

16 May 2017

DCC Reports a Year of Strong Growth and Development

DCC, the leading international sales, marketing and business support services group, today announced its results for the year ended 31 March 2017.

Highlights	2017	2016	% change
DCC Energy volumes (litres)	14.649bn	13.021bn	+12.5%
Revenue - continuing ¹ (excl. DCC Energy)	£3.196bn	£2.932bn	+9.0%
Operating profit ² - continuing ¹	£345.0m	£285.3m	+20.9%
Total operating profit ²	£363.6m	£300.5m	+21.0%
Adjusted earnings per share ² – continuing ¹	286.6p	242.8p	+18.1%
Total adjusted earnings per share ²	303.7p	257.1p	+18.1%
Dividend per share	111.80p	97.22p	+15.0%
Free cash flow ³	£415.5m	£291.1m	+42.7%
Return on capital employed – continuing ¹	20.3%	21.9%	

- All divisions of DCC recorded strong profit growth, with Group operating profit on a continuing basis increasing by 20.9% (12.8% on a constant currency basis) to £345.0 million.
- Adjusted earnings per share on a continuing basis up 18.1% (10.3% on a constant currency basis) to 286.6 pence.
- Proposed 16.3% increase in the final dividend, which, together with the interim dividend increase of 12.5%, will see the total dividend for the year increase by 15.0%, the 23rd consecutive year of dividend growth since DCC listed in 1994.
- Excellent cash flow performance, with free cash flow conversion of 114% and a return on total capital employed of 20.3%.
- Very active period of corporate development, with over £550 million committed to acquisitions, including the agreed acquisition of Esso's retail network in Norway, the agreed acquisition of Shell's LPG business in Hong Kong & Macau, DCC's first material step beyond Europe, and further acquisition activity across DCC Energy, DCC Healthcare and DCC Technology.
- The agreed disposal of DCC's environmental division for an enterprise value of £219 million brings increased strategic focus to the Group.
- The Group expects that the year ending 31 March 2018 will be another year of profit growth and development.

¹ Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

² Excluding net exceptionals and amortisation of intangible assets

³ After net capital expenditure and before net exceptionals, interest and tax payments

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

"I am very pleased to report that the year ended 31 March 2017 has been a strong year of growth and development for DCC. The results reflect the continued successful execution of our strategy in significantly growing our operating profits, converting those profits into cash and re-deploying capital into our Energy, Healthcare and Technology businesses.

The Group continues to have the ambition, capacity and opportunity for further development. We expect that the coming year will be another year of profit growth and development for DCC."

Presentation of results and dial-in / webcast facility

There will be a presentation of these results to analysts and fund managers at 9.00 am today in the London Stock Exchange. The slides for this presentation can be downloaded from DCC's website, www.dcc.ie.

There will also be audio conference access to, and a live webcast of, the presentation. The access details for the presentation are:

Ireland: 1800 992 778

UK / International: +44 (0)203 427 1905

Passcode: 4979141

Webcast Link: <https://edge.media-server.com/m6/p/q6eq9non>

This report, a webcast of the presentation and further information on DCC is available at www.dcc.ie.

For reference, please contact:

Tommy Breen, Chief Executive
Fergal O'Dwyer, Chief Financial Officer
Kevin Lucey, Head of Capital Markets

Tel: +353 1 2799 400
Email: investorrelations@dcc.ie
Web: www.dcc.ie

For media enquiries: Powerscourt (Lisa Kavanagh)

Tel: +44 20 7250 1446

Group Results

A summary of the Group's results for the year ended 31 March 2017 is as follows:

	2017 £'m	2016 £'m	% change
Revenue – continuing ¹	<u>12,270</u>	<u>10,448</u>	+17.4%
Operating profit ²			
DCC Energy	254.9	205.2	+24.3%
DCC Healthcare	49.0	45.0	+8.7%
DCC Technology	<u>41.1</u>	<u>35.1</u>	+17.1%
Operating profit ² – continuing ¹	345.0	285.3	+20.9%
Operating profit ² – discontinued operations	<u>18.6</u>	<u>15.2</u>	+22.2%
Group operating profit ²	363.6	300.5	+21.0%
Equity accounted investments' profit after tax	0.7	0.5	
Finance costs (net)	<u>(32.1)</u>	<u>(29.0)</u>	
Profit before net exceptionals, amortisation of intangible assets and tax	332.2	272.0	+22.1%
Net exceptional charge after tax and non-controlling interests	<u>(24.8)</u>	<u>(23.7)</u>	
Amortisation of intangible assets	<u>(39.2)</u>	<u>(31.6)</u>	
Profit before tax	268.2	216.7	+23.7%
Taxation	<u>(47.3)</u>	<u>(36.0)</u>	
Profit after tax	220.9	180.7	+22.2%
Non-controlling interests	<u>(4.7)</u>	<u>(2.7)</u>	
Attributable profit	<u>216.2</u>	<u>178.0</u>	+21.4%
Adjusted earnings per share ² - continuing ¹	286.6p	242.8p	+18.1%
Total adjusted earnings per share ²	303.7p	257.1p	+18.1%
Dividend per share	111.80p	97.22p	+15.0%
Operating cash flow	546.9	411.7	+32.8%
Free cash flow ³	415.5	291.1	+42.7%
Net debt at 31 March	121.9	54.5	
Total equity at 31 March	1,507.7	1,350.5	
Return on capital employed - continuing ¹	20.3%	21.9%	

¹ Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

² Excluding net exceptionals and amortisation of intangible assets

³ After net capital expenditure and before net exceptionals, interest and tax payments

Revenue – continuing operations

Revenue from continuing operations increased by 17.4% (11.5% on a constant currency basis) to £12.3 billion.

Overall volumes in DCC Energy increased by 12.5% to 14.6 billion litres, driven by the full year impact of the acquisition of the Esso Retail business in France and by the first time contribution of the acquisitions of Gaz Européen and Dansk Fuels. On a like-for-like basis, volumes were 1.0% ahead of the prior year. DCC Energy's revenue increased by 20.7% (14.0% on a constant currency basis).

Excluding DCC Energy, revenue from continuing operations was up 9.0% (5.0% on a constant currency basis), with revenue in DCC Technology increasing by 10.1% (5.8% on a constant currency basis) and revenue in DCC Healthcare increasing by 3.2% (1.3% on a constant currency basis).

Operating profit – continuing operations

Operating profit from continuing operations increased by 20.9% to £345.0 million (12.8% on a constant currency basis); approximately one third of the constant currency operating profit growth was organic. The Group also benefited from the full year impact of the acquisitions completed during the prior year. The average sterling/euro translation rate for the year of 1.1956 was 12.7% weaker than the average of 1.3697 in the prior year.

Operating profit in DCC Energy, the Group's largest division, was 24.3% ahead of the prior year and 13.9% ahead of the prior year on a constant currency basis. DCC Energy benefited from the full year impact of the acquisitions of Butagaz and Esso Retail France in the prior year. Over one third of the constant currency profit growth was organic and was driven by a strong performance from the LPG business, despite the headwind of rising product prices.

Operating profit in DCC Healthcare was 8.7% ahead of the prior year (8.0% on a constant currency basis); approximately two thirds of the constant currency growth was organic. The business benefited from a strong organic performance from DCC Health & Beauty Solutions, although DCC Vital was, as anticipated, impacted somewhat by the weakness of sterling, particularly in pharma products. Medisource, acquired by DCC Vital in January 2017, has traded in line with expectations.

Operating profit in DCC Technology increased by 17.1% (12.5% on a constant currency basis), benefiting from the contributions from acquisitions completed in the current and prior year. Approximately one third of the constant currency operating profit growth was organic and was driven by a good performance from the UK and Irish business. A weaker demand environment impacted trading in the French retail-focused business, although the Swedish and supply chain businesses experienced better trading conditions and achieved good organic growth.

An analysis of the divisional performance in each half of the year, for the Group's continuing operations, is set out below:

	2016/17			2015/16			% change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Operating profit*	£'m	£'m	£'m	£'m	£'m	£'m			
DCC Energy	76.0	178.9	254.9	52.9	152.3	205.2	+43.8%	+17.5%	+24.3%
DCC Healthcare	19.8	29.2	49.0	18.4	26.6	45.0	+7.0%	+9.8%	+8.7%
DCC Technology	11.3	29.8	41.1	8.6	26.5	35.1	+31.9%	+12.2%	+17.1%
Group	107.1	237.9	345.0	79.9	205.4	285.3	+34.0%	+15.8%	+20.9%
Adjusted EPS* (pence)	82.2	204.4	286.6	62.1	180.7	242.8	+32.2%	+13.1%	+18.1%

* Excluding net exceptionals and amortisation of intangible assets

Operating profit – discontinued operations

The Group's discontinued operations represent the operations of DCC Environmental, the disposal of which was announced on 5 April 2017. The disposal is expected to complete during the first quarter of the Group's financial year ending 31 March 2018.

DCC Environmental achieved very strong organic profit growth, with operating profit increasing to £18.6 million, 22.2% ahead of the prior year.

Finance costs (net)

Net finance costs increased to £32.1 million (2016: £29.0 million) primarily due to the non-cash partial unwind of discounted acquisition related liabilities acquired in the Butagaz transaction. The underlying finance costs of the Group were broadly in line with the prior year as they are principally driven by the level of the Group's gross private placement debt, which remained largely unchanged. Average net debt during the year was £301 million compared to £185 million during the year ended 31 March 2016, with the increase reflecting the full year impact of the completion of the acquisitions of Butagaz and Esso Retail France during the prior year and the aggregate spend of £394 million on acquisitions and net capital expenditure in the current year.

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

Profit before net exceptional items, amortisation of intangible assets and tax increased by 22.1% to £332.2 million (14.4% on a constant currency basis).

