



6 November 2013

Interim Report

For the six months ended 30 September 2013

DCC plc, the international sales, marketing, distribution and business support services group, headquartered in Dublin, today announced its results for the six months ended 30 September 2013.

Please note that DCC now presents its financial results in sterling.

RESULTS HIGHLIGHTS			
	2013 £'m	2012 £'m	% <i>Change</i>
Revenue	5,419.9	4,876.2	+11.1%
Operating profit*	69.4	50.3	+38.0%
Profit before net exceptional items, amortisation of intangible assets and tax	58.5	43.0	+35.9%
Adjusted earnings per share*	58.34 pence	42.08 pence	+38.6%
Dividend per share	26.12 pence	23.75 pence	+10.0%**
Operating cash flow	110.3	63.9	
Net debt at 30 September 2013	215.6	193.5	
* Excluding net exceptionals and amortisation of intangible assets			
** The interim dividend in the prior year of 29.48 cent has been translated at the average euro/sterling exchange rate for the six months ended 30 September 2012 of £0.8055 = €1			

- Revenue increased to £5.4 billion (+11.1%). Approximately one third of this growth was organic.
- Operating profit increased to £69.4 million (+38.0%). Approximately three quarters of this growth was organic.
- Good progress on the integration of acquisitions.
- Operating cash flow increased to £110.3 million from £63.9 million in the prior year.
- The interim dividend has been increased by 10.0% to 26.12 pence per share.
- The Group continues to anticipate that, assuming a normal winter, the year to 31 March 2014 will show growth in operating profit of approximately 15% over the prior year.

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

“It is pleasing to report that operating profit and adjusted earnings per share were significantly ahead of the prior year, albeit in the seasonally less significant first half. This outperformance was driven mainly by a particularly strong first quarter.

DCC Energy, the Group’s largest division, traded significantly ahead of the prior year, benefitting from colder than normal weather conditions in the first quarter, the successful integration of acquisitions completed in prior periods and increased operational efficiency.

Operating profit in DCC SerCom, the Group’s second largest division, was strongly ahead of the prior year, driven by its market leading position in the UK market for mobile computing products, such as notebooks and tablets, and its growing position in the mobile handset market.

DCC Healthcare traded significantly ahead of the prior year, benefitting from first time contributions from Kent Pharma and Leonhard Lang UK, together with strong organic growth in the Health & Beauty sector.

DCC’s two smaller divisions, DCC Environmental and DCC Food & Beverage, traded modestly ahead of the prior year.

The Board has decided to pay an interim dividend of 26.12 pence per share, which represents a 10.0% increase on the prior year.

As DCC enters its seasonally more significant second half, its full year guidance continues to be set against the important assumption that there will be normal winter weather conditions. The Group reiterates the guidance previously provided for the year to 31 March 2014, which is that operating profit will be approximately 15% ahead of the prior year and that adjusted earnings per share will be approximately 13% ahead of the prior year.

DCC retains a strong equity base, long term debt maturities and significant cash resources, which leave it very well placed to continue the development of its business in existing and new geographies.”

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Interim Management Report

For the six months ended 30 September 2013

Results

Please note that DCC now presents its financial results in sterling.

A summary of the results for the six months ended 30 September 2013 is as follows:

	2013 £'m	2012 £'m	% Change
Revenue	<u>5,419.9</u>	<u>4,876.2</u>	+11.1%
Operating profit*			
DCC Energy	33.5	18.9	+77.8%
DCC SerCom	14.1	12.7	+10.9%
DCC Healthcare	12.6	9.7	+29.3%
DCC Environmental	6.3	6.3	+0.2%
DCC Food & Beverage	<u>2.9</u>	<u>2.7</u>	+7.0%
Group operating profit	69.4	50.3	+38.0%
Finance costs (net)	<u>(10.9)</u>	<u>(7.3)</u>	
Profit before net exceptionals, amortisation of intangible assets and tax	58.5	43.0	+35.9%
Net exceptional charge	(5.9)	(5.1)	
Amortisation of intangible assets	<u>(10.1)</u>	<u>(7.0)</u>	
Profit before tax	42.5	30.9	+37.6%
Taxation	<u>(7.2)</u>	<u>(6.3)</u>	
Profit after tax	<u>35.3</u>	<u>24.6</u>	
Adjusted earnings per share*	58.34 pence	42.08 pence	+38.6%
Dividend per share	26.12 pence	23.75 pence	+10.0%**
Operating cash flow	110.3	63.9	
Net debt at 30 September 2013	215.6	193.5	
* Excluding net exceptionals and amortisation of intangible assets			
** The interim dividend in the prior year of 29.48 cent has been translated at the average euro/sterling exchange rate for the six months ended 30 September 2012 of £0.8055 = €1			

Revenue

Revenue increased by 11.1% to £5.4 billion, with approximately two thirds of this growth coming from acquisitions completed in the prior year and the current year.

DCC Energy's volumes increased by 12.7%, all of which came from acquisitions, with like for like volumes broadly flat. Average selling prices reduced by approximately 5% due to sales mix and a modest decrease in the underlying price of oil, which averaged \$106 in the period compared to \$109 in the previous year. Excluding DCC Energy, Group revenue increased by

26.5%, most of which was organic growth, primarily driven by DCC SerCom which achieved strong growth in its IT and communications markets with revenues increasing by 29.1%. DCC Healthcare also achieved strong revenue growth.

Operating profit performance

Operating profit in the first half of £69.4 million was 38.0% ahead of the prior year. Approximately three quarters of this growth was organic. Good progress was made on the integration of acquisitions, particularly in DCC Energy and DCC Healthcare.

DCC Energy, the Group's largest division, traded significantly ahead of the prior year, benefitting from colder than normal weather conditions in the first quarter, the successful integration of acquisitions completed in prior periods and increased operational efficiency.

Operating profit in DCC SerCom, the Group's second largest division, was strongly ahead of the prior year driven by its market leading position in the UK market for mobile computing products, such as notebooks and tablets, and its growing position in the mobile handset market.

DCC Healthcare traded significantly ahead of the prior year, benefitting from first time contributions from Kent Pharma, acquired in February 2013, and Leonhard Lang UK, acquired in July 2013, together with strong organic profit growth in the Health & Beauty sector.

DCC's two smaller divisions, DCC Environmental and DCC Food & Beverage, traded modestly ahead of the prior year.

