Annual Report & Accounts 2000

DCC

Contents

DCC adds value in the marketing and distribution of its own and third party branded products in growth markets in IT, energy, healthcare and food. DCC also provides complementary supply chain management and e-fulfilment services to the IT industry. The company's shares are quoted on the Irish and London stock exchanges.

Financial Highlights

Turnover of continuing activities	**€1.316bn**	*up 55.3%*
operating **Profit** of continuing activities	**€73.8m**	*up 27.4%*
operating **Cash flow**	**€96.3m**	*up 47.0%*
adjusted **Earnings** per share	**68.8c**	*up 20.3%*
Dividend per share	**17.6c**	*up 20.1%*

Group at a Glance

Value Added Marketing and Distribution

DCC markets and distributes its own and third party branded products in growth markets.

IT

DCC is a European marketeer and distributor of leading brands of computer hardware and software. Customers include computer dealers, value added resellers, large multiple retailers, computer superstores, mail order catalogues and a wide range of other resellers, which are served by highly trained and product focused telesales teams. During the year DCC acquired Distrilogie, a specialist value added distributor of computer storage products, based in France with sales offices in Spain, Portugal and Italy.

Energy

DCC supplies all grades of fuel oils, heating oils, diesel and petrol throughout the island of Ireland. It is also a nationwide supplier of liquefied petroleum gas (LPG) in Ireland and Britain. It supplies industrial, commercial, transport and domestic customers and holds strong positions in all the markets it serves.

Healthcare

DCC is the largest distributor of medical, surgical and laboratory equipment and consumables to Irish hospitals. The Group also manufactures and distributes lifestyle enhancing mobility and rehabilitation products for an ageing population in Britain, Continental Europe and the US. In nutraceuticals DCC manufactures health supplements and other tablets and capsules, which are marketed and distributed to the retail sector and the industry in Britain and to export markets worldwide.

Food

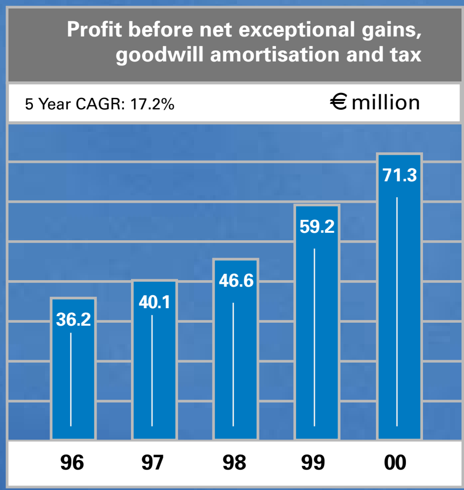
DCC markets and distributes healthy foods, snackfoods, hot and cold beverages, wine and bakery products in Ireland and provides chilled and frozen food distribution services. DCC's food businesses service a broad customer base in the grocery, convenience, off-licence, health store and pharmacy sectors. The fast growing Irish catering sector is a particular focus for growth, especially in ground coffee and wine.

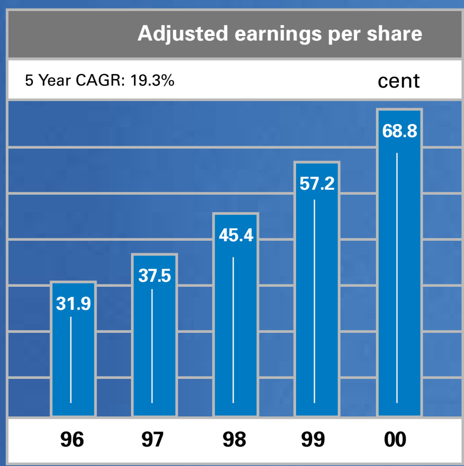
Group at a Glance

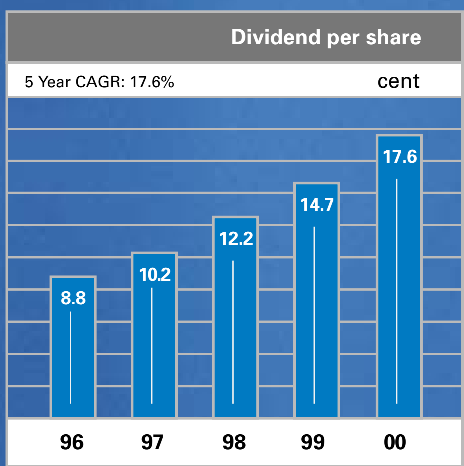
Supply Chain Management and E-fulfilment Services

Supply chain management services are complementary to the role of the modern distributor in adding value for its customers and suppliers. DCC is a leading provider of supply chain management services to international IT and telecommunications companies through SerCom Solutions.