Net exceptional charge and amortisation of intangible assets

The Group incurred a net exceptional charge after tax and non-controlling interests of £24.8 million as follows:

	£'m
Restructuring costs	19.3
Acquisition related costs	10.3
Adjustments to contingent acquisition consideration	5.1
IAS39 mark-to-market gain	(10.1)
Other	<u>1.6</u>
	26.2
Tax and non-controlling interest	<u>(1.4)</u>
Net exceptional charge	<u>24.8</u>

The Group has focused on the efficiency of its operating infrastructures and sales platforms, particularly in areas where it has been acquisitive in recent years. The Group incurred an exceptional charge of £19.3 million in relation to restructuring of existing and acquired businesses. The majority of the charge relates to restructuring and integration in the Energy division where the Group has been most acquisitive. The charge also includes integration costs related to acquisition activity and costs in respect of the pre-operating period of the new UK national distribution centre in the Technology division.

Acquisition costs, which include professional fees and tax costs (such as stamp duty) incurred in evaluating and completing acquisitions, amounted to £10.3 million and reflect the significant level of development activity undertaken by the Group during the year.

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 interest rate derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges, offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the year ended 31 March 2017, this amounted to an

exceptional non-cash gain of £10.1 million. Following this credit, the cumulative net exceptional charge taken in respect of the Group's outstanding US Private Placement debt and related hedging instruments is £5.6 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

The net increase in the provision for contingent acquisition consideration is due to the stronger than anticipated trading performance of a small number of businesses acquired during the last three years, where earn-out arrangements are in place.

There was a net tax charge of £1.7 million and a non-controlling interest credit of £3.1 million in relation to the above net exceptional charge.

The charge for the amortisation of acquisition related intangible assets increased to £39.2 million from £31.6 million, principally reflecting acquisitions completed in the current and prior year.

Profit before tax

Profit before tax increased by 23.7% to £268.2 million.

Taxation

The effective tax rate for the Group increased to 17.5% from 16% in the prior year. The increase is primarily due to the larger proportion of the Group's profits now generated in Continental Europe.

Adjusted earnings per share

Adjusted earnings per share on a continuing basis increased by 18.1% (10.3% on a constant currency basis) to 286.6 pence.

Total adjusted earnings per share also increased by 18.1% (10.8% on a constant currency basis) to 303.7 pence.

Dividend

The Board is recommending an increase of 16.3% in the final dividend to 74.63 pence per share, which, when added to the interim dividend of 37.17 pence per share, gives a total dividend for the year of 111.80 pence per share. This represents a 15% increase over the total prior year dividend of 97.22 pence per share. The dividend is covered 2.6 times by adjusted earnings per share on a continuing basis (2.5 times in 2016). It is proposed to pay the final dividend on 20 July 2017 to shareholders on the register at the close of business on 26 May 2017.

Over its 23 years as a listed company, DCC has an unbroken record of dividend growth at a compound annual rate of 14.7%.

Cash flow

The Group generated excellent operating and free cash flow during the year as set out below:

Year ended 31 March	2017 £'m	2016 £'m
Group operating profit	363.6	300.5
Decrease in working capital	84.0	37.6
Depreciation and other	<u>99.3</u>	<u>73.6</u>
Operating cash flow	546.9	411.7
Capital expenditure (net)	<u>(131.4)</u>	<u>(120.6)</u>
Free cash flow	415.5	291.1
Interest and tax paid, net of dividend from equity accounted investments	<u>(91.2)</u>	<u>(63.4)</u>
Free cash flow after interest and tax	324.3	227.7
Acquisitions	(262.4)	(394.0)
Dividends (incl. dividends paid to non-controlling interests)	(95.3)	(80.9)
Exceptional items/disposals (net)	(31.5)	(15.4)
Share issues	<u>2.6</u>	<u>197.7</u>
Net outflow	(62.3)	(64.9)
Opening net (debt)/cash	(54.5)	30.0
Translation and other	<u>(5.1)</u>	<u>(19.6)</u>
Closing net debt	<u>(121.9)</u>	<u>(54.5)</u>

Operating cash flow in 2017 was £546.9 million compared to £411.7 million in the prior year. Working capital reduced by £84.0 million, with the inflow driven by the increase in the oil price during the year and a seasonal reduction in working capital in a number of businesses acquired in the second half of the year. Overall working capital days were negative 3.3 days sales, compared to negative 3.9 days sales in the prior year, reflecting the acquisition during the year of businesses with positive working capital characteristics. DCC Technology selectively uses supply chain financing solutions to sell, on a non-recourse basis, a portion of its receivables relating to certain larger supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2017 increased modestly on the prior year and supply chain financing had a positive impact on Group working capital days of 4.2 days (31 March 2016: 4.9 days).

Net capital expenditure amounted to £131.4 million for the year (2016: £120.6 million) and was net of disposal proceeds of £12.3 million. The increased level of gross capital expenditure reflects the increasing scale of the Group and also an increase in development capital expenditure in the Energy division's Retail business. The net capital expenditure exceeded the depreciation charge in the year by £39.4 million.

The Group's free cash flow amounted to £415.5 million, an excellent 114% conversion of operating profit into cash.

Return on capital employed

The creation of shareholder value through the delivery of consistent, long-term returns well in excess of its cost of capital is one of DCC's core strategic aims. The increase in the Group's operating profit and strong working capital management resulted in a Group return on capital employed from continuing operations of 20.3%. The return on capital employed by division was as follows:

	2017	2016
DCC Energy	21.6%	24.4%
DCC Healthcare	17.5%	17.1%
DCC Technology	17.1%	17.8%
Group – continuing	20.3%	21.9%

As previously reported, in the prior year the overall Group return and that of DCC Energy was flattered somewhat by the acquisitions of Butagaz and Esso Retail France which were completed during the prior year. The pro-forma return for DCC Energy and the Group for the prior year (i.e. including these acquisitions as if they had been in place for the full year ended 31 March 2016) would have been approximately 21% and 20% respectively.

Committed acquisitions, disposal and capital expenditure

Committed acquisition and capital expenditure in the current year amounted to £685.3 million as follows:

	Acquisitions	Capex	Total
	£'m	£'m	£'m
DCC Energy	461.3	79.9	541.2
DCC Healthcare	28.4	8.0	36.4
DCC Technology	64.2	36.9	101.1
DCC Environmental	—	6.6	6.6
Total	553.9	131.4	685.3

Acquisition activity

Committed acquisition expenditure amounted to £553.9 million and included:

DCC Energy

Shell LPG Hong Kong & Macau

On 5 April 2017, DCC announced that DCC Energy had reached agreement with Shell Gas (LPG) Holdings BV to acquire its liquefied petroleum gas ("LPG") business in Hong Kong and Macau ("Shell HK&M") based on an enterprise value of HK\$1.165 billion (c. £120 million). The business is one of the leading LPG businesses in Hong Kong and is the market leader in Macau. The business is required to be separated from the broader Shell Hong Kong operations and the transaction requires certain regulatory consents and operating licence approvals. The acquisition is expected to complete before the end of DCC's financial year ending 31 March 2018.

Shell HK&M is one of the leading LPG sales and marketing businesses in Hong Kong and Macau, where it has been selling LPG for almost sixty years. The business provides LPG in bulk, cylinder and autogas formats to domestic, commercial and industrial customers. In Hong Kong it is the market leader in supplying piped LPG to the very large apartment complexes common in the territory. Shell HK&M supplies the complexes through its infrastructure of bulk tanks and piping to service the energy needs of over 100,000 households. Shell HK&M is the number three player in the cylinder market and also supplies autogas to Shell's retail network. The business is the market leader in the smaller Macau market. Shell HK&M is headquartered in Kowloon and operates a terminal and filling plant on Tsing Yi Island.

In the year ended 31 December 2016, the business supplied approximately 74,000 tonnes of LPG and under DCC's ownership is expected to deliver an annual operating profit of c. HK\$145 million (c. £15 million). Following the completion of the acquisition, the business will continue to operate under the Shell brand in both Hong Kong and Macau, based on a long term brand licence agreement.

The acquisition is consistent with DCC Energy's ambition to build a substantial presence in the global LPG market. The acquisition represents a further strengthening of DCC's relationship with Shell and gives DCC a strong market position in Hong Kong and Macau. It is also DCC's first material step in building its business beyond Europe and gives DCC a platform for development in the growing LPG market in Asia.

Esso Retail Norway

On 7 February 2017, DCC Energy announced the acquisition of Esso Retail Norway. The acquisition is another significant step for DCC in building its retail petrol station business in Europe. The national network sells c. 600 million litres of fuel annually and is the third largest in Norway with approximately 20%³ of retail volumes. It comprises 142 company-operated sites (127 retail service stations and 15 unmanned stations) and has contracts to supply 108 Esso-branded dealer owned stations. The total consideration will be NOK 2.43 billion (c. £235 million), plus the value of stock in tank at the date of acquisition, all payable in cash on completion. The acquired business, which is substantially asset backed, is expected to generate a return on invested capital employed of approximately 15% in the first full year of ownership.

The transaction is subject to customary regulatory approvals and closing conditions and is expected to complete in the final calendar quarter of 2017.

Gaz Européen

In January 2017, DCC Energy acquired Gaz Européen Holdings SAS ("Gaz Européen"), a natural gas retail and marketing business which supplies business and public sector customers in France. DCC acquired 97% of the share capital of Gaz Européen on completion, based on an initial enterprise value of €110 million (£96 million). The remaining shares, which are held by members of Gaz Européen's management team, will be acquired based on Gaz Européen's results for the three years ending 31 March 2021, 2022 and 2023.