Finance costs (net)

Net finance costs for the period increased to £10.9 million (2012: £7.3 million) primarily as a result of the incremental interest cost of the additional US Private Placement debt raised in April 2013 and higher average net debt during the period of £361 million compared to £250 million during the six months ended 30 September 2012. The increase in average net debt was primarily due to increased levels of working capital in DCC SerCom, driven by a significant organic increase in sales.

Profit before net exceptionals, amortisation of intangible assets and tax

Profit before net exceptionals, amortisation of intangible assets and tax of £58.5 million increased by 35.9%.

Net exceptional charge and amortisation of intangible assets

The Group incurred a net exceptional charge before tax of £5.9 million as follows:

	£'m
Mark to market loss	(4.3)
Acquisition and related costs	(2.2)
Reorganisation costs and other	(3.7)
Net reductions in deferred and contingent consideration	<u>4.3</u>
Total	<u>(5.9)</u>

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. Normal volatility in capital markets has given rise to a mark to market ineffectiveness loss of £4.3 million, primarily driven by the additional funds raised in April 2013. This non cash loss will unwind as a gain over the remaining life of the relevant swaps.

Acquisition and related costs include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities. During the first half these costs amounted to £2.2 million.

The Group incurred an exceptional charge of £3.7 million in relation to additional restructuring of acquired and existing businesses not provided for at 31 March 2013 as the expenditure had not been committed to at that date. Most of this related to the integration into DCC Energy's existing operations of previously acquired oil businesses.

The net reduction in deferred and contingent consideration payable by the Group, provided in previous years, amounted to £4.3 million in the period.

The charge for the amortisation of acquisition related intangible assets increased to £10.1 million from £7.0 million due to the acquisitions completed in the second half of the prior year.

Taxation

The effective tax rate for the Group in the first half decreased to 16% compared to 18% in the first half last year. The full year tax rate in the previous year was 17%. The decrease in the current year is primarily driven by the reduction in the UK corporation tax rate.

Adjusted earnings per share

Adjusted earnings per share of 58.34 pence increased by 38.6%.

Interim dividend increase of 10.0%

DCC now declares its dividends in sterling. The Board has decided to pay an interim dividend of 26.12 pence per share, which represents a 10.0% increase on the prior year figure of 23.75 pence per share (29.48 cent per share translated at the average euro/sterling exchange rate for the six months ended 30 September 2012 of £0.8055 = €1). This dividend will be paid on 29 November 2013 to shareholders on the register at the close of business on 15 November 2013. DCC will continue to offer shareholders the option of receiving their dividends in either sterling or euro.

Cash flow

As with its operating profit, the Group's cash flow is weighted towards its second half. The cash flow generated by the Group and the deployment of cash on acquisitions and dividends to shareholders for the six months ended 30 September 2013 can be summarised as follows:

Six months ended 30 September	2013 £'m	2012 £'m
Operating profit	69.4	50.3
Decrease/(increase) in working capital	11.2	(12.6)
Depreciation and other	<u>29.7</u>	<u>26.2</u>
Operating cash flow	110.3	63.9
Capital expenditure (net)	<u>(33.6)</u>	<u>(26.8)</u>
Free cash flow (before interest and tax)	76.7	37.1
Interest and tax paid	<u>(24.6)</u>	<u>(21.9)</u>
Free cash flow	52.1	15.2
Acquisitions	(22.8)	(77.0)
Disposals	-	11.6
Dividends	(40.4)	(34.2)
Exceptional items	(12.6)	(11.6)
Share issues	<u>1.2</u>	<u>0.4</u>
Net outflow	(22.5)	(95.6)
Opening net debt	(186.0)	(106.9)
Translation and other	<u>(7.1)</u>	<u>9.0</u>
Closing net debt	<u>(215.6)</u>	<u>(193.5)</u>

Operating cash flow of £110.3 million compares to £63.9 million in the corresponding period. Working capital remained tightly controlled with net working capital days at 30 September 2013 reducing to 1.8 days from 3.3 days at 30 September 2012, driven by an improvement in working capital days in DCC Energy and benefitting from the impact of supply chain financing programmes within DCC SerCom, which mitigate the working capital impact of sales to a small number of larger customers with longer working capital cycles.

Acquisition and Capital Expenditure

In the six months ended 30 September 2013, committed acquisition and capital expenditure amounted to £52.5 million, as follows:

	Acquisitions £'m	Capex £'m	Total £'m
DCC Energy	4.5	21.7	26.2
DCC SerCom	-	4.2	4.2
DCC Healthcare	13.1	3.6	16.7
DCC Environmental	1.3	3.2	4.5
DCC Food & Beverage	-	0.9	0.9
Total	<u>18.9</u>	<u>33.6</u>	<u>52.5</u>

Acquisition activity

In May, as previously announced, DCC Energy completed the acquisition of Bronberger & Kessler, a 250 million litre oil distribution business in southern Germany.

In July, as previously announced, DCC Healthcare completed the acquisition of Leonhard Lang UK for an initial consideration of £11 million, exclusive of net cash acquired. The business is focused on the sales, marketing and distribution of medical consumables to hospitals and ambulance services in Britain and will be integrated into DCC Healthcare's medical devices business, bringing new expertise and expanding its product portfolio and customer relationships in Britain.

The cash outflow on acquisitions in the six months to 30 September 2013, inclusive of deferred and contingent acquisition consideration amounts previously provided for, was £22.8 million.

The Group continues to be very active on the development front and is in a very strong financial position to pursue a range of acquisition and organic opportunities.

Capital expenditure

Net capital expenditure in the first half of £33.6 million (2012: £26.8 million) compares to a depreciation charge of £30.5 million (2012: £25.3 million) with the increase on the previous year being primarily driven by the planned capital expenditure in the more fixed asset intensive LPG businesses acquired in the second half of the previous year.

Financial Strength

DCC's financial position remains very strong. At 30 September 2013, the Group had net debt of £215.6 million and total equity of £881.3 million. DCC has significant cash resources, undrawn committed long term debt facilities and its outstanding debt at 30 September 2013 had an average maturity of 5.5 years. Substantially all of the Group's debt has been raised in the US Private Placement market with an average credit margin of 1.50% over floating Euribor/Libor.

Listing Arrangements

DCC became a constituent of the FTSE All-Share and the FTSE 250 indices on 24 June 2013.