SerCom Solutions' services include project management, procurement, sub-assembly, warehousing and just-in-time delivery. SerCom Solutions also provides a range of e-fulfilment services to support the processing and fulfilment of its customers' e-commerce activities.



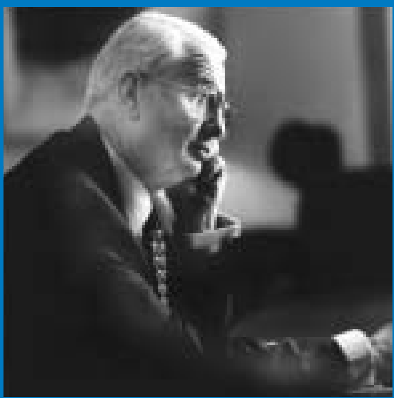




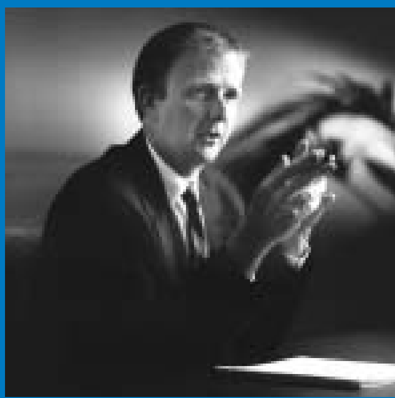
Directors

Alex Spain: Chairman

Jim Flavin: Chief Executive/ Deputy Chairman



Tony Barry



Tommy Breen

Alex Spain: *Chairman*
Alex Spain, B.Comm., F.C.A. (aged 67), is non-executive Chairman of DCC and is a director of a number of other companies. He was Managing Partner of KPMG in Ireland from 1977 to 1984. He is a former President of the Institute of Chartered Accountants in Ireland and a former Chairman of the Financial Services Industry Association in Ireland. Mr Spain joined the Board and became Chairman in 1976.

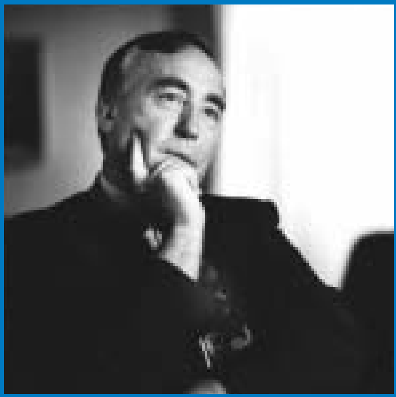
Jim Flavin: *Chief Executive and Deputy Chairman*
Jim Flavin, B.Comm., D.P.A., F.C.A. (aged 57), founded DCC in 1976 and is Chief Executive and Deputy Chairman. He has extensive experience in the areas of business development and corporate acquisitions. Prior to founding DCC, he worked as head of AIB Bank's venture capital unit. Mr Flavin is also Deputy Chairman of Eircom plc.

Tony Barry
Tony Barry, Chartered Engineer (aged 65), non-executive Director, is a member of the Court of Bank of Ireland and a director of Greencore Group plc and Ivernia West plc. He was Chairman of CRH plc from 1994 to May 2000, having previously been Chief Executive. He is a past President of The Irish Business and Employers' Confederation. Mr Barry joined the Board in 1995.

Tommy Breen
Tommy Breen, B.Sc (Econ), F.C.A., (aged 41), executive Director, joined DCC in 1985, having previously worked with KPMG. He is Managing Director of DCC SerCom. Mr Breen was co-opted to the Board in February 2000.

Directors

Morgan Crowe



Paddy Gallagher

Kevin Murray

Fergal O'Dwyer

Morgan Crowe
Morgan Crowe, Dip. Eng., M.B.A. (aged 55), executive Director, joined DCC in 1976, having previously worked with the Boeing Company in Seattle and with IBM in Dublin. He is Managing Director of DCC Healthcare. Mr Crowe joined the Board in 1979.

Paddy Gallagher
Paddy Gallagher, B.L., D.P.A. (aged 60), non-executive Director, is Head of Legal and Pensions Administration at Guinness Ireland Group. He previously worked with Aer Lingus, the Irish national airline, and is a former Chairman of the Irish Association of Pension Funds. He is a member of the Committee of Management of Irish Pension Fund Property Unit Trust. Mr Gallagher joined the Board in 1976.