Gaz Européen is a specialist retailer of natural gas and focuses on supplying energy management companies, apartment blocks (with collective heating systems), public authorities and the service sector in France. In its financial year ended 31 December 2015, the company supplied c. 5.1 TWh of natural gas (equivalent to approximately 390,000 tonnes of LPG) and currently supplies c. 10,000 sites. The company is headquartered in Paris and employs 31 staff; it has an experienced and ambitious management team with a track record of delivering strong growth. In its financial year ended 31 December 2015, Gaz Européen generated revenue of €205 million (£178 million) and normalised operating profit of €15.7 million (£13.7 million).

DCC Energy has, for some time, been developing its presence in natural gas organically in selected geographies as it believes that there is a significant opportunity to leverage its sales and marketing expertise, customer reach and brand recognition in the LPG and oil distribution markets into complementary adjacencies, including the natural gas sector. Gaz Européen is DCC Energy's first major acquisition in natural gas and complements Butagaz's leading position in LPG in France. One of the key strengths identified during the acquisition of Butagaz was its brand recognition amongst French gas consumers generally. The combination of Butagaz's marketing and brand strength and Gaz Européen's expertise in the natural gas market will provide an excellent platform for growth in the French natural gas market.

³ Estimate based on Wood MacKenzie market data

DCC Healthcare

Medisource

In January 2017, DCC Healthcare strengthened its position in the procurement, sales and marketing of pharmaceutical products in Ireland when it completed the acquisition of Medisource Ireland Limited (“Medisource”) for an initial enterprise valuation of €31.5 million (£27.4 million).

Medisource is a specialist in the procurement and sale of exempt medicinal products (“EMPs”). EMPs are pharmaceutical products which are imported into a market with the authorisation of the relevant regulatory authority (the Health Products Regulatory Authority in Ireland) in order to meet requirements of specific patients where no suitable licenced product is available in that market. The products are typically licenced in another jurisdiction. Medisource has a market leadership position in EMPs in Ireland based on excellent customer service and a strong network of international suppliers. The acquisition complements DCC Vital’s current pharma product offering in Ireland, strengthens DCC Vital’s access to the hospital and retail pharmacy channel and will provide further insight into potential pharma product development opportunities. DCC Healthcare expects to generate a return on its investment in Medisource in line with the divisional return on capital employed in its first full year of ownership.

DCC Technology

Hammer

In December 2016, DCC Technology completed the acquisition of Hammer Consolidated Holdings Limited (“Hammer”), a specialist distributor of server and storage solutions to resellers in the UK and Continental Europe. Employing 165 people and based in Basingstoke, Hampshire, Hammer distributes products for a range of leading suppliers and also provides product design and build solutions tailored to the requirements of customers in specific industries. The business is complementary to DCC Technology’s existing server and storage business and has added almost 1,000 new reseller customers. In its most recent financial year, Hammer recorded sales of £155.0 million and operating profit of £6.3 million. The acquisition was based on an initial enterprise value of £38.3 million and was structured as an initial payment at completion, followed by earn out payments over three years based on Hammer’s future trading results.

Medium

In November 2016, DCC Technology acquired Medium (U.K.) Limited (“Medium”), a distributor of professional audio visual equipment to resellers in the UK. Medium, which partners with a number of leading brands in the market including CTouch, LG, NEC and Samsung, is complementary to DCC Technology’s developing position in professional audio visual products in the UK market. The consideration for the acquisition was based on an enterprise valuation of £8.3 million.

DCC also acquired a number of other small businesses during the year in the Energy, Healthcare and Technology sectors.

Total cash spend on acquisitions for the year ended 31 March 2017

The total cash spend on acquisitions in the year was £262.4 million. This included the payment of deferred and contingent acquisition consideration previously provided of £59.1 million.

Disposal

DCC Environmental

On 5 April 2017, DCC announced that it had agreed to sell its Environmental division to Exponent for an enterprise value of £219 million, on a debt-free, cash-free basis. The Environmental division, which is active in the treatment and recycling of non-hazardous and hazardous waste in Britain and Ireland, comprises the British businesses, William Tracey Group, Oakwood Fuels and Wastecycle, and Enva in Ireland.

DCC expects to receive cash proceeds on completion of approximately £170 million (25% of the British businesses are owned by DCC's long-standing minority partner). The transaction is expected to complete in the first quarter of DCC's financial year ending 31 March 2018. The transaction is expected to give rise to an exceptional profit in the year ending 31 March 2018 of approximately £30 million.

Capital expenditure

Net capital expenditure for the year of £131.4 million (2016: £120.6 million) compares to a depreciation charge of £92.0 million (2016: £74.8 million). The capital expenditure is net of £12.3 million of proceeds on disposal of fixed assets.

DCC Technology has now successfully completed the construction and commissioning of a new, purpose built, 450,000 sq. ft. UK national distribution centre in the north of England, close to the majority of its existing facilities. The facility is now operational, with activity being transitioned from the existing warehousing infrastructure on a phased basis. The transition will be fully completed by the end of the year ending 31 March 2018.

Financial strength

An integral part of the Group's strategy is the maintenance of a strong and liquid balance sheet to enable it to take advantage of development opportunities as they arise. As a result of the operating cash flow in the year, DCC's financial position remains very strong. At 31 March 2017, the Group had net debt of £121.9 million, total equity of £1.5 billion, cash resources, net of overdrafts, of £973 million and a further £400 million of undrawn committed debt facilities. The Group's outstanding term debt at 31 March 2017 had an average maturity of 5.6 years. Substantially all of the Group's debt has been raised in the US Private Placement market with an average credit margin of 1.69% over floating Euribor/Libor.

At 31 March 2017, the Group's Net Debt: EBITDA was 0.3 times. As referred to above, the Group has committed to acquire Shell HK&M and Esso Retail Norway and also to dispose of its Environmental Division. The pro-forma net impact of these transactions would be to increase the Group's net debt at 31 March 2017 by approximately £185 million equating to a pro-forma Net Debt: EBITDA of 0.6 times.

Management and organisational changes

As announced on 5 April 2017, Tommy Breen, Chief Executive, will retire from the Group after over 30 years of service. He will stand down from his position and from the Board following the conclusion of the Group's Annual General Meeting on 14 July 2017. He will be succeeded by Donal Murphy, Executive Director and Managing Director of DCC Energy. Donal joined DCC in 1998 and has led the growth and development of the Energy division as Managing Director since 2006. Prior to his current role he was Managing Director of the Technology division.

For the year ending 31 March 2018 DCC will report LPG and Retail & Oil as two separate divisions, consistent with the revised management and organisational structure of the Group. Henry Cubbon will continue to lead DCC's LPG business. Eddie O'Brien, previously Managing Director of DCC's Retail and Fuelcard activities, will assume responsibility for all Retail & Oil activities. The four divisional Managing Directors of LPG, Retail & Oil, Healthcare and Technology will report to the Chief Executive.

Outlook

The Group expects that the year ending 31 March 2018 will be another year of profit growth and development.

Annual Report and Annual General Meeting

DCC's 2017 Annual Report will be published in June 2017. The Company's Annual General Meeting will be held at 11.00 am on Friday 14 July 2017 in The InterContinental Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

Performance Review – Divisional Analysis

DCC Energy	2017	2016	% change
Volumes (litres)	14.649b	13.021b	+12.5%
Revenue	£9,074.1	£7,515.3m	+20.7%
Operating profit	£254.9m	£205.2m	+24.3%
Operating profit per litre	1.74p	1.58p	
Return on capital employed	21.6%	24.4%	

DCC Energy had an excellent year, with operating profit increasing to £254.9m, 24.3% ahead of the prior year (13.9% ahead on a constant currency basis) and generating a return on capital employed of 21.6%. The business benefited from the full year contribution of acquisitions completed in the prior year and strong organic growth in the LPG business. In addition, it was another year of significant development activity for DCC Energy.

DCC Energy sold 14.6 billion litres of product during the year, an increase of 12.5% over the prior year. Volumes were 1.0% ahead of the prior year on a like-for-like basis, with the LPG business achieving strong organic volume growth with commercial and industrial customers.

DCC will present LPG and Retail & Oil as two separate divisions from 1 April 2017, in line with the revised management and organisational structure of the business.

DCC Energy - LPG	2017	2016	% change
Volumes (litres)	3.077b	2.295b	+34.1%
Operating profit	£160.4m	£116.8m	+37.4%
Operating profit per litre	5.21p	5.08p	

The LPG business had an excellent year achieving operating profit growth of 37.4%, 23.9% on a constant currency basis. Approximately half of the constant currency operating profit growth was organic. The very strong volume growth of 34.1% included the benefit of a full year's volumes from Butagaz, acquired in the prior year, and also from the acquisition of the Gaz Européen natural gas business in France, acquired in January 2017. The like-for-like volume growth was 6.1%. This strong organic volume performance was broadly based, with good growth in Britain, Ireland and France. The LPG business has continued to focus on growing its sales to industrial and commercial customers, with the commercial and environmental benefits of LPG continuing to attract new customers to the segment.

The operating margin per litre was modestly ahead of the prior year and declined, as anticipated, on a constant currency basis due to the impact on mix of lower margin natural gas volumes becoming more material during the year and a significantly higher product price environment relative to the prior year.

In recent years, the LPG business has organically developed its natural gas offering in Ireland and now has a substantial market share in the commercial sector of the market. In January 2017, DCC completed the acquisition of Gaz Européen, a specialist retailer of natural gas to business customers in France, principally co-ownership housing. The business has performed in line with expectation since acquisition. It is intended to launch a start-up consumer offering in natural gas during the coming year, which will require investment in sales and marketing, but importantly, will leverage the natural gas operations and expertise of Gaz Européen and the Butagaz brand, France's most-recognised gas brand.

On 5 April 2017, DCC announced that agreement had been reached with Shell Gas (LPG) Holdings BV to acquire its liquefied petroleum gas business in Hong Kong and Macau ("Shell HK&M"). The business is one of the leading LPG businesses in Hong Kong and is the market leader in Macau. In its most recent financial

year to 31 December 2016, Shell HK&M distributed approximately 74,000 tonnes of LPG to its customers and under DCC's ownership is expected to achieve operating profit of HK\$145 million (c. £15 million). The acquisition gives DCC a strong market position in Hong Kong and Macau and provides a platform for development in the growing LPG market in Asia.