Outlook

As DCC enters its seasonally more significant second half, its full year guidance continues to be set against the important assumption that there will be normal winter weather conditions. The Group reiterates the guidance previously provided for the year to 31 March 2014, which is that operating profit will be approximately 15% ahead of the prior year and that adjusted earnings per share will be approximately 13% ahead of the prior year.

DCC retains a strong equity base, long term debt maturities and significant cash resources, which leave it very well placed to continue the development of its business in existing and new geographies.

Operating review

DCC Energy

	2013	2012	% change
Revenue	£4,093.4m	£3,827.6m	+6.9%
Operating profit	£33.5m	£18.9m	+77.8%

DCC Energy had an excellent first half, with operating profit 77.8% ahead of the prior year. The business benefitted from colder than normal weather conditions in the first quarter, the successful integration of acquisitions completed in prior periods and increased operational efficiency.

DCC Energy sold 5.0 billion litres of product during the period, an increase of 12.7% over the first half of the prior year, driven by acquisitions.

DCC Energy's oil business, which now operates in six countries, generated excellent profit growth. The colder weather in the first quarter drove increased demand for heating products, however overall volumes were impacted somewhat by weakness in demand in certain segments of the industrial and commercial sectors in Britain and Sweden. The integration of the former Total oil distribution business in Britain was successfully completed during the first quarter and the planned synergies are now being fully realised. DCC's fuel card operations in Britain achieved very strong profit growth.

In May, DCC Energy completed the acquisition of Bronberger & Kessler, a 250 million litre oil distribution business in southern Germany.

DCC Energy's LPG business, which also operates across six countries, had an excellent first half. The business achieved strong organic volume growth reflecting the colder weather conditions in the first quarter and continued good growth in the commercial market, particularly with oil to LPG conversions. The business completed the planned integration of the former BP LPG business in Britain with DCC's existing LPG business, generating the anticipated integration synergies.

DCC Energy is the leading oil and LPG sales, marketing and distribution business in Europe, operating across nine countries with leadership positions in seven. The business is well positioned to expand its operations further in existing and new markets.

DCC SerCom

	2013	2012	% change
Revenue	£959.2m	£742.8m	+29.1%
Operating profit	£14.1m	£12.7m	+10.9%
Operating margin	1.5%	1.7%	

DCC SerCom achieved organic operating profit growth of 10.9%, with its market leading position in the UK market for mobile computing products, such as notebooks and tablets, and its growing position in the mobile handset market driving an increase in revenue of 29.1%.

Excellent organic profit growth was achieved in the UK where DCC SerCom is the market leader in the rapidly growing tablet market. This market leadership position has been achieved through partnering with many of the leading technology brands and its ongoing focus on providing an extensive range of market development services. The business also generated very strong growth in mobile handsets and accessories, with further market share gains, and has successfully broadened its supplier portfolio. DCC SerCom also achieved strong growth in sales of IT products into the SMB channel and benefitted from a more favourable software release schedule in the home entertainment product sector.

DCC SerCom continues to benefit from its particular focus on providing a broad range of services to support online and multi-channel retailers. Strong growth was achieved in these customer segments and also in the specialist IT and mobile handset retail channels.

DCC SerCom experienced more difficult trading conditions in France where a weak demand environment persists.

The supply chain management business was, as anticipated, impacted by the conclusion of a major finished goods fulfilment programme.

DCC SerCom's businesses have recently been rebranded under a new name, Exertis, in order to reflect its ambition to develop a broadly based European business, delivering a best-in-class service offering to suppliers and customers, with an integrated suite of supply chain services.

DCC Healthcare

	2013	2012	% change
Revenue	£195.1m	£150.7m	+29.5%
Operating profit	£12.6m	£9.7m	+29.3%
Operating margin	6.4%	6.4%	

DCC Healthcare achieved operating profit growth of 29.3% benefitting from first time contributions from Kent Pharma, acquired in February 2013, and Leonhard Lang UK, acquired in July 2013, together with strong organic growth in the Health & Beauty sector.

DCC Vital, which is focused on the sales, marketing and distribution of pharmaceuticals and medical devices, recorded strong profit growth driven by the recent acquisition activity. DCC Vital has made good progress in the integration of Kent Pharma and is on track to achieve the planned synergies. Kent performed satisfactorily notwithstanding increased competitive pressures for certain products. The performance of pharma in Ireland has been impacted by the roll out of the National OPAT (Outpatient Anti-microbial Therapy) service contract which has necessitated investment in people and equipment. In medical devices, DCC Vital achieved excellent growth in the British market with good organic growth augmented by the acquisition of Leonhard Lang UK which performed in line with expectations.

DCC Health & Beauty Solutions, which provides outsourced solutions to nutrition and beauty brand owners, generated strong organic sales and profit growth. In nutrition products, sales growth in continental Europe, especially in Germany was an important contributor. Sales of both beauty and healthcare creams and liquids benefitted from growth with existing customers and new business wins.

DCC Environmental

	2013	2012	% change
Revenue	£64.9m	£58.2m	+11.5%
Operating profit	£6.3m	£6.3m	+0.2%
Operating margin	9.7%	10.8%	

Operating profit in DCC Environmental was in line with the prior year. Growth in the non-hazardous waste management business, driven by an improvement in the market in Britain, was offset by lower margins in the hazardous waste sector.

DCC Food & Beverage

	2013	2012	% change
Revenue	£107.3m	£96.9m	+10.8%
Operating profit	£2.9m	£2.7m	+7.0%
Operating margin	2.7%	2.8%	

DCC Food & Beverage achieved operating profit growth of 7.0% driven by revenue growth in its healthfood and indulgence categories as well as good overall cost control.

Forward-looking statements

This report 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.

Principal Risks and Uncertainties

The Board is responsible for the Group's risk management systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. Details of the principal strategic, operational, compliance and financial risks facing the Group are set out on pages 58 and 59 of the 2013 Annual Report. These risks continue to be the principal risks and uncertainties facing the Group for the remaining six months of the financial year.

