non-controlling interests	(717)	(3,936)	(4,653)
Current liabilities	(44,909)	-	(44,909)
Identifiable net assets acquired	46,201	8,680	54,881
Goodwill arising on acquisition	55,463	(8,680)	46,783
Total consideration (enterprise value)	101,664	-	101,664

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 transactions. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2012 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.

The acquisition related costs for these acquisitions included in the Group Income Statement amounted to €3.566 million.

There were no adjustments processed during the year to the fair value of business combinations completed during the year ended 31 March 2010 where those fair values were not readily determinable as at 31 March 2010.

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

	2011 €'000	2010 €'000
Revenue	255,142	454,841
Cost of sales	(234,710)	(415,701)
Gross profit	20,432	39,140
Operating costs	(9,560)	(22,606)
	10,872	16,534
Operating exceptional items	-	(117)
Operating profit	10,872	16,417
Finance costs (net)	(54)	(512)
Profit before tax	10,818	15,905
Income tax expense	(2,943)	(3,891)
Group profit for the financial year	7,875	12,014

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:

	2011 €'000	2010 €'000
Revenue	8,867,654	7,559,862
Group profit for the financial year	150,412	139,020

Notes to the Preliminary Results

for the year ended 31 March 2011

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.

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 2011 financial year.

14. Events after the Balance Sheet Date

There have been no material events subsequent to 31 March 2011 which would require disclosure in this report.

15. Board Approval

This announcement was approved by the Board of Directors of DCC plc on 9 May 2011.