Following the completion of the acquisition of Shell HK&M, the LPG business will have strong market leadership positions in eight countries and is well placed to continue its development in existing territories, build on its emerging position in natural gas and, over time, further develop its geographic footprint.

DCC Energy - Retail & Oil	2017	2016	% change
Volumes (litres)	11.572b	10.726b	+7.9%
Operating profit	£94.5m	£88.4m	+6.9%
Operating profit per litre	0.82p	0.82p	

DCC Energy Retail & Oil had a good year, with operating profit growth of 6.9% (1.2% on a constant currency basis). The volume growth of 7.9% was driven by the inclusion for the full year of the Esso Retail business in France and the acquisition of Dansk Fuels in Denmark in November 2016. Organically, volumes and operating profits were in line with the prior year.

The Retail businesses achieved good growth during the year, benefiting from the full year contribution from the Esso Retail business in France and good performances from the Swedish and Fuelcard businesses. The Retail business continues to invest in building its network of sites and leveraging its strong sales offering in fuel cards in Britain. The Oil business continued to experience difficult trading conditions in Britain and Ireland, however good progress was made in the development of the business in adjacent areas, such as aviation and lubricants. The restructuring and integration of Dansk Fuels, Shell's Danish commercial, aviation and retail business acquired in November 2016, is progressing in line with expectations.

On 7 February 2017, DCC announced that agreement had been reached with Esso Norges AS to acquire its retail petrol station network in Norway. The retail network is the third largest in Norway with approximately 20% of retail volumes and comprises a national network of 142 company-operated sites (127 retail service stations and 15 unmanned stations) and contracts to supply 108 Esso-branded dealer owned stations (together referred to as "Esso Retail Norway"). Esso Retail Norway sells c. 600 million litres of fuel annually. The majority of the stations are in the more populous south of the country and, of the 142 company-operated sites, 110 are held freehold, with 32 being leasehold.

The agreement to acquire Esso Retail Norway will see DCC Energy's Retail & Oil business operate in eight countries in Europe, supplying commercial, industrial, domestic and retail customers. The business will operate a retail network of c. 1,000 sites and supply an additional 2,000 dealer-owned stations.

DCC Healthcare	2017	2016	% change
Revenue	£506.5m	£490.7m	+3.2%
Operating profit	£49.0m	£45.0m	+8.7%
Operating margin	9.7%	9.2%	
Return on capital employed	17.5%	17.1%	

DCC Healthcare performed strongly during the year, generating operating profit growth of 8.7% (8.0% on a constant currency basis) and approximately two thirds of the constant currency profit growth was organic. The business again improved its operating margin and continues to generate excellent returns on capital employed.

DCC Vital, which is focused on the sales and marketing of medical devices and pharmaceuticals to healthcare providers in Britain and Ireland, generated good operating profit growth.

In Britain, DCC Vital generated strong profit growth in the supply of products and services to general practitioners (“GP’s”), enhancing its market leadership position in that sector. The business also grew its sales of medical devices into hospitals, particularly in the areas of laparoscopic surgery and anaesthesia. As reported previously, pharma margins were impacted by the weaker sterling exchange rate. In Ireland, DCC Vital grew its pharma sales both organically and by acquisition. In January 2017, it enhanced its offering to Irish hospital and retail pharmacy customers with the acquisition of Medisource, the market leader in the sourcing and supply of exempt medicinal products. Medisource has performed well since acquisition. DCC Vital also grew its sales of medical devices to hospitals in Ireland, with particularly good growth in the diagnostics area. In addition, the business successfully launched a range of products for the Irish GP market, leveraging its existing GP supplies portfolio and infrastructure in Britain.

DCC Health & Beauty Solutions, which provides outsourced solutions to international nutrition and beauty brand owners, continued its track record of very strong organic revenue and profit growth, benefiting from further investment in sales and product development resources. The business generated strong sales growth in nutrition across all of its product formats – tablets, capsules, soft gels and liquids – with particularly strong growth in soft gels and liquids. The sales growth was achieved with customers across its key markets of Britain, Scandinavia and continental Europe. The business’s activities in the beauty sector also performed very well with strong sales growth across a range of customers, particularly in the premium skincare area. Design Plus, acquired in September 2015, generated very strong organic sales and profit growth, benefiting from sales growth into the US market and cross-selling into existing DCC Health & Beauty customers.

DCC Healthcare is well placed to continue to build on its track record of organic and acquisitive growth. The business is ambitious to expand its geographic footprint and to enhance its product and service offering to healthcare providers and health and beauty brand owners.

DCC Technology	2017	2016	% change
Revenue	£2.689bn	£2.442b	+10.1%
Operating profit	£41.1m	£35.1m	+17.1%
Operating margin	1.5%	1.4%	
Return on capital employed	17.1%	17.8%	

DCC Technology, which trades as Exertis, achieved strong operating profit growth of 17.1% (12.5% on a constant currency basis), reflecting organic profit growth in the UK and Ireland and the benefit of the acquisitions of Hammer and CUC completed in the current and prior year respectively.

The UK business generated strong growth. The business benefited from the acquisition of Hammer and good organic growth in audio visual, print and office supplies, smart technology and security products, which more than offset the continued weak market for computing and mobile products. Hammer, acquired in December 2016, has performed well since acquisition and has significantly strengthened the server and storage offering of Exertis, particularly in the provision of products and services to the growing application and cloud-service provider market. The acquisition, together with recent investments in the wireless networking, security and audio visual business units, have enabled the UK business to further develop its vendor portfolio and identify opportunities to extend its enterprise solutions offering.

The UK business has completed and commissioned its new national distribution centre in Lancashire. The centre is now operational and the transition from the business' existing facilities will be completed by the end of the financial year ending 31 March 2018. The upgrade of the business' technology platform is also being implemented on a phased basis and is progressing in line with expectations.

The business in Ireland achieved strong organic growth, driven by good business development in the mobile and retail sectors and growth in the sales of networking and security products. The business in the Middle East, although modest, achieved very strong organic growth as it continues to expand its supplier relationships and customer reach in the region.

DCC Technology's business in Continental Europe recorded a mixed performance. CUC, now renamed Exertis Connect, which was acquired in December 2015, performed well and has successfully extended its cable and connector product range into the UK and Sweden. Operating profit declined in the French consumer products business reflecting a weak demand environment, particularly for consumer storage and navigation products, which resulted in margin pressure. The business in the Nordic region generated good growth, driven by continued growth in audio visual products and the organic expansion of its operations into Norway.

The Supply Chain Services business continues to invest in its global service offering and achieved good organic profit growth as it benefited from new contract wins.

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 risk and uncertainty. DCC believes that its expectations and assumptions with respect to these forward-looking statements are reasonable, however because they involve risk and uncertainty as to future circumstances, which are in many cases beyond DCC's control, actual results or performance may differ materially from those expressed in or implied by such forward-looking statements.

Group Income Statement

For the year ended 31 March 2017

		2017			Restated 2016		
		Pre exceptionals £'000	Exceptionals (note 5) £'000	Total £'000	Pre exceptionals £'000	Exceptionals (note 5) £'000	Total £'000
Continuing operations	Notes						
Revenue	4	12,269,802	-	12,269,802	10,447,630	-	10,447,630
Cost of sales		(11,006,805)	-	(11,006,805)	(9,437,643)	-	(9,437,643)
Gross profit		1,262,997	-	1,262,997	1,009,987	-	1,009,987
Administration expenses		(323,320)	-	(323,320)	(280,541)	-	(280,541)
Selling and distribution expenses		(605,182)	-	(605,182)	(455,769)	-	(455,769)
Other operating income		28,297	1,879	30,176	25,124	13,609	38,733
Other operating expenses		(17,787)	(38,176)	(55,963)	(13,456)	(27,261)	(40,717)
Operating profit before amortisation of intangible assets		345,005	(36,297)	308,708	285,345	(13,652)	271,693
Amortisation of intangible assets		(39,130)	-	(39,130)	(31,146)	-	(31,146)
Operating profit	4	305,875	(36,297)	269,578	254,199	(13,652)	240,547
Finance costs		(72,910)	-	(72,910)	(64,790)	(9,419)	(74,209)
Finance income		40,973	10,101	51,074	35,962	-	35,962
Equity accounted investments' profit after tax		712	-	712	504	-	504
Profit before tax		274,650	(26,196)	248,454	225,875	(23,071)	202,804
Income tax expense		(44,113)	(1,756)	(45,869)	(33,707)	710	(32,997)
Profit for the year (continuing operations)		230,537	(27,952)	202,585	192,168	(22,361)	169,807
Profit for the year from discontinued operations	8	15,160	-	15,160	12,224	(988)	11,236
Profit after tax for the financial year		245,697	(27,952)	217,745	204,392	(23,349)	181,043
Profit attributable to:							
Owners of the Parent				216,197			178,031
Non-controlling interests				1,548			3,012
				217,745			181,043
Earnings per ordinary share							
Basic earnings per share	6			243.64p			202.64p
Diluted earnings per share	6			242.00p			201.02p
Basic adjusted earnings per share	6			303.68p			257.14p
Diluted adjusted earnings per share	6			301.63p			255.07p
Earnings per ordinary share – continuing operations							
Basic earnings per share	6			226.56p			189.85p
Diluted earnings per share	6			225.04p			188.33p
Basic adjusted earnings per share	6			286.59p			242.78p
Diluted adjusted earnings per share	6			284.66p			240.83p