Presentation of results and dial-in facility

There will be a presentation of these results to analysts and investors/fund managers in London at 11.00 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 937 656

UK: 0800 279 4977

International: +44 (0) 20 3427 1909

Passcode: 9251 739

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

Group Income Statement

	Notes	Unaudited 6 months ended 30 September 2013			Unaudited 6 months ended 30 September 2012			Audited year ended 31 March 2013		
		Pre exceptionals £'000	Exceptionals (note 7) £'000	Total £'000	Pre exceptionals £'000	Exceptionals £'000	Total £'000	Pre exceptionals £'000	Exceptionals £'000	Total £'000
Revenue	6	5,419,907	-	5,419,907	4,876,216	-	4,876,216	10,572,686	-	10,572,686
Cost of sales		(5,040,119)	-	(5,040,119)	(4,564,210)	-	(4,564,210)	(9,831,692)	-	(9,831,692)
Gross profit		379,788	-	379,788	312,006	-	312,006	740,994	-	740,994
Administration expenses		(133,586)	-	(133,586)	(112,284)	-	(112,284)	(247,368)	-	(247,368)
Selling and distribution expenses		(179,309)	-	(179,309)	(153,511)	-	(153,511)	(321,988)	-	(321,988)
Other operating income		6,349	5,730	12,079	8,114	-	8,114	19,129	5,601	24,730
Other operating expenses		(3,887)	(7,296)	(11,183)	(4,061)	(5,114)	(9,175)	(3,905)	(29,418)	(33,323)
Operating profit before amortisation of intangible assets		69,355	(1,566)	67,789	50,264	(5,114)	45,150	186,862	(23,817)	163,045
Amortisation of intangible assets		(10,038)	-	(10,038)	(7,010)	-	(7,010)	(14,420)	-	(14,420)
Operating profit	6	59,317	(1,566)	57,751	43,254	(5,114)	38,140	172,442	(23,817)	148,625
Finance costs		(27,601)	(4,336)	(31,937)	(19,718)	-	(19,718)	(39,363)	(1,372)	(40,735)
Finance income		16,695	-	16,695	12,471	-	12,471	25,291	-	25,291
Share of associates' profit/(loss) after tax		4	-	4	(2)	-	(2)	26	(285)	(259)
Profit before tax		48,415	(5,902)	42,513	36,005	(5,114)	30,891	158,396	(25,474)	132,922
Income tax expense	8	(7,244)	-	(7,244)	(6,293)	-	(6,293)	(26,288)	-	(26,288)
Profit after tax for the financial period		41,171	(5,902)	35,269	29,712	(5,114)	24,598	132,108	(25,474)	106,634
Profit attributable to:										
Owners of the Parent				35,019			24,475			106,295
Non-controlling interests				250			123			339
Profit after tax for the financial period				35,269			24,598			106,634
Earnings per ordinary share										
Basic	9			41.82p			29.30p			127.17p
Diluted	9			41.59p			29.22p			126.77p
Adjusted earnings per ordinary share										
Basic	9			58.34p			42.08p			171.20p
Diluted	9			58.02p			41.96p			170.66p

Group Statement of Comprehensive Income

	Unaudited 6 months ended 30 Sept. 2013 £'000	Unaudited 6 months ended 30 Sept. 2012 £'000	Audited year ended 31 March 2013 £'000
Profit for the period	35,269	24,598	106,634
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation effects	(4,019)	(5,393)	1,853
Losses relating to cash flow hedges	(2,766)	(52)	(1,931)
Movement in deferred tax liability on cash flow hedges	198	80	202
	<u>(6,587)</u>	<u>(5,365)</u>	<u>124</u>
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
- actuarial loss	(1,309)	(378)	(9,579)
- movement in deferred tax asset	164	34	1,506
	<u>(1,145)</u>	<u>(344)</u>	<u>(8,073)</u>
Other comprehensive income for the period, net of tax	<u>(7,732)</u>	<u>(5,709)</u>	<u>(7,949)</u>
Total comprehensive income for the period	<u>27,537</u>	<u>18,889</u>	<u>98,685</u>
Attributable to:			
Owners of the Parent	27,305	18,861	98,309
Non-controlling interests	232	28	376
	<u>27,537</u>	<u>18,889</u>	<u>98,685</u>

Group Balance Sheet

	Notes	Unaudited 30 Sept. 2013 £'000	Unaudited 30 Sept. 2012 £'000	Audited 31 March 2013 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		444,045	404,128	441,500
Intangible assets		755,789	674,939	749,317
Investments in associates		802	934	808
Deferred income tax assets		9,384	2,742	9,478
Derivative financial instruments		73,548	118,152	125,912
		<u>1,283,568</u>	<u>1,200,895</u>	<u>1,327,015</u>
Current assets				
Inventories		474,853	310,744	389,526
Trade and other receivables		1,035,486	956,370	1,139,266
Derivative financial instruments		8,846	7,198	11,794
Cash and cash equivalents		875,642	470,428	518,925
		<u>2,394,827</u>	<u>1,744,740</u>	<u>2,059,511</u>
Total assets		<u>3,678,395</u>	<u>2,945,635</u>	<u>3,386,526</u>
EQUITY				
Capital and reserves attributable to owners of the Parent				
Equity share capital		14,688	14,688	14,688
Share premium account		83,032	83,032	83,032
Other reserves - share options	11	10,116	9,152	9,445
Cash flow hedge reserve	11	(3,245)	1,080	(677)
Foreign currency translation reserve	11	53,016	49,903	57,017
Other reserves	11	932	932	932
Retained earnings		720,347	670,637	725,514
		<u>878,886</u>	<u>829,424</u>	<u>889,951</u>
Non-controlling interests		2,414	2,046	2,391
Total equity		<u>881,300</u>	<u>831,470</u>	<u>892,342</u>
LIABILITIES				
Non-current liabilities				
Borrowings		796,322	707,599	672,715
Derivative financial instruments		41,236	9,884	13,436
Deferred income tax liabilities		30,144	22,024	32,897
Retirement benefit obligations	13	18,067	11,505	19,352
Provisions for liabilities and charges		17,859	12,366	17,141
Deferred and contingent acquisition consideration		51,149	55,448	56,558
Government grants		1,394	1,455	1,574
		<u>956,171</u>	<u>820,281</u>	<u>813,673</u>
Current liabilities				
Trade and other payables		1,460,254	1,175,787	1,463,330
Current income tax liabilities		23,581	24,028	29,304
Borrowings		321,193	69,747	154,060
Derivative financial instruments		14,918	2,004	2,372
Provisions for liabilities and charges		4,393	3,204	12,044
Deferred and contingent acquisition consideration		16,585	19,114	19,401
		<u>1,840,924</u>	<u>1,293,884</u>	<u>1,680,511</u>
Total liabilities		<u>2,797,095</u>	<u>2,114,165</u>	<u>2,494,184</u>
Total equity and liabilities		<u>3,678,395</u>	<u>2,945,635</u>	<u>3,386,526</u>
Net debt included above	12	<u>(215,633)</u>	<u>(193,456)</u>	<u>(185,952)</u>