Kevin Murray
Kevin Murray, B.E., F.C.A. (aged 41), executive Director, joined DCC in 1988, having previously worked with Shell Chemicals in London and Arthur Andersen in Dublin. He is Managing Director of DCC Energy and DCC Foods. Mr Murray was co-opted to the Board in February 2000.

Fergal O' Dwyer
Fergal O' Dwyer, F.C.A. (aged 40), executive Director, joined DCC in 1989 having previously worked with KPMG in Johannesberg and Price Waterhouse in Dublin. He was appointed Chief Financial Officer in 1994. Mr O' Dwyer was co-opted to the Board in February 2000.

Chairman's Statement

Alex Spain: Chairman

Results

DCC's continued emphasis on organic profit growth together with the contribution for a full year from the successful acquisitions undertaken in the previous financial year were the key drivers behind another year of strong earnings growth, excellent operating cash flows and increased returns on capital employed. Profit before net exceptional gains, goodwill amortisation and taxation increased by 20.5% to €71.3 million. Adjusted earnings per share increased by 20.3% to 68.8 cent. The return on tangible capital employed increased to 39.5% from 36.3% and inclusive of acquisition goodwill the return increased to 21.5% from 21.2%.

Dividend

The Directors are recommending a final dividend of 11.15 cent per share which, when added to the interim dividend of 6.45 cent per share, gives a total dividend for the year of 17.60 cent per share. This represents an increase of 20.1% on the dividend of 14.66 cent per share paid in respect of the year ended 31 March 1999. The dividend for the year is covered 3.9 times by adjusted earnings per share (1999: 3.9 times). The final dividend will be paid on 4 July 2000 to shareholders on the register at the close of business on 26 May 2000.

Financial Strength

DCC is a highly cash generative group. Group operating cash flow increased by 47.0% to €96.3 million (1999: €65.5 million). After the sale of the Group's ordinary shareholding in Fyffes plc for €106.3 million and cash expenditure on acquisitions and development of €62.3 million, net cash at 31 March 2000 amounted to €89.2 million, compared to net debt of €20.3 million at 31 March 1999. Shareholders' funds at 31 March 2000 amounted to €329.1 million (1999: €195.2 million).

Acquisitions, Capital Expenditure and Disposals

Acquisition and capital expenditure for the year amounted to €68.1 million.

Acquisition expenditure (inclusive of debt and net of cash assumed on acquisition) amounted to €39.1 million. Acquisition activity during the year focused largely on the expansion of the Group's IT and healthcare distribution businesses into Continental Europe. In May 1999 DCC acquired Casa Garden (since renamed CasaCare), a German based distributor of mobility and rehabilitation products. In January 2000, DCC acquired Distrilogie, a young, fast growing specialist distributor of computer storage products based in Paris with offices in Madrid, Lisbon and Milan. Other acquisitions during the year included the Cawoods oil business in Northern Ireland and a number of small LPG distributors in Britain.

Chairman's Statement

Capital expenditure in the year amounted to €29.0 million (1999: €18.0 million). This included €4.9 million spent on a new IT distribution centre in Dublin.

In February 2000 DCC sold its holding of 31.2 million ordinary shares in Fyffes plc for €106.3 million. DCC first invested in Fyffes in 1981 and the realisation of a significant profit reflects well on the considerable achievements of Neil McCann and his team in building Fyffes into the leading fresh produce distributor in Europe. DCC continues to hold 4.6 million Fyffes convertible preference shares. In March 2000 the Group sold its 90% shareholding in International Translation & Publishing Limited for a cash consideration of €19.8 million.

Board

On 7 February 2000 Tommy Breen (Managing Director of DCC's SerCom division), Kevin Murray (Managing Director of DCC's Energy and Food divisions) and Fergal O'Dwyer (Chief Financial Officer) were co-opted to DCC's Board of Directors. These new directors bring a wealth of knowledge and experience to the Board. They each have more than ten years experience with DCC and have made a significant contribution to DCC's development as a leading value added marketing and distribution group.

Outlook

DCC operates in growth markets and is immensely strong financially. It is well positioned for the future.

Alex Spain

Chairman

12 May 2000

Chief Executive/Deputy Chairman's Review

Jim Flavin: Chief Executive/Deputy Chairman

Another Year of Strong Growth

DCC achieved another year of strong growth and thus continued its excellent record. The Group reported in excess of 20% growth in adjusted earnings per share and generated a high return on capital employed. There was excellent growth in operating cash flow and DCC ended the year with an immensely strong balance sheet.