Group Statement of Comprehensive Income

For the year ended 31 March 2017

	2017 £'000	Restated 2016 £'000
Group profit for the financial year	217,745	181,043
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation	37,084	37,971
Movements relating to cash flow hedges	(6,803)	2,230
Movement in deferred tax liability on cash flow hedges	1,334	120
	<u>31,615</u>	<u>40,321</u>
Items that will not be reclassified to profit or loss		
Group defined benefit pension obligations:		
- remeasurements	(3,056)	4,894
- movement in deferred tax asset	413	(570)
	<u>(2,643)</u>	<u>4,324</u>
Other comprehensive income for the financial year, net of tax	28,972	44,645
Total comprehensive income for the financial year	246,717	225,688
Attributable to:		
Owners of the Parent	242,735	220,411
Non-controlling interests	3,982	5,277
	<u>246,717</u>	<u>225,688</u>
Attributable to:		
Continuing operations	230,199	212,978
Discontinued operations	16,518	12,710
	<u>246,717</u>	<u>225,688</u>

Group Balance Sheet

As at 31 March 2017

	Notes	2017 £'000	2016 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		750,020	739,503
Intangible assets		1,422,572	1,297,065
Equity accounted investments		24,938	22,139
Deferred income tax assets		22,619	21,285
Derivative financial instruments		273,767	209,518
		<u>2,493,916</u>	<u>2,289,510</u>
Current assets			
Inventories		456,395	393,948
Trade and other receivables		1,222,597	916,069
Derivative financial instruments		18,233	15,915
Cash and cash equivalents		1,048,064	1,182,034
		<u>2,745,289</u>	<u>2,507,966</u>
Assets classified as held for sale	8	193,170	-
		<u>2,938,459</u>	<u>2,507,966</u>
Total assets		<u>5,432,375</u>	<u>4,797,476</u>
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital		15,455	15,455
Share premium		277,211	277,211
Share based payment reserve	9	18,146	14,954
Cash flow hedge reserve	9	(13,581)	(8,112)
Foreign currency translation reserve	9	105,537	70,887
Other reserves	9	932	932
Retained earnings		1,074,434	948,316
Equity attributable to owners of the Parent		<u>1,478,134</u>	<u>1,319,643</u>
Non-controlling interests		29,587	30,833
Total equity		<u>1,507,721</u>	<u>1,350,476</u>
LIABILITIES			
Non-current liabilities			
Borrowings		1,319,967	1,260,421
Derivative financial instruments		506	343
Deferred income tax liabilities		155,297	133,646
Post employment benefit obligations	11	29	347
Provisions for liabilities		255,650	213,115
Acquisition related liabilities		66,617	81,411
Government grants		261	904
		<u>1,798,327</u>	<u>1,690,187</u>
Current liabilities			
Trade and other payables		1,820,517	1,437,832
Current income tax liabilities		25,051	45,172
Borrowings		148,445	192,804
Derivative financial instruments		5,894	8,401
Provisions for liabilities		31,022	31,373
Acquisition related liabilities		28,300	41,231
		<u>2,059,229</u>	<u>1,756,813</u>
Liabilities associated with assets classified as held for sale	8	67,098	-
		<u>2,126,327</u>	<u>1,756,813</u>
Total liabilities		<u>3,924,654</u>	<u>3,447,000</u>
Total equity and liabilities		<u>5,432,375</u>	<u>4,797,476</u>
Net debt included above (including cash attributable to assets held for sale)			
	10	<u>(121,949)</u>	<u>(54,502)</u>

Group Statement of Changes in Equity

For the year ended 31 March 2017

	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 9) £'000	Total £'000		
At 1 April 2016	15,455	277,211	948,316	78,661	1,319,643	30,833	1,350,476
Profit for the financial year	-	-	216,197	-	216,197	1,548	217,745
Currency translation	-	-	-	34,650	34,650	2,434	37,084
Group defined benefit pension obligations:							
- remeasurements	-	-	(3,056)	-	(3,056)	-	(3,056)
- movement in deferred tax asset	-	-	413	-	413	-	413
Movements relating to cash flow hedges	-	-	-	(6,803)	(6,803)	-	(6,803)
Movement in deferred tax liability on cash flow hedges	-	-	-	1,334	1,334	-	1,334
Total comprehensive income	-	-	213,554	29,181	242,735	3,982	246,717
Re-issue of treasury shares	-	-	2,600	-	2,600	-	2,600
Share based payment	-	-	-	3,192	3,192	-	3,192
Dividends	-	-	(90,036)	-	(90,036)	(5,228)	(95,264)
At 31 March 2017	15,455	277,211	1,074,434	111,034	1,478,134	29,587	1,507,721

For the year ended 31 March 2016

	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 9) £'000	Total £'000		
At 1 April 2015	14,688	83,032	849,119	35,909	982,748	4,245	986,993
Profit for the financial year	-	-	178,031	-	178,031	3,012	181,043
Currency translation	-	-	-	35,706	35,706	2,265	37,971
Group defined benefit pension obligations:							
- remeasurements	-	-	4,894	-	4,894	-	4,894
- movement in deferred tax asset	-	-	(570)	-	(570)	-	(570)
Movements relating to cash flow hedges	-	-	-	2,230	2,230	-	2,230
Movement in deferred tax liability on cash flow hedges	-	-	-	120	120	-	120
Total comprehensive income	-	-	182,355	38,056	220,411	5,277	225,688
Issue of share capital	767	194,179	-	-	194,946	-	194,946
Re-issue of treasury shares	-	-	2,781	-	2,781	-	2,781
Share based payment	-	-	-	2,198	2,198	-	2,198
Dividends	-	-	(80,938)	-	(80,938)	-	(80,938)
Non-controlling interest arising on acquisition	-	-	(5,001)	2,498	(2,503)	21,311	18,808
At 31 March 2016	15,455	277,211	948,316	78,661	1,319,643	30,833	1,350,476

Group Cash Flow Statement

For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Profit for the financial year		217,745	181,043
Add back non-operating expenses/(income)			
- tax		49,054	35,314
- share of equity accounted investments' profit		(712)	(504)
- net operating exceptionals		36,297	14,640
- net finance costs		21,999	38,408
Group operating profit before exceptionals		324,383	268,901
Share-based payments expense		3,192	2,198
Depreciation		92,015	74,822
Amortisation of intangible assets		39,168	31,622
(Profit)/loss on disposal of property, plant and equipment		(173)	415
Amortisation of government grants		(235)	(419)
Other		4,571	(3,412)
Decrease in working capital		83,949	37,585
Cash generated from operations before exceptionals		546,870	411,712
Exceptionals		(31,269)	(19,567)
Cash generated from operations		515,601	392,145
Interest paid		(70,108)	(64,432)
Income tax paid		(62,180)	(35,346)
Net cash flows from operating activities		383,313	292,367
Investing activities			
Inflows:			
Proceeds from disposal of property, plant and equipment		12,315	13,523
Dividends received from equity accounted investments		125	365
Disposal of subsidiaries and equity accounted investments		-	4,173
Interest received		40,966	36,004
		53,406	54,065
Outflows:			
Purchase of property, plant and equipment		(143,698)	(134,172)
Acquisition of subsidiaries	12	(203,327)	(390,042)
Payment of accrued acquisition related liabilities		(59,069)	(3,913)
		(406,094)	(528,127)
Net cash flows from investing activities		(352,688)	(474,062)
Financing activities			
Inflows:			
Proceeds from issue of shares		2,600	197,727
Net cash inflow on derivative financial instruments		14,212	1,953
Increase in finance lease liabilities		-	59
		16,812	199,739
Outflows:			
Repayment of interest-bearing loans and borrowings		(108,140)	(14,832)
Repayment of finance lease liabilities		(177)	(151)
Dividends paid to owners of the Parent	7	(90,036)	(80,938)
Dividends paid to non-controlling interests		(5,228)	-
		(203,581)	(95,921)
Net cash flows from financing activities		(186,769)	103,818
Change in cash and cash equivalents		(156,144)	(77,877)
Translation adjustment		38,929	38,249
Cash and cash equivalents at beginning of year		1,090,037	1,129,665
Cash and cash equivalents at end of year		972,822	1,090,037
Cash and cash equivalents consists of:			
Cash and short term bank deposits		1,048,064	1,182,034
Overdrafts		(88,041)	(91,997)
Cash and short term deposits attributable to assets held for sale		12,799	-
		972,822	1,090,037

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

1. Basis of Preparation

The financial information, from the Group Income Statement to note 16, contained in this preliminary results statement has been derived from the Group financial statements for the year ended 31 March 2017 and is presented in sterling, 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 2017 and their report was unqualified. The financial information for the year ended 31 March 2016 represents an abbreviated, restated (see note 8) 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 Financial Services Authority and the accounting policies that the Group has adopted for 2017 which are consistent with those applied in the prior year.

2. Accounting Policies

There were no changes to IFRS which became effective for the Group during the financial year which resulted in material changes to the Group's consolidated financial statements.

3. Reporting Currency

The Group's financial statements are presented in sterling, denoted by the symbol '£'. Results and cash flows of operations based in non-sterling countries have been translated into sterling at average rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. The principal exchange rates used for translation of results and balance sheets into sterling were as follows:

	Average rate		Closing rate	
	2017 Stg£1=	2016 Stg£1=	2017 Stg£1=	2016 Stg£1=
Euro	1.1956	1.3697	1.1689	1.2633
Swedish Krona	11.3729	12.7937	11.1423	11.6547
Danish Krone	8.9150	10.2297	8.6942	9.4134
Norwegian Krone	10.9811	12.4995	10.7169	11.8938

4. 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.

As announced on 5 April 2017, the Group entered into an agreement to dispose of its Environmental division. Following this change in the composition of operating segments, segmental reporting has been revised and the prior year segmental disclosures have been restated as required under IFRS 8.

The Group is organised into three operating segments: DCC Energy, DCC Healthcare and DCC Technology.

DCC Energy is the leading liquefied petroleum gas ('LPG') and oil sales and marketing business in Europe with a growing position in the retail petrol station market.