Group Statement of Changes in Equity

For the six months ended 30 September 2013

For the six months ended 30 September 2013	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Equity share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves (note 11) £'000	Total £'000		
At beginning of period	14,688	83,032	725,514	66,717	889,951	2,391	892,342
Profit for the period	-	-	35,019	-	35,019	250	35,269
Currency translation	-	-	-	(4,001)	(4,001)	(18)	(4,019)
Group defined benefit pension obligations:							
- actuarial loss	-	-	(1,309)	-	(1,309)	-	(1,309)
- movement in deferred tax asset	-	-	164	-	164	-	164
Losses relating to cash flow hedges	-	-	-	(2,766)	(2,766)	-	(2,766)
Movement in deferred tax liability on cash flow hedges	-	-	-	198	198	-	198
Total comprehensive income	-	-	33,874	(6,569)	27,305	232	27,537
Re-issue of treasury shares	-	-	1,179	-	1,179	-	1,179
Share based payment	-	-	-	671	671	-	671
Dividends	-	-	(40,220)	-	(40,220)	-	(40,220)
Other movements in non-controlling interests	-	-	-	-	-	(209)	(209)
At end of period	14,688	83,032	720,347	60,819	878,886	2,414	881,300

For the six months ended 30 September 2012

For the six months ended 30 September 2012	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Equity share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves (note 11) £'000	Total £'000		
At beginning of period	14,688	83,032	680,070	65,552	843,342	2,215	845,557
Profit for the period	-	-	24,475	-	24,475	123	24,598
Currency translation	-	-	-	(5,298)	(5,298)	(95)	(5,393)
Group defined benefit pension obligations:							
- actuarial loss	-	-	(378)	-	(378)	-	(378)
- movement in deferred tax asset	-	-	34	-	34	-	34
Losses relating to cash flow hedges	-	-	-	(52)	(52)	-	(52)
Movement in deferred tax liability on cash flow hedges	-	-	-	80	80	-	80
Total comprehensive income	-	-	24,131	(5,270)	18,861	28	18,889
Re-issue of treasury shares	-	-	393	-	393	-	393
Share based payment	-	-	-	785	785	-	785
Dividends	-	-	(33,957)	-	(33,957)	-	(33,957)
Other movements in non-controlling interests	-	-	-	-	-	(197)	(197)
At end of period	14,688	83,032	670,637	61,067	829,424	2,046	831,470

For the year ended 31 March 2013

For the year ended 31 March 2013	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Equity share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves (note 11) £'000	Total £'000		
At beginning of period	14,688	83,032	680,070	65,552	843,342	2,215	845,557
Profit for the period	-	-	106,295	-	106,295	339	106,634
Currency translation	-	-	-	1,816	1,816	37	1,853
Group defined benefit pension obligations:							
- actuarial loss	-	-	(9,579)	-	(9,579)	-	(9,579)
- movement in deferred tax asset	-	-	1,506	-	1,506	-	1,506
Losses relating to cash flow hedges	-	-	-	(1,931)	(1,931)	-	(1,931)
Movement in deferred tax liability on cash flow hedges	-	-	-	202	202	-	202
Total comprehensive income	-	-	98,222	87	98,309	376	98,685
Re-issue of treasury shares	-	-	1,702	-	1,702	-	1,702
Share based payment	-	-	-	1,078	1,078	-	1,078
Dividends	-	-	(54,480)	-	(54,480)	-	(54,480)
Other movements in non-controlling interests	-	-	-	-	-	(200)	(200)
At end of period	14,688	83,032	725,514	66,717	889,951	2,391	892,342

Group Cash Flow Statement

	Unaudited 6 months ended 30 Sept. 2013 £'000	Unaudited 6 months ended 30 Sept. 2012 £'000	Audited year ended 31 March 2013 £'000
Cash flows from operating activities			
Profit for the period	35,269	24,598	106,634
Add back non-operating expenses			
- tax	7,244	6,293	26,288
- share of (profit)/loss from associates	(4)	2	259
- net operating exceptionals	1,566	5,114	23,817
- net finance costs	15,242	7,247	15,444
Group operating profit before exceptionals	59,317	43,254	172,442
Share-based payment	671	785	1,078
Depreciation	30,465	25,272	54,234
Amortisation of intangible assets	10,038	7,010	14,420
Profit on disposal of property, plant and equipment	(432)	(463)	(1,036)
Amortisation of government grants	(194)	(262)	(476)
Other	(798)	905	(4,249)
Decrease/(increase) in working capital	11,239	(12,613)	28,201
Cash generated from operations	110,306	63,888	264,614
Exceptionals	(12,625)	(11,582)	(25,179)
Interest paid	(24,828)	(19,333)	(39,970)
Income tax paid	(16,231)	(14,846)	(31,273)
Net cash flows from operating activities	56,622	18,127	168,192
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment	1,174	1,460	5,042
Government grants received	-	11	-
Disposal of subsidiaries	-	11,580	11,722
Interest received	16,462	12,314	25,593
	17,636	25,365	42,357
Outflows			
Purchase of property, plant and equipment	(34,774)	(28,317)	(62,508)
Acquisition of subsidiaries	(15,720)	(66,559)	(156,177)
Deferred and contingent acquisition consideration paid	(7,046)	(10,422)	(11,970)
	(57,540)	(105,298)	(230,655)
Net cash flows from investing activities	(39,904)	(79,933)	(188,298)
Financing activities			
Inflows			
Re-issue of treasury shares	1,179	393	1,702
Increase in interest-bearing loans and borrowings	341,705	-	-
Increase in finance lease liabilities	-	411	1,425
	342,884	804	3,127
Outflows			
Repayment of finance lease liabilities	(823)	(129)	(564)
Dividends paid to owners of the Parent	(40,220)	(33,957)	(54,480)
Dividends paid to non-controlling interests	(209)	(197)	(200)
	(41,252)	(34,283)	(55,244)
Net cash flows from financing activities	301,632	(33,479)	(52,117)
Change in cash and cash equivalents	318,350	(95,285)	(72,223)
Translation adjustment	(4,138)	(3,955)	2,891
Cash and cash equivalents at beginning of period	431,074	500,406	500,406
Cash and cash equivalents at end of period	745,286	401,166	431,074
Cash and cash equivalents consists of:			
Cash and short term bank deposits	875,642	470,428	518,925
Overdrafts	(130,356)	(69,262)	(87,851)
	745,286	401,166	431,074

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

1. Basis of Preparation

The Group Condensed Interim Financial Statements which should be read in conjunction with the annual financial statements for the year ended 31 March 2013 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency rules of the Irish Financial Services Regulatory Authority and in accordance with International Accounting Standard 34, *Interim Financial Reporting* (IAS 34) as adopted by the EU.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis.