Adding Value

DCC has significant positions in the marketing and distribution of many leading brands, both owned and third party, in the growth markets it serves. The Group's focus is primarily on business-to-business trading where it generates the bulk of its turnover. Several factors have underpinned the Group's strong growth: product focused sales teams, market sector knowledge, distribution reach and rigorous operational cost control. In addition, we have the necessary skilled personnel with the ability to provide technical support and expertise to resellers and business customers.

Development Focus

The generation of superior medium to long term shareholder value through strong organic growth and good returns on capital have been priorities in DCC's development focus over many years. Bolt-on acquisitions of well managed companies are an important and complementary source of growth.

It is planned to reinvest the cash proceeds of €126 million from the sale of DCC's 10.5% ordinary shareholding in Fyffes and its 90% shareholding in International Translation and Publishing in core activities.

SerCom: SerCom Distribution continued to grow strongly during the year, benefiting from increased e-commerce activity and the consequent growth in the demand for internet infrastructure. Also, the growth of the direct channel and related e-fulfilment activity has driven complementary growth in the demand for SerCom Solutions' outsourced supply chain management and e-fulfilment services. During the past year SerCom Solutions has commenced small but exciting projects to engineer global supply chain management solutions on behalf of leading international IT companies.

DCC was pleased to complete the acquisition of a 55% shareholding in the leading French computer storage hardware and software distributor, Distrilogie SA, during the year. The growth in demand for computer storage products and Distrilogie's established reputation at the higher value-added end of this market brings a new

Chief Executive/Deputy Chairman's Review

dimension to DCC's IT distribution businesses and an initial presence for DCC in the continental European IT distribution market.

Energy: DCC's energy businesses continued to be highly cash generative and achieved good profit growth against a background of rapidly rising energy costs. Particular growth potential exists for Emo Oil which generates approximately 50% of the operating profits in the energy business.

Healthcare: DCC, through its subsidiary Fannin Healthcare, is the clear market leader in the supply of medical and surgical equipment and consumables to Irish hospitals. Its knowledge and experience in this marketplace and its singular focus on providing an added value service for both vendors and customers in the supply of technically complex products will support further growth. DCC's nutraceutical business is the only domestic operation in Britain with the full-service capability to manufacture, market and distribute nutraceuticals in both tablet and capsule format. From this base, we will continue to seek strong growth in both domestic and export sales of nutraceuticals in the coming years as the consumer trend towards greater health awareness grows. DCC's expanding international mobility and rehabilitation business also grew strongly during the year and the acquisition of CasaCare in Germany established a direct presence in the continental European marketplace.

Food: DCC has successfully pursued a niche focus in the marketing and distribution of leading, owned and third party, food and beverage brands, and has developed a strong presence in the Irish marketplace over many years. The Group has a deep distribution reach and is particularly strong in supplies to the catering sector. With a young population in Ireland and an expanding economy, DCC's key product categories - coffee, wine, soft drinks, snacks and healthy foods - are well positioned to benefit from the increasing trend towards eating out and a growing demand for food and beverages suited to contemporary lifestyles.

IT and E-Commerce

DCC is committed to leveraging technology to generate maximum competitive advantage. During the year the Group continued to enhance its IT infrastructure, which included the implementation of Enterprise Resource Planning systems and the development of e-commerce solutions.

The advent of e-commerce creates two distinct opportunities for DCC:
- enabling e-commerce for third parties; and
- utilising e-commerce within our own businesses.

The growth of e-commerce is driving growth in demand for internet infrastructure - the computer hardware and software resources that enable companies to access, trade and service their presence on the web. SerCom Distribution is addressing this growth in demand for internet infrastructure through Micro-P and Gem in the UK, Sharptext in Ireland and Distrilogie in Continental Europe. DCC is also supporting its customers' participation in e-commerce through the extensive e-fulfilment capabilities SerCom Solutions has developed. SerCom Solutions' new

Chief Executive/Deputy Chairman's Review

website and proprietary internet tools, "e-vision" and "e-file", enable the leading international IT and telecoms customers who have outsourced segments of their supply chain to SerCom Solutions to have full, secure visibility of the progress of their orders through SerCom Solutions' ERP system. E-commerce was also used effectively by SerCom Solutions to undertake global fulfilment programmes for one of its key customers during the year.

Within its businesses, DCC has a number of significant e-commerce initiatives in progress in its supply chain management and IT distribution businesses which will drive service improvements, operational cost reductions and the use of complementary sales channels. Sharptext's recently launched web-based customer interface gives dealers and resellers customised on-line access to product information, pricing and availability, promotions, order and account status and automates many otherwise time consuming customer service requirements such as account queries and returns. It is planned to launch this web-based customer interface in SerCom Distribution's British operations later in the year.