DCC Healthcare is a leading healthcare business, providing products and services to healthcare providers and health and beauty brand owners.

DCC Technology is a leading European sales, marketing and services partner for global technology brands.

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

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

4. Segmental Reporting (continued)

An analysis of the Group's performance, based on continuing operations, by operating segment and geographic location is as follows:

(a) By operating segment

	Year ended 31 March 2017			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Continuing operations				
Segment revenue	<u>9,074,135</u>	<u>506,562</u>	<u>2,689,105</u>	<u>12,269,802</u>
Operating profit*	254,941	48,944	41,120	345,005
Amortisation of intangible assets	(28,239)	(7,258)	(3,633)	(39,130)
Net operating exceptionals (note 5)	<u>(20,487)</u>	<u>(2,695)</u>	<u>(13,115)</u>	<u>(36,297)</u>
Operating profit	<u>206,215</u>	<u>38,991</u>	<u>24,372</u>	<u>269,578</u>

	Year ended 31 March 2016 (restated)			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Continuing operations				
Segment revenue	<u>7,515,308</u>	<u>490,617</u>	<u>2,441,705</u>	<u>10,447,630</u>
Operating profit*	205,181	45,039	35,125	285,345
Amortisation of intangible assets	(21,381)	(7,138)	(2,627)	(31,146)
Net operating exceptionals (note 5)	<u>(9,057)</u>	<u>5,859</u>	<u>(10,454)</u>	<u>(13,652)</u>
Operating profit	<u>174,743</u>	<u>43,760</u>	<u>22,044</u>	<u>240,547</u>

(b) By geography

The Group has a presence in 15 countries worldwide. The following represents a geographical analysis of revenue and non-current assets in accordance with IFRS 8, which requires disclosure of information about the country of domicile (Republic of Ireland) and countries with material revenue and non-current assets.

Revenue from continuing operations is derived almost entirely from the sale of goods and is disclosed based on the location of the entity selling the goods. The analysis of non-current assets is based on the location of the assets. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8.

	Revenue		Non-current assets**	
	2017 £'000	Restated 2016 £'000	2017 £'000	2016 £'000
Republic of Ireland	759,439	639,149	123,348	132,892
United Kingdom	7,239,193	6,852,640	985,717	1,010,908
France	2,402,290	1,487,875	869,895	733,287
Other	1,868,880	1,467,966	218,570	181,620
	<u>12,269,802</u>	<u>10,447,630</u>	<u>2,197,530</u>	<u>2,058,707</u>

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

** Non-current assets comprise intangible assets, property, plant and equipment and equity accounted investments

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

5. Exceptionals

	2017 £'000	Restated 2016 £'000
Restructuring costs	(19,345)	(15,777)
Acquisition and related costs	(10,308)	(7,226)
Adjustments to contingent acquisition consideration	(5,114)	6,290
Impairment of property, plant and equipment	(1,164)	(947)
Gain arising from legal case settlements	-	4,291
Legal and other operating exceptional items	(366)	(283)
Net operating exceptional items	(36,297)	(13,652)
Mark to market of swaps and related debt	10,101	(9,419)
Net exceptional items before taxation	(26,196)	(23,071)
Tax attributable to net exceptional items	(1,756)	710
Net exceptional items after taxation (continuing operations)	(27,952)	(22,361)
Net exceptional items relating to discontinued operations	-	(988)
Net exceptional items after taxation	(27,952)	(23,349)
Non-controlling interest share of net exceptional items after taxation	3,138	(323)
Net exceptional items attributable to owners of the Parent	(24,814)	(23,672)

The Group has focused on the efficiency of its operating infrastructures and sales platforms, particularly in areas where it has been acquisitive in recent years. The Group incurred an exceptional charge of £19.345 million (2016: £15.777 million) in relation to restructuring of existing and acquired businesses. The majority of the charge relates to restructuring and integration in the Energy division where the Group has been most acquisitive. The charge also includes integration costs related to acquisition activity and costs in respect of the pre-operating period of the new UK national distribution centre in the Technology division.

Acquisition costs, which include professional fees and tax costs (such as stamp duty) incurred in evaluating and completing acquisitions, amounted to £10.308 million (2016: £7.226 million) and reflect the significant level of development activity undertaken by the Group during the year.

The net increase in the provision for contingent acquisition consideration of £5.114 million (2016: decrease of £6.290 million) is due to the stronger than anticipated trading performance of a small number of businesses acquired during the last three years, where earn-out arrangements are in place.

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 interest rate derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges, offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the year ended 31 March 2017, this amounted to an exceptional non-cash gain of £10.101 million (2016: charge of £9.419 million). Following this credit, the cumulative net exceptional charge taken in respect of the Group's outstanding US Private Placement debt and related hedging instruments is £5.6 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

There was a net tax charge of £1.756 million (2016: credit of £0.710 million) and a non-controlling interest credit of £3.138 million (2016: charge of £0.323 million) in relation to the above net exceptional charge.

The gain arising from legal case settlements in the prior year of £4.291 million was primarily due to a final cash recovery in respect of the Pihsiang legal claim.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

6. Earnings per Ordinary Share

	Continuing operations 2017 £'000	Discontinued operations (note 8) 2017 £'000	Total 2017 £'000	Continuing operations 2016 £'000	Discontinued operations (note 8) 2016 £'000	Total 2016 £'000
Profit attributable to owners of the Parent	201,037	15,160	216,197	166,795	11,236	178,031
Amortisation of intangible assets after tax	28,456	6	28,462	23,811	390	24,201
Exceptionals after tax (note 5)	24,814	-	24,814	22,684	988	23,672
Adjusted profit after taxation and non-controlling interests	254,307	15,166	269,473	213,290	12,614	225,904
Basic earnings per ordinary share	2017 pence	Discontinued operations 2017 pence	Total 2017 pence	Continuing operations 2016 pence	Discontinued operations 2016 pence	Total 2016 pence
Basic earnings per ordinary share	226.56p	17.08p	243.64p	189.85p	12.79p	202.64p
Amortisation of intangible assets after tax	32.07p	0.01p	32.08p	27.11p	0.44p	27.55p
Exceptionals after tax	27.96p	-	27.96p	25.82p	1.13p	26.95p
Adjusted basic earnings per ordinary share	286.59p	17.09p	303.68p	242.78p	14.36p	257.14p
Weighted average number of ordinary shares in issue (thousands)			88,735			87,854

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

	Continuing operations 2017 pence	Discontinued operations 2017 pence	Total 2017 pence	Continuing operations 2016 pence	Discontinued operations 2016 pence	Total 2016 pence
Diluted earnings per ordinary share						
Basic earnings per ordinary share	225.04p	16.96p	242.00p	188.33p	12.69p	201.02p
Amortisation of intangible assets after tax	31.84p	0.01p	31.85p	26.89p	0.43p	27.32p
Exceptionals after tax	27.78p	-	27.78p	25.61p	1.12p	26.73p
Adjusted basic earnings per ordinary share	284.66p	16.97p	301.63p	240.83p	14.24p	255.07p
Weighted average number of ordinary shares in issue (thousands)			89,338			88,564

The earnings used for the purposes of the continuing diluted earnings per ordinary share calculations were £201.037 million (2016: £166.795 million) and £254.307 million (2016: £213.290 million) for the purposes of the continuing adjusted diluted earnings per ordinary share calculations.

The earnings used for the purposes of the discontinued diluted earnings per ordinary share calculations were £15.160 million (2016: £11.236 million) and £15.166 million (2016: £12.614 million) for the purposes of the discontinued adjusted diluted earnings per ordinary share calculations.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

6. Earnings per Ordinary Share (continued)

The weighted average number of ordinary shares used in calculating the diluted earnings per ordinary share for the year ended 31 March 2017 was 89.338 million (2016: 88.564 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per ordinary share amounts is as follows:

	2017 '000	2016 '000
Weighted average number of ordinary shares in issue	88,735	87,854
Dilutive effect of options and awards	603	710
Weighted average number of ordinary shares for diluted earnings per share	<u>89,338</u>	<u>88,564</u>

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options and awards are the Company's only category of dilutive potential ordinary shares.

Employee share options and awards, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability would not have been satisfied as at the end of the reporting period if that were the end of the vesting period.

The adjusted figures for diluted earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

7. Dividends

	2017 £'000	2016 £'000
Final - paid 64.18 pence per share on 21 July 2016 (2016: paid 55.81 pence per share on 23 July 2015)	57,621	50,646
Interim - paid 37.17 pence per share on 12 December 2016 (2016: paid 33.04 pence per share on 7 December 2015)	<u>32,415</u>	<u>30,292</u>
	<u>90,036</u>	<u>80,938</u>

The Directors are proposing a final dividend in respect of the year ended 31 March 2017 of 74.63 pence per ordinary share (£66.284 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

8. Discontinued Operations

As announced on 5 April 2017, the Group entered into an agreement to dispose of the Environmental segment. The proceeds on disposal will be used to fund the continued development of DCC's Energy, Healthcare and Technology divisions. The disposal is expected to complete in the quarter to 30 June 2017 at which time control of the Environmental businesses will pass to the acquirer. The transaction is expected to give rise to an exceptional profit in the year ending 31 March 2018 of approximately £30 million.

The conditions for the segment to be classified as a discontinued operation have been satisfied, and, accordingly, the results of the Environmental segment are presented separately as discontinued operations in the Group Income Statement and the assets and liabilities of this segment are classified as an asset held for sale at the balance sheet date.