These condensed interim financial statements for the six months ended 30 September 2013 and the comparative figures for the six months ended 30 September 2012 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2013 represent an abbreviated version of the Group's full accounts for that year, on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

2. Change in Presentation Currency

On 26 February 2013 the Group announced that from the beginning of the current financial year it would be changing the currency in which it presents its financial results from euro to UK pounds sterling ('sterling'). Accordingly, the reported results for the six months ended 30 September 2012 and for the year ended 31 March 2013 have been translated from euro to pounds sterling.

The trading results of subsidiaries where the functional currency was other than sterling were translated into sterling at the relevant average rates of exchange while the assets and liabilities of these operations were translated into sterling at the relevant closing rates of exchange. A change in presentation currency represents a change in accounting policy which is accounted for retrospectively. Further information on the procedure used to restate comparative information from euro to sterling can be found on pages 181 to 184 of the 2013 Annual Report.

3. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group Condensed Interim Financial Statements are consistent with those applied in the Annual Report for the financial year ended 31 March 2013 and are described in those financial statements on pages 105 to 117.

The following interpretations or amended standards are mandatory for the first time for the financial year beginning 1 April 2013:

- Amendment to IAS 19 *Employee benefits*. This amendment made significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and significantly increases the volume of disclosures. The main impact on the Group, apart from the additional required disclosures, is that the expected return on defined benefit pension assets included in the Income Statement is no longer based on an estimate of asset returns but is now equal to the discount rate. This change in accounting policy had no impact on net assets at 30 September 2012 or 31 March 2013 and had no material impact on earnings per share for the current or comparative periods (£0.2 million increase in profit after tax in the six months ended 30 September 2012); and
- Amendment to IAS 1 *Presentation of items of other comprehensive income (OCI)*. This amendment introduced a requirement for entities to group items of OCI on the basis of whether they are potentially re-classifiable to profit or loss subsequently. This amendment has resulted in some presentation changes and comparative information has been re-presented accordingly. The adoption of this amendment had no impact on the recognised assets, liabilities and comprehensive income of the Group.

There are a number of other amendments to existing standards that are effective for the Group for the first time from 1 April 2013. None of these had a material impact on the Group.

4. Going Concern

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, a period of not less than twelve months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the condensed interim financial statements.

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

5. Reporting Currency

The Group's financial statements are prepared in sterling denoted by the symbol £. The exchange rates used in translating euro denominated Balance Sheets and Income Statement amounts were as follows:

	6 months ended 30 Sept. 2013 €1=Stg£	6 months ended 30 Sept. 2012 €1=Stg£	Year ended 31 March 2013 €1=Stg£
Balance Sheet (closing rate)	0.836	0.798	0.846
Income Statement (average rate)	0.855	0.806	0.815

6. Segmental Reporting

DCC is an international sales, marketing, distribution and business support services group headquartered in Dublin, Ireland. 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 and his executive management team. The Group is organised and managed across five operating segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

DCC Energy markets and sells oil and LPG products for transport, commercial/industrial, marine, aviation and home heating use in Britain, Ireland and Continental Europe. DCC Energy also includes a fuel card services business.

DCC SerCom is a leading distributor of IT, Communications and Home Entertainment products in Britain, Ireland and France and also provides outsourced procurement and supply chain management services in Ireland, Poland, China and the USA.

DCC Healthcare is focused on the sales, marketing and distribution of pharmaceuticals and medical devices, to the hospital, retail pharmacy and homecare channels in both Britain and Ireland. DCC Healthcare also provides outsourced product development, manufacturing, packing and other services to health and beauty brand owners, principally in the areas of nutrition and beauty products.

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 is principally focused on the sales, marketing and distribution of food and beverage products in Ireland and on retail restaurant and outsourced hospitality services through a joint venture company.

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.

The consolidated total assets of the Group as at 30 September 2013 of £3.678 billion were not materially different from the equivalent figure at 31 March 2013 and therefore the related segmental disclosure note has been omitted in accordance with IAS 34 *Interim Financial Reporting*.

Intersegment revenue is not material and thus not subject to separate disclosure.

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

6. Segmental Reporting - continued

(a) By operating segment

Unaudited six months ended 30 September 2013						
	DCC Energy £'000	DCC SerCom £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment revenue	4,093,358	959,257	195,088	64,908	107,296	5,419,907
Operating profit*	33,502	14,115	12,553	6,316	2,869	69,355
Amortisation of intangible assets	(6,823)	(990)	(1,167)	(673)	(385)	(10,038)
Net operating exceptionals (note 7)	455	(689)	(1,332)	-	-	(1,566)
Operating profit	27,134	12,436	10,054	5,643	2,484	57,751

Unaudited six months ended 30 September 2012						
	DCC Energy £'000	DCC SerCom £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment revenue	3,827,571	742,841	150,699	58,234	96,871	4,876,216
Operating profit*	18,839	12,733	9,709	6,302	2,681	50,264
Amortisation of intangible assets	(4,820)	(683)	(491)	(654)	(362)	(7,010)
Net operating exceptionals (note 7)	(3,947)	(153)	(978)	-	(36)	(5,114)
Operating profit	10,072	11,897	8,240	5,648	2,283	38,140

Audited year ended 31 March 2013						
	DCC Energy £'000	DCC SerCom £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment revenue	8,112,143	1,850,246	320,593	116,107	173,597	10,572,686
Operating profit*	106,170	41,481	22,194	10,895	6,122	186,862
Amortisation of intangible assets	(10,140)	(1,354)	(850)	(1,342)	(734)	(14,420)
Net operating exceptionals (note 7)	(26,325)	2,467	(2,040)	360	1,721	(23,817)
Operating profit	69,705	42,594	19,304	9,913	7,109	148,625