Promoting Best Practice

The extensive managerial knowledge, experience and resources that exist throughout the DCC Group have been a particular strength in DCC over many years. The DCC Best Practice Programme was initiated during the year to capitalise on this strength by providing a formal framework for DCC's management teams to share best practice. Initial focus has been on areas such as telesales, logistics, information technology, the generation of synergies and the leverage of DCC's group purchasing power.

Management Process

With expanding operations in several countries and almost 3,000 employees, sound management processes to support and drive DCC's continued expansion are of particular importance to the Group. A devolved organisational structure affords local management significant operating control over their businesses with strategic, financial and functional support and stewardship being provided from head-office. This environment contributes to a thriving, growth-focused culture across the DCC Group. Coupled with an effective system of management development and remuneration, it also results in a very low level of management turnover in the Group and thus ensures a solid platform for DCC's development in the years ahead.

Chief Executive/Deputy Chairman's Review

Looking Forward

DCC's commitment to organic growth and bolt-on acquisitions of well managed companies in growth markets is a strategy which has served the Group and its shareholders well for many years. I am confident that this strategy will continue to deliver good growth for shareholders in the years ahead.

Jim Flavin

Chief Executive/Deputy Chairman

12 May 2000

Operating Review

	2000	1999	
Turnover	**€542.3m**	€354.6m	+52.9%
Operating profit	**€20.5m**	€15.0m	+36.6%
Operating margin	**3.8%**	4.2%	
Return on capital employed	**60.2%**	60.1%	

Value Added Marketing and Distribution

SerCom Distribution

SerCom Distribution continued to achieve excellent sales and profit growth in hardware and software distribution in Britain and Ireland. The reduction in operating margin reflects a change in business mix rather than any adverse trend in product margins. With the acquisition of Distrilogie, SerCom Distribution fulfilled its stated objective of expanding into Continental Europe.

Micro-P, the British hardware distribution business, generated significant growth across a broad range of product categories including PCs and peripherals, networking products, components and consumables. Its business approach has been consistently successful. Through its pro-active, product focused telesales teams and efficient logistics and administration, Micro-P delivers a superior service to both its customers and its leading brand suppliers such as Canon, Epson, Fujitsu-Siemens, Phillips, Sony and Xerox. Micro-P received the 1999 Peripherals Distributor of the Year award at the VNU Channel Group Awards.

Gem Distribution had a strong year across its business of consumer software distribution and gained a particular benefit in the second half from its appointment as distributor of Sega's Dreamcast games console. Gem's position as the leading British distributor of consumer software to the retail trade was recognised in April 2000 when it was presented with the Software Distributor of the Year award by the National Association of Computer Retailers.

Since the year end SerCom Distribution has committed to expand its British warehouse facility in Altham, near Manchester, which handles logistics for Micro-P and Gem. This expansion, which will increase capacity to 2.5 times the existing level, reflects the high levels of volume growth which are anticipated in the future.

Sharptext, the Irish computer distributor, produced another good result in a buoyant market. Its new distribution centre in west Dublin was completed on schedule in December 1999 and Sharptext moved into the new premises in January 2000. Sharptext has recently disposed of its small direct sales business in order to concentrate exclusively on the rapid development of its distribution activities. At the end of April 2000 Sharptext launched its new e-commerce site - www.sharptext.com - which provides a full on-line distribution system. The objectives of the development, which has been carefully planned over the past 18 months, are to improve the quality of service which Sharptext provides to its trade customers, to reduce operational costs and to create a complementary sales channel. It is planned to roll out similar sites based on the same model in the other SerCom Distribution businesses later in the year.

In January 2000 DCC completed the acquisition of Distrilogie, a young, fast growing specialist value added distributor of computer storage products based in Paris. Distrilogie also has offices in Madrid, Lisbon and Milan. With rapid growth forecast for the computer storage market, it is planned to grow Distrilogie aggressively as a pan-European business in the internet infrastructure market and to exploit geographic and product synergies with SerCom Distribution's operations in Britain and Ireland.