The following table details the results of discontinued operations included in the Group Income Statement:

	2017 £'000	2016 £'000
Revenue	175,232	153,455
Cost of sales	(119,654)	(107,551)
Gross profit	55,578	45,904
Operating expenses	(37,032)	(30,726)
Operating profit before amortisation of intangible assets and exceptional items	18,546	15,178
Amortisation of intangible assets	(38)	(476)
Net operating exceptionals	-	(988)
Operating profit	18,508	13,714
Net finance costs	(163)	(161)
Profit before tax	18,345	13,553
Income tax expense	(3,185)	(2,317)
Profit from discontinued operations after tax	15,160	11,236

The following table details the cash flow from discontinued operations included in the Group Cash Flow Statement:

	2017 £'000	2016 £'000
Net cash flow from operating activities	22,461	19,153
Net cash flow from investing activities	(6,661)	(12,389)
Net cash flow from discontinued operations	15,800	6,764

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

8. Discontinued Operations (continued)

The fair value less costs to sell of the major classes of assets and liabilities held for sale as at 31 March 2017 are as follows:

	2017 £'000
Assets	
Property, plant and equipment	65,551
Intangible assets	79,335
Deferred income tax assets	298
Inventories	1,922
Trade and other receivables	33,264
Interest receivable	1
Cash and cash equivalents	12,799
Assets classified as held for sale	<u>193,170</u>
Liabilities	
Trade and other payables	(35,741)
Amounts due in respect of property, plant and equipment	(32)
Current income tax liabilities	(3,533)
Deferred income tax liabilities	(357)
Provisions for liabilities and charges	(3,800)
Acquisition related liabilities	(23,204)
Government grants	(431)
Liabilities associated with assets classified as held for sale	<u>(67,098)</u>
Net assets of the disposal group	<u>126,072</u>

The proceeds on disposal are expected to exceed the carrying value of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

9. Other Reserves

For the year ended 31 March 2017

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2016	14,954	(8,112)	70,887	932	78,661
Currency translation	-	-	34,650	-	34,650
Movements relating to cash flow hedges	-	(6,803)	-	-	(6,803)
Movement in deferred tax liability on cash flow hedges	-	1,334	-	-	1,334
Share based payment	3,192	-	-	-	3,192
At 31 March 2017	18,146	(13,581)	105,537	932	111,034

For the year ended 31 March 2016

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2015	12,756	(10,462)	32,683	932	35,909
Currency translation	-	-	35,706	-	35,706
Movements relating to cash flow hedges	-	2,230	-	-	2,230
Movement in deferred tax liability on cash flow hedges	-	120	-	-	120
Transfer to non-controlling interests	-	-	2,498	-	2,498
Share based payment	2,198	-	-	-	2,198
At 31 March 2016	14,954	(8,112)	70,887	932	78,661

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

10. Analysis of Net Debt

	2017 £'000	2016 £'000
Non-current assets:		
Derivative financial instruments	<u>273,767</u>	<u>209,518</u>
Current assets:		
Derivative financial instruments	18,233	15,915
Cash and cash equivalents	<u>1,048,064</u>	<u>1,182,034</u>
	<u>1,066,297</u>	<u>1,197,949</u>
Non-current liabilities:		
Finance leases	(165)	(127)
Derivative financial instruments	(506)	(343)
Unsecured Notes	<u>(1,319,802)</u>	<u>(1,260,294)</u>
	<u>(1,320,473)</u>	<u>(1,260,764)</u>
Current liabilities:		
Bank borrowings	(88,041)	(91,997)
Finance leases	(190)	(379)
Derivative financial instruments	(5,894)	(8,401)
Unsecured Notes	<u>(60,214)</u>	<u>(100,428)</u>
	<u>(154,339)</u>	<u>(201,205)</u>
Net debt excluding cash attributable to assets held for sale	(134,748)	(54,502)
Cash and short-term deposits attributable to assets held for sale (note 8)	<u>12,799</u>	<u>-</u>
Net debt including cash attributable to assets held for sale	<u>(121,949)</u>	<u>(54,502)</u>

11. Post Employment Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 31 March 2017. The defined benefit pension schemes' liabilities at 31 March 2017 were updated to reflect material movements in underlying assumptions.

The net deficit on the Group's post employment benefit obligations decreased from £0.347 million at 31 March 2016 to £0.029 million at 31 March 2017. The movement in the deficit primarily reflects contributions in excess of the current service cost offset by an actuarial loss on liabilities arising from a decrease in the discount rate used to value these liabilities.

12. Business Combinations

A key strategy of the Group is to create and sustain market leadership positions through acquisitions in markets it currently operates in, together with extending the Group's footprint into new geographic markets. In line with this strategy, the principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:

- the acquisition in November 2016 of 100% of Shell's commercial, aviation and retail fuels business in Denmark ('Dansk Fuels');
- the acquisition of 100% of Medium (U.K.) ('Medium') in November 2016. Medium is a distributor of professional audio visual equipment to resellers in the UK;
- the acquisition in December 2016 of 100% of Hammer Consolidated Holdings Limited ('Hammer'), a UK based specialist distributor of server and storage solutions to resellers in the UK and Continental Europe;
- the acquisition in January 2017 of 79% of Medisource Ireland Limited, a specialist in the procurement and sale of Exempt Medicinal Products, based in Ireland; and
- the acquisition of 97% of Gaz Européen Holdings SAS ('Gaz Européen') in January 2017. Gaz Européen, which is based in France, is a natural gas retail and marketing business which supplies business and public sector customers.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

12. Business Combinations (continued)

The acquisition data presented below reflects the fair value of the identifiable net assets acquired (excluding net cash/debt acquired) in respect of acquisitions completed during the year, together with measurement period adjustments made to the provisional fair values in respect of the acquisition of Butagaz S.A.S. which was completed during the year ended 31 March 2016. These measurement period adjustments, which have no net cash impact, resulted in an increase in goodwill of £0.986 million and primarily comprise reclassifications between categories of assets and liabilities.

	Gaz Européen	Others	Total	Total
	2017	2017	2017	2016
	£'000	£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment	468	7,797	8,265	204,605
Intangible assets - other intangible assets	48,595	19,918	68,513	298,014
Equity accounted investments	-	404	404	15,292
Deferred income tax assets	-	60	60	11,605
Total non-current assets	49,063	28,179	77,242	529,516
Current assets				
Inventories	9,287	22,920	32,207	52,339
Trade and other receivables	61,627	144,901	206,528	97,904
Total current assets	70,914	167,821	238,735	150,243
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	(16,731)	(3,171)	(19,902)	(101,174)
Provisions for liabilities	-	(11,129)	(11,129)	(169,894)
Government grants	-	-	-	(46)
Total non-current liabilities	(16,731)	(14,300)	(31,031)	(271,114)
Current liabilities				
Trade and other payables	(46,539)	(118,238)	(164,777)	(95,423)
Provisions for liabilities	(102)	(5,215)	(5,317)	(18,604)
Current income tax asset/(liability)	29	12,312	12,341	(18,719)
Acquisition related liabilities	-	(13,522)	(13,522)	-
Total current liabilities	(46,612)	(124,663)	(171,275)	(132,746)
Identifiable net assets acquired	56,634	57,037	113,671	275,899
Non-controlling interest arising on acquisition	-	-	-	(21,311)
Other reserve movements arising on acquisition	-	-	-	2,503
Intangible assets - goodwill	44,328	72,847	117,175	214,470
Total consideration	100,962	129,884	230,846	471,561
Satisfied by:				
Cash	109,736	132,282	242,018	500,492
Cash and cash equivalents acquired	(11,158)	(27,533)	(38,691)	(110,450)
Net cash outflow	98,578	104,749	203,327	390,042
Acquisition related liabilities	2,384	25,135	27,519	81,519
Total consideration	100,962	129,884	230,846	471,561

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

12. Business Combinations (continued)

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

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Gaz Européen			
Non-current assets (excluding goodwill)	590	48,473	49,063
Current assets	71,103	(189)	70,914
Non-current liabilities	-	(16,731)	(16,731)
Current liabilities	(45,816)	(796)	(46,612)
Identifiable net assets acquired	25,877	30,757	56,634
Goodwill arising on acquisition	75,085	(30,757)	44,328
Total consideration	100,962	-	100,962
	Book value £'000	Fair value adjustments £'000	Fair value £'000
Others			
Non-current assets (excluding goodwill)	30,105	(1,926)	28,179
Current assets	168,343	(522)	167,821
Non-current liabilities	(1,470)	(12,830)	(14,300)
Current liabilities	(123,184)	(1,479)	(124,663)
Identifiable net assets acquired	73,794	(16,757)	57,037
Goodwill arising on acquisition	56,090	16,757	72,847
Total consideration	129,884	-	129,884
	Book value £'000	Fair value adjustments £'000	Fair value £'000
Total			
Non-current assets (excluding goodwill)	30,695	46,547	77,242
Current assets	239,446	(711)	238,735
Non-current liabilities	(1,470)	(29,561)	(31,031)
Current liabilities	(169,000)	(2,275)	(171,275)
Identifiable net assets acquired	99,671	14,000	113,671
Goodwill arising on acquisition	131,175	(14,000)	117,175
Total consideration	230,846	-	230,846

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 2018 Annual Report as stipulated by IFRS 3.

Notes to the Condensed Financial Statements

For the year ended 31 March 2017

12. Business Combinations (continued)

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 financial year is expected to be deductible for tax purposes.

Acquisition related costs included in other operating expenses in the Group Income Statement amounted to £10.308 million.

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

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £210.874 million. The fair value of these receivables is £206.528 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £4.346 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 completed during the year range from £2.630 million to £56.697 million.

The acquisitions during the year contributed £318.4 million to revenues and £6.8 million to profit after tax and non-controlling interests. Had all the business combinations effected during the year occurred at the beginning of the year, total Group revenue (continuing) for the year ended 31 March 2017 would have been £12,843.3 million and total Group profit after tax (continuing) would be £211.3 million.

13. 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 DCC Technology.

14. 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 2017 financial year.