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

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

6. Segmental Reporting - continued

(b) By geography

Unaudited six months ended 30 September 2013			
	UK £'000	Republic of Ireland £'000	Rest of the World £'000
			Total £'000
Segment revenue	4,069,259	448,246	902,402
Operating profit*	56,243	4,632	8,480
Amortisation of intangible assets	(5,674)	(1,076)	(3,288)
Net operating exceptionals (note 7)	(5,289)	556	3,167
Operating profit	45,280	4,112	8,359

Unaudited six months ended 30 September 2012			
	UK £'000	Republic of Ireland £'000	Rest of the World £'000
			Total £'000
Segment revenue	3,795,153	419,696	661,367
Operating profit*	35,973	4,397	9,894
Amortisation of intangible assets	(4,358)	(671)	(1,981)
Net operating exceptionals (note 7)	(3,289)	(763)	(1,062)
Operating profit	28,326	2,963	6,851

Audited year ended 31 March 2013			
	UK £'000	Republic of Ireland £'000	Rest of the World £'000
			Total £'000
Segment revenue	8,083,476	835,324	1,653,886
Operating profit*	137,696	20,052	29,114
Amortisation of intangible assets	(8,394)	(1,372)	(4,654)
Net operating exceptionals (note 7)	(19,405)	(1,317)	(3,095)
Operating profit	109,897	17,363	21,365

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

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

7. Exceptional Items

	Unaudited 6 months ended 30 Sept. 2013 £'000	Unaudited 6 months ended 30 Sept. 2012 £'000	Audited year ended 31 March 2013 £'000
Restructuring costs	(4,514)	(1,512)	(16,882)
Adjustments to deferred and contingent acquisition consideration	4,274	-	5,601
Acquisition related fees	(2,182)	(3,602)	(12,146)
Restructuring of Group defined benefit pension schemes	1,456	-	-
Other operating exceptional items	(600)	-	(390)
Operating exceptional items	(1,566)	(5,114)	(23,817)
Mark to market gains (included in interest)	(4,336)	-	(1,372)
Impairment of associate company investment and loan	-	-	(285)
Net exceptional items	(5,902)	(5,114)	(25,474)

The Group incurred a net exceptional charge of £5.902 million during the six months ended 30 September 2013.

The Group incurred an exceptional charge of £4.514 million in relation to additional restructuring of acquired and existing businesses not provided for at 31 March 2013 as the expenditures had not been committed to at that date. Most of this related to the planned integration into DCC Energy's existing operations of previously acquired oil businesses.

Deferred and contingent consideration is measured at fair value at the time of the business combination with any subsequent changes to the liability being recognised in the Income Statement. The net reduction in deferred and contingent consideration payable by the Group amounted to £4.274 million in the period.

Acquisition and related costs include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities. During the first half these costs amounted to £2.182 million.

Restructuring of certain of the Group's pension arrangements during the period gave rise to an exceptional gain of £1.456 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. Normal volatility in capital markets has given rise to a mark to market ineffectiveness loss of £4.336 million primarily driven by the additional funds raised in April 2013. This non cash loss will unwind as a gain over the remaining life of the relevant swaps.

8. Taxation

The taxation expense for the interim period is based on management's best estimate of the weighted average tax rate that is expected to be applicable for the full year. The Group's effective tax rate for the period was 16.0% (six months ended 30 September 2012: 18.0% and year ended 31 March 2013: 17.0%). The decrease in the Group's effective tax rate in the current year is primarily driven by the reduction in the UK corporation tax rate.

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

9. Earnings per Ordinary Share and Adjusted Earnings per Ordinary Share

	Unaudited 6 months ended 30 Sept. 2013 £'000	Unaudited 6 months ended 30 Sept. 2012 £'000	Audited year ended 31 March 2013 £'000
Profit attributable to owners of the Parent	35,019	24,475	106,295
Amortisation of intangible assets after tax	7,930	5,560	11,333
Exceptionals after tax (note 7)	5,902	5,114	25,474
Adjusted profit after taxation and non-controlling interests	48,851	35,149	143,102
Basic earnings per ordinary share	pence	pence	pence
Basic earnings per ordinary share	41.82p	29.30p	127.17p
Adjusted basic earnings per ordinary share	58.34p	42.08p	171.20p
Weighted average number of ordinary shares in issue (thousands)	83,742	83,534	83,586
Diluted earnings per ordinary share	pence	pence	pence
Diluted earnings per ordinary share	41.59p	29.22p	126.77p
Adjusted diluted earnings per ordinary share	58.02p	41.96p	170.66p
Diluted weighted average number of ordinary shares in issue (thousands)	84,194	83,765	83,850

The adjusted figures for earnings per share are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

10. Dividends

	Unaudited 6 months ended 30 Sept. 2013 £'000	Unaudited 6 months ended 30 Sept. 2012 £'000	Audited year ended 31 March 2013 £'000
Interim - paid 29.48 cent per share on 30 November 2012	-	-	20,105
Final - paid 56.20 cent per share on 25 July 2013 (paid 50.47 cent per share on 26 July 2012)	40,220	33,957	34,375
	40,220	33,957	54,480

On 5 November 2013, the Board approved an interim dividend of 26.12 pence per share. These condensed consolidated interim financial statements do not reflect this dividend payable. The 2012/2013 interim dividend of 29.48 cent per share was declared in euro and translated to 23.75 pence per share using the average euro/sterling exchange rate for the six months ended 30 September 2012 of £0.8055 = €1.