European expansion

DCC

Product focus

Internet infrastructure

GEM

MICRO·P

DISTRILOGIE

SHARP TEXT DISTRIBUTION

EPSON

Microsoft

COMPAQ

Dreamcast

FUJITSU SIEMENS

SONY

IBM

Sun

3Com

Operating Review

	2000	1999	
Turnover	**€369.8m**	€193.3m	+91.3%
Operating profit	**€20.0m**	€18.2m	+10.1%
Operating margin	**5.4%**	9.4%	
Return on capital employed	**37.4%**	32.5%	

Value Added Marketing and Distribution

Energy

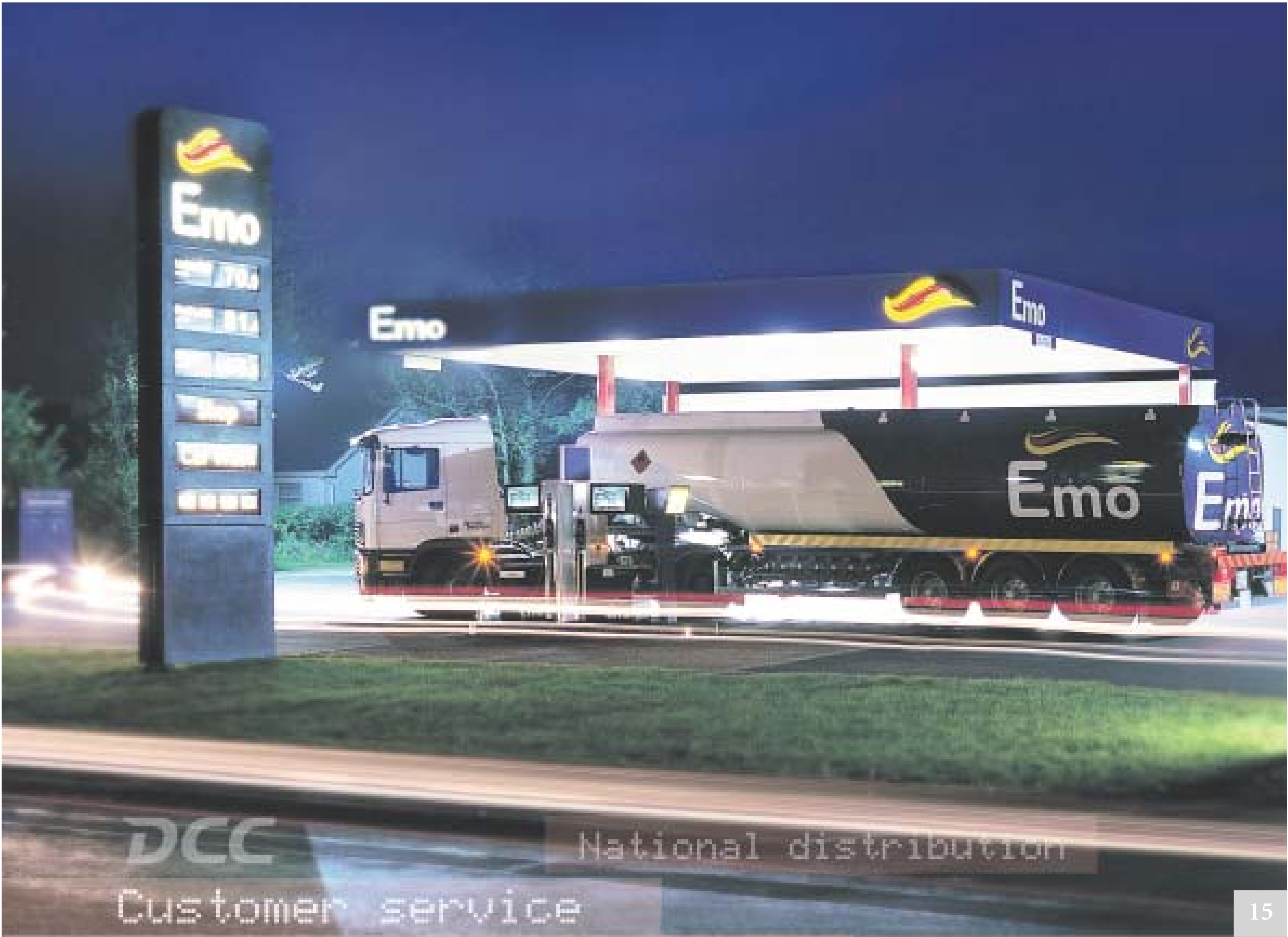
Creditable growth was achieved in Energy in a year in which the price of crude oil and refined products increased significantly and continuously.

Turnover almost doubled due to strong growth in oil sales volumes and the sales price increases implemented to recover the increased cost of oil and liquefied petroleum gas (LPG). Operating profit grew by 10.1% as the strong volume growth in oil more than compensated for reduced margins in LPG. While the percentage operating margin fell back, this is a consequence of substantial increases in oil prices and was accentuated by the rapid expansion of the oil business which generates lower percentage margins but higher rates of return on capital. Tight control of working capital and capital expenditure ensured that DCC's energy businesses continued to be highly cash generative.