15. Events after the Balance Sheet Date

As announced on 5 April 2017, the Group reached agreement to dispose of its Environmental division. The transaction is expected to complete in the quarter to 30 June 2017, following receipt of competition clearance from the Irish competition authority. The Group expects to receive cash proceeds on completion of approximately £170 million (25% of the British businesses are owned by DCC's long-standing minority partner) and the transaction is expected to give rise to an exceptional profit in the year ending 31 March 2018 of approximately £30 million.

The Group also announced on 5 April 2017 that it has reached agreement with Shell Gas (LPG) Holdings BV to acquire its liquefied petroleum gas ('LPG') business in Hong Kong and Macau based on an enterprise value of HK\$1.165 billion (c. £120 million). The business is one of the leading LPG businesses in Hong Kong and is the market leader in Macau. The business is required to be separated from the broader Shell Hong Kong operations and the transaction requires certain regulatory consents and operating licence approvals. The acquisition is expected to complete before the end of DCC's financial year ending 31 March 2018.

16. Board Approval

This report was approved by the Board of Directors of DCC plc on 15 May 2017.

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures

The Group reports certain alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions.

These APMs are primarily used for the following purposes:

- to evaluate the historical and planned underlying results of our operations;
- to set director and management remuneration; and
- to discuss and explain the Group's performance with the investment analyst community.

None of the APMs should be considered as an alternative to financial measures derived in accordance with GAAP. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

The principal APMs used by the Group, together with reconciliations where the non-GAAP measures are not readily identifiable from the financial statements, are as follows:

Operating profit before net exceptionals and amortisation of intangible assets ('EBITA')

Definition

This comprises operating profit as reported in the Group Income Statement before net operating exceptional items and amortisation of intangible assets.

Calculation	2017 £'000	2016 £'000
Operating profit before net exceptionals and amortisation of intangible assets ('EBITA') - continuing	345,005	285,345
Operating profit before net exceptionals and amortisation of intangible assets ('EBITA') - discontinued	18,546	15,178
Operating profit before net exceptionals and amortisation of intangible assets ('EBITA')	363,551	300,523

Operating profit before net exceptionals, depreciation and amortisation of intangible assets ('EBITDA')

Definition

EBITDA represents earnings before net interest, tax, depreciation, amortisation of intangible assets, share of equity accounted investments' profit after tax and net exceptional items.

Calculation	2017 £'000	2016 £'000
EBITA	363,551	300,523
Depreciation	92,015	74,822
EBITDA	455,566	375,345

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures (continued)

Net interest

Definition

The Group defines net interest as the net total of finance costs and finance income before interest related exceptional items as presented in the Group Income Statement.

Calculation	2017 £'000	2016 £'000
Finance costs before exceptional items	(72,910)	(64,790)
Finance income before exceptional items	40,973	35,962
Net interest - continuing	(31,937)	(28,828)
Net interest - discontinued	(163)	(161)
Net interest	(32,100)	(28,989)

Effective tax rate

Definition

The Group's effective tax rate expresses the income tax expense before exceptionals and deferred tax attaching to the amortisation of intangible assets as a percentage of EBITA less net interest.

Calculation	2017 £'000	2016 £'000
EBITA	363,551	300,523
Net interest	(32,100)	(28,989)
EBT	331,451	271,534
Income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets - continuing	54,787	41,042
Income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets - discontinued	3,217	2,403
Total income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets	58,004	43,445
Effective tax rate (%)	17.5%	16.0%

Adjusted earnings per share

Definition

The Group defines adjusted earnings per share as basic earnings per share adjusted for the impact of net exceptional items and amortisation of intangible assets.

Calculation	2017 pence	2016 pence
Adjusted earnings per share - continuing	286.59	242.78
Adjusted earnings per share - discontinued	17.09	14.36
Adjusted earnings per share	303.68	257.14

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures (continued)

Constant currency

Definition

The translation of foreign denominated earnings can be impacted by movements in foreign exchange rates versus sterling, the Group's presentation currency. In order to present a better reflection of underlying performance in the period, the Group retranslates foreign denominated current year earnings at prior year exchange rates.

	2017 £'000	2016 £'000
Revenue - continuing, constant currency		
Revenue - continuing	12,269,802	10,447,630
Currency impact	(622,001)	-
Revenue - continuing, constant currency	11,647,801	10,447,630

EBITA - continuing, constant currency

EBITA - continuing	345,005	285,345
Currency impact	(23,084)	-
EBITA - continuing, constant currency	321,921	285,345

Adjusted earnings per share - continuing, constant currency

Adjusted earnings - continuing	254,307	213,290
Currency impact	(16,677)	-
EBITA - continuing, constant currency	237,630	213,290
Weighted average number of ordinary shares in issue ('000)	88,735	87,854
Adjusted earnings per share – continuing, constant currency	267.80p	242.78p

Dividend cover

Definition

The dividend cover ratio measures the Group's ability to pay dividends from earnings.

Calculation	2017 pence	2016 pence
Adjusted earnings per share - continuing	286.59	242.78
Dividend	111.80	97.22
Dividend cover (times)	2.6x	2.5x

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures (continued)

Net capital expenditure

Definition

Net capital expenditure comprises purchases of property, plant and equipment, proceeds from the disposal of property, plant and equipment and government grants received in relation to property, plant and equipment.

Calculation	2017 £'000	2016 £'000
Purchase of property, plant and equipment	143,698	134,172
Proceeds from disposal of property, plant and equipment	(12,315)	(13,523)
Net capital expenditure	131,383	120,649

Free cash flow

Definition

Free cash flow is defined by the Group as cash generated from operations before exceptional items as reported in the Group Cash Flow Statement after net capital expenditure.

Calculation	2017 £'000	2016 £'000
Cash generated from operations before exceptionals	546,870	411,712
Net capital expenditure	(131,383)	(120,649)
Free cash flow	415,487	291,063

Free cash flow (after interest and tax payments)

Definition

Free cash flow (after interest and tax payments) is defined by the Group as free cash flow after interest paid, income tax paid, dividends received from equity accounted investments and interest received.

Calculation	2017 £'000	2016 £'000
Free cash flow	415,487	291,063
Interest paid	(70,108)	(64,432)
Income tax paid	(62,180)	(35,346)
Dividends received from equity accounted investments	125	365
Interest received	40,966	36,004
Free cash flow (after interest and tax payments)	324,290	227,654

Cash conversion ratio

Definition

The cash conversion ratio expresses free cash flow as a percentage of EBITA.

Calculation	2017 £'000	2016 £'000
Free cash flow	415,487	291,063
EBITA	363,551	300,523
Cash conversion ratio (%)	114%	97%

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures (continued)

Net debt/EBITDA

Definition

The net debt to earnings before net interest, tax, depreciation, amortisation of intangible assets, share of equity accounted investments' profit after tax and net exceptional items ('EBITDA') ratio is a measurement of leverage, and shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

Calculation	2017 £'000	2016 £'000
Net debt	121,949	54,502
EBITDA	455,566	375,345
Net debt/EBITDA	0.3	0.2

Return on capital employed ('ROCE') - continuing

Definition

ROCE represents operating profit (continuing) before net operating exceptional items and amortisation of intangible assets expressed as a percentage of the average total continuing capital employed. Total continuing capital employed represents total equity adjusted for net debt/cash, goodwill and intangibles written off, acquisition related liabilities and equity accounted investments.

Calculation	2017 £'000	2016 £'000
Total equity	1,507,721	1,350,476
Net debt (continuing)	134,748	69,473
Goodwill and intangibles written off (continuing)	228,340	189,210
Equity accounted investments (continuing)	(24,938)	(22,139)
Acquisition related liabilities (continuing, current and non-current)	94,917	99,438
Net assets of the disposal group	(126,072)	(104,694)
	1,814,716	1,581,764
Average total capital employed - continuing	1,698,240	1,301,757
EBITA - continuing	345,005	285,345
Return on capital employed (%) - continuing	20.3%	21.9%

Supplementary Financial Information

For the year ended 31 March 2017

Alternative Performance Measures (continued)

Committed acquisition expenditure

Definition

The Group defines committed acquisition expenditure as the total acquisition cost of subsidiaries as presented in the Group Cash Flow Statement (excluding amounts related to acquisitions which were committed to in previous years) and future acquisition related liabilities for acquisitions committed to during the year.

Calculation	2017 £'000	2016 £'000
Net cash outflow on acquisitions during the year	203,327	390,042
Cash outflow on acquisitions which were committed to in the previous year	(34,372)	(351,045)
Acquisition related liabilities arising on acquisitions during the year	41,041	81,519
Acquisition related liabilities which were committed to in the previous year	(14,082)	(79,288)
Amounts committed in the current year	358,000	39,000
Committed acquisition expenditure	553,914	80,228

Net working capital

Definition

Net working capital represents the net total of inventories, trade and other receivables (excluding interest receivable), and trade and other payables (excluding interest payable, amounts due in respect of property, plant and equipment and government grants).

Calculation	2017 £'000	2016 £'000
Inventories	456,395	393,948
Inventories (asset classified as held for sale)	1,922	–
Trade and other receivables	1,222,597	916,069
Trade and other receivables (asset held for sale)	33,264	–
Interest receivable (included in trade and other receivables)	(223)	(230)
Trade and other payables	(1,820,517)	(1,437,832)
Trade and other payables (asset held for sale)	(35,741)	–
Interest payable (included in trade and other payables)	4,534	3,967
Amounts due in respect of property, plant and equipment (included in trade and other payables)	6,349	2,967
Government grants (included in trade and other payables)	9	26
Net working capital	(131,411)	(121,085)

Working capital (days)

Definition

Working capital days measures how long it takes in days for the Group to convert working capital into revenue.

Calculation	2017 £'000	2016 £'000
Net working capital	(131,411)	(121,085)
March revenue	1,223,575	967,014
Working capital (days)	(3.3 days)	(3.9 days)