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

11. Other Reserves

For the six months ended 30 September 2013

	Share options £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total other reserves £'000
At beginning of period	9,445	(677)	57,017	932	66,717
Currency translation	-	-	(4,001)	-	(4,001)
Losses relating to cash flow hedges	-	(2,766)	-	-	(2,766)
Movement in deferred tax liability on cash flow hedges	-	198	-	-	198
Share based payment	671	-	-	-	671
At end of period	10,116	(3,245)	53,016	932	60,819

For the six months ended 30 September 2012

	Share options £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total other reserves £'000
At beginning of period	8,367	1,052	55,201	932	65,552
Currency translation	-	-	(5,298)	-	(5,298)
Losses relating to cash flow hedges	-	(52)	-	-	(52)
Movement in deferred tax liability on cash flow hedges	-	80	-	-	80
Share based payment	785	-	-	-	785
At end of period	9,152	1,080	49,903	932	61,067

For the year ended 31 March 2013

	Share options £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total other reserves £'000
At beginning of period	8,367	1,052	55,201	932	65,552
Currency translation	-	-	1,816	-	1,816
Losses relating to cash flow hedges	-	(1,931)	-	-	(1,931)
Movement in deferred tax liability on cash flow hedges	-	202	-	-	202
Share based payment	1,078	-	-	-	1,078
At end of period	9,445	(677)	57,017	932	66,717

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

12. Analysis of Net Debt

	Unaudited 30 Sept. 2013 £'000	Unaudited 30 Sept. 2012 £'000	Audited 31 March 2013 £'000
Non-current assets:			
Derivative financial instruments	73,548	118,152	125,912
Current assets:			
Derivative financial instruments	8,846	7,198	11,794
Cash and cash equivalents	875,642	470,428	518,925
	<u>884,488</u>	<u>477,626</u>	<u>530,719</u>
Non-current liabilities:			
Borrowings	(274)	(238)	(619)
Derivative financial instruments	(41,236)	(9,884)	(13,436)
Unsecured Notes	(796,048)	(707,361)	(672,096)
	<u>(837,558)</u>	<u>(717,483)</u>	<u>(686,151)</u>
Current liabilities:			
Borrowings	(130,589)	(69,747)	(88,573)
Derivative financial instruments	(14,918)	(2,004)	(2,372)
Unsecured Notes	(190,604)	-	(65,487)
	<u>(336,111)</u>	<u>(71,751)</u>	<u>(156,432)</u>
Net debt	<u>(215,633)</u>	<u>(193,456)</u>	<u>(185,952)</u>
Group share of joint ventures' net cash included above	<u>490</u>	<u>1,344</u>	<u>697</u>

13. Retirement Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 30 September 2013. The defined benefit pension schemes' liabilities at 30 September 2013 have been updated based on market conditions at that date.

The deficit on the Group's retirement benefit obligations decreased from £19.352 million at 31 March 2013 to £18.067 million at 30 September 2013. The decrease in the deficit was primarily driven by a reduction in the pension liability due to an exceptional gain of £1.456 million arising on the reorganisation of certain of the Group's defined benefit pension schemes.

14. Changes in Estimates and Assumptions

The following actuarial assumptions have been made in determining the Group's retirement benefit obligation for the six months ended 30 September 2013:

	Unaudited 6 months ended 30 Sept. 2013	Unaudited 6 months ended 30 Sept. 2012	Audited year ended 31 March 2013
Discount rate			
- UK	4.55%	4.60%	4.40%
- Republic of Ireland	<u>3.70%</u>	<u>4.20%</u>	<u>3.70%</u>

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

15. Business Combinations

The principal acquisition completed by the Group during the six months ended 30 September 2013 was the acquisition in June 2013 of 100% of Leonhard Lang UK Limited, a UK based business which is focused on the sales, marketing and distribution of medical consumables to hospitals and ambulance services in Britain.

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

	Unaudited 30 Sept. 2013 £'000
Assets	
Non-current assets	
Property, plant and equipment	863
Intangible assets - other intangible assets	4,350
Deferred income tax assets	4
Total non-current assets	<u>5,217</u>
Current assets	
Inventories	2,224
Trade and other receivables	14,100
Total current assets	<u>16,324</u>
Liabilities	
Non-current liabilities	
Deferred income tax liabilities	<u>(983)</u>
Total non-current liabilities	<u>(983)</u>
Current liabilities	
Trade and other payables	(17,722)
Current income tax liabilities	(353)
Total current liabilities	<u>(18,075)</u>
Identifiable net assets acquired	2,483
Intangible assets - goodwill	16,393
Total consideration (enterprise value)	<u>18,876</u>
Satisfied by:	
Cash	24,385
Net cash acquired	<u>(8,665)</u>
Net cash outflow	15,720
Deferred and contingent acquisition consideration	3,156
Total consideration	<u>18,876</u>

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

15. Business Combinations - continued

None of the business combinations completed during the period 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:

Total	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	867	4,350	5,217
Current assets	16,324	-	16,324
Non-current liabilities and non-controlling interests	(11)	(972)	(983)
Current liabilities	(18,075)	-	(18,075)
Identifiable net assets acquired	(895)	3,378	2,483
Goodwill arising on acquisition	19,771	(3,378)	16,393
Total consideration (enterprise value)	18,876	-	18,876

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 acquisitions, with any amendments to these fair values to be finalised within a twelve month timeframe from the dates of acquisition. There were no adjustments processed during the six months ended 30 September 2013 to the fair value of business combinations completed during the preceding twelve months.

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.

None of the goodwill recognised in respect of acquisitions completed during the period is expected to be deductible for tax purposes.

Acquisition related costs included in the Group Income Statement amounted to £2.182 million.

No contingent liabilities were recognised on the acquisitions completed during the period or in prior financial years.

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £14.199 million. The fair value of these receivables was £14.100 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £0.099 million.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions in the current period range from nil to £4.156 million.

The acquisitions during the period contributed £197.981 million to revenues and £1.698 million to operating profit before amortisation of intangible assets and net operating exceptionals. Had all the business combinations effected during the period occurred at the beginning of the period, total Group revenue for the six months ended 30 September 2013 would be £5,432.266 million and total Group operating profit before amortisation of intangible assets and net operating exceptionals would be £70.526 million.

Notes to the Group Condensed Interim Financial Statements

for the six months ended 30 September 2013

16. Seasonality of Operations

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

17. Goodwill

Goodwill is subject to impairment testing on an annual basis and more frequently if an indicator of impairment is considered to exist. There were no other indicators of impairment during the six months ended 30 September 2013. The Board is satisfied that the carrying value of goodwill at 30 September 2013 has not been impaired.

18. Related Party Transactions

There have been no related party transactions or changes in related party transactions other than those described in the Annual Report in respect of the year ended 31 March 2013 that could have a material impact on the financial position or performance of the Group in the six months ended 30 September 2013.

19. Events After the Balance Sheet Date

There were no material events subsequent to 30 September 2013 which would require disclosure in this report.

20. Distribution of Interim Report

This report and further information on DCC is available at the Company's website www.dcc.ie. This report is being distributed to shareholders and will be available to the public at the Company's registered office at DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

1. the condensed set of interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
2. the interim management report includes a fair review of the information required by:

Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Michael Buckley
Chairman

Tommy Breen
Chief Executive

5 November 2013