DCC's oil distribution business serves end users directly in the major cities and operates through distributors in more rural areas. In the Republic of Ireland it is successfully developing a more substantial presence in the faster growing transport fuels market. Oil volumes grew by 63%, benefiting from strong growth in demand and an increased market share in distillates together with a full year's contribution from the Burmah business in the Republic of Ireland (acquired in January 1999) and eight months from the Cawoods business in Northern Ireland (acquired in August 1999).

Although still trading under the Burmah and Cawoods brands in these markets alongside the main Emo brand, the operations of both businesses have been fully integrated with those of Emo, yielding the anticipated cost savings and operating efficiencies, while continuing to grow volumes.

LPG volumes were slightly ahead of the previous year. A number of LPG price increases were implemented during the financial year but, as is to be expected at a time of rapidly and continuously increasing product costs, sales price increases lagged product price increases throughout the year with a consequent impact on LPG margins. Given more settled oil prices, LPG margins should return to more normal levels in the year ahead.



DCC

National distribution

Customer service

Strong cash generation

Operating Review

	2000	1999	
Turnover	**€155.6m**	€114.8m	+35.6%
Operating profit	**€16.0m**	€9.8m	+63.1%
Operating margin	**10.3%**	8.5%	
Return on capital employed	**38.5%**	31.8%	

Value Added Marketing and Distribution

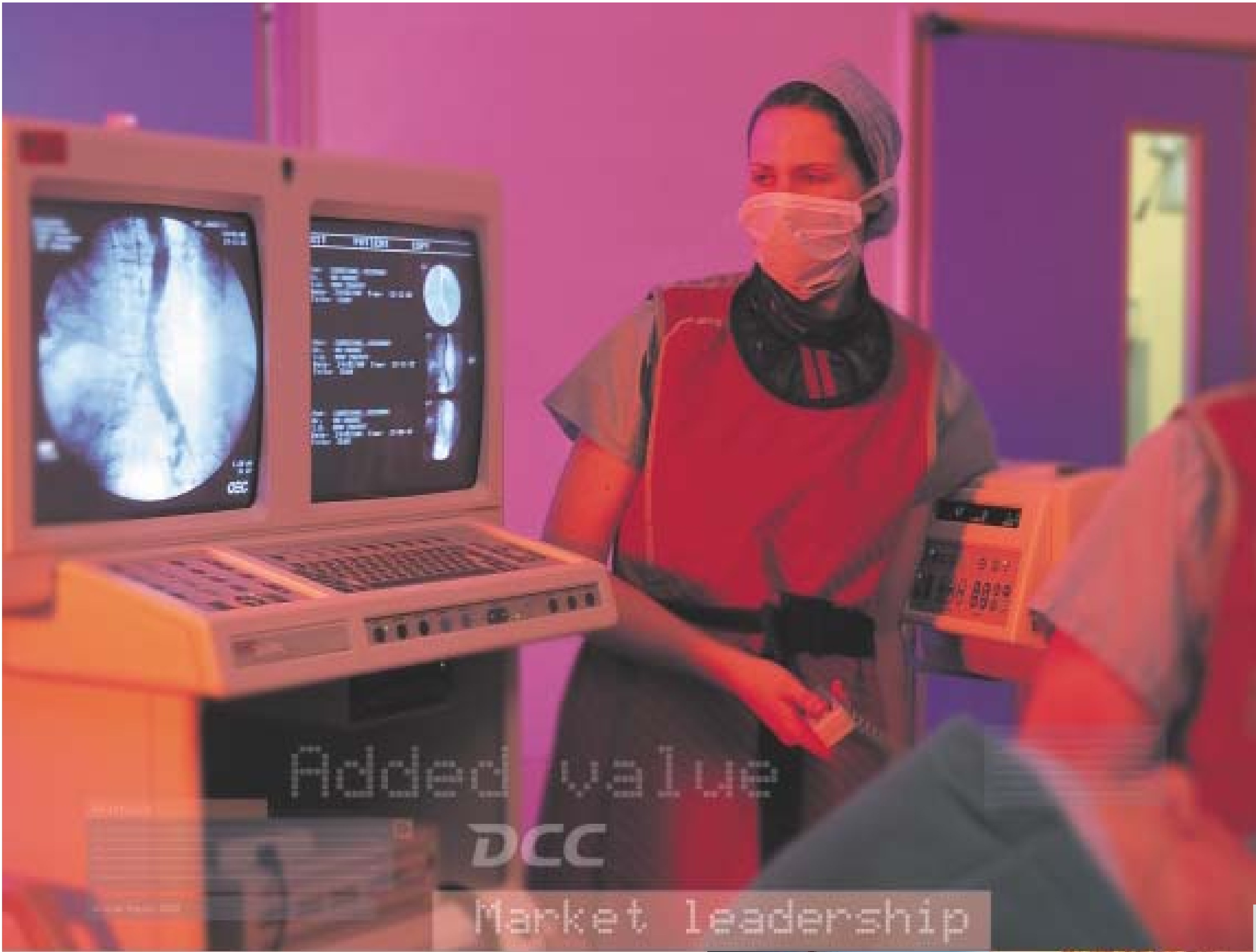
Healthcare

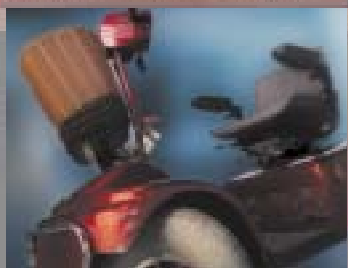
The 63.1% operating profit increase in Healthcare reflects strong organic growth, an improvement in operating margins, the full year impact of acquisitions completed in the previous year and the acquisition of CasaCare in May 1999.

Fannin Healthcare, the hospital supply business, achieved substantial sales and profit growth largely as a result of the BM Browne acquisition last year. The enlarged business is using its market leadership position to add further value to the service provided to its customers in the healthcare system through bundled product offerings and more sophisticated IT applications.

In mobility and rehabilitation, good sales and profit growth resulted from improved purchasing, increased market share in Britain and increased sales in the German market following the acquisition of CasaCare.

In nutraceuticals (vitamin and health supplements), the successful realisation of synergies from last year's acquisitions of Thompson & Capper (tablet manufacture) and EuroCaps (soft gel encapsulation) has boosted sales and profits significantly. Organic sales growth was strong and margins benefited from sourcing tablets and capsules from these recently acquired companies.





Track record

DMA DATA MEDICAL

FANNIN

CASAcare

DiaMed

Healthilife

DIAGNOSTICA STAGO

BD

SHOPRIDER

Huntleigh

VIRTUS

Euro Caps LIMITED

PRIMACY

Operating Review

	2000*	1999*	
Turnover	**€160.4m**	€120.2m	+33.4%
Operating profit	**€8.9m**	€7.1m	+25.0%
Operating margin	**5.6%**	5.9%	
Return on capital employed	**38.2%**	37.6%	

** continuing activities*

Value Added Marketing and Distribution

Food

DCC's consistent record of achieving strong organic growth in sales and profit from its food businesses continued while there was also a first full year contribution from Kylemore, its 50% associate acquired at the end of the previous year.

In Ireland there is continuing growth in food service, convenience foods and healthy/"better for you" foods. As a leading supplier of branded products in categories such as ground coffee, wine, snackfoods, breads/confectionery and healthy foods, DCC's food businesses benefit from this growth.

Strong volume growth was achieved in all of the major product categories noted above. In addition to its own Robt. Roberts ground coffee and Kelkin healthy foods brands, some of the other popular brands distributed by DCC in Ireland include KP and Phileas Fogg snackfoods, Jordans cereals, Filippo Berio olive oil and Torres wines. During the year DCC added Robinsons to its existing range of soft beverages which includes Libby's and Tango.

Kylemore produced a satisfactory result, with the restaurants performing well. With a strengthened management team now in place, the company is well positioned for development. Allied Foods, the 50% owned specialist chilled and frozen foods distributor, continued its evolution to a more logistics focused business.


Salsa

Operating Review

	2000*	1999*	
Turnover	**€61.6m**	€43.9m	+40.2%
Operating profit	**€3.8m**	€5.4m	-29.7%
Operating margin	**6.2%**	12.4%	
Return on capital employed	**22.9%**	36.3%	

** continuing activities*

Supply Chain Management Services

SerCom Solutions

SerCom Solutions grew its business strongly in a year characterised by considerable development activity, which included the launch of its new identity "SerCom Solutions" and an expanded range of supply chain management and e-fulfilment services. In order to focus its development on these exciting growth areas, SerCom Solutions sold ITP, its localisation business.

The IT industry outsources certain business critical activities to a small number of carefully selected partners in order to achieve cost efficient distribution, shorter lead times to market and reduced inventory levels. SerCom Solutions provides its customers in the IT industry with a range of these supply chain management services including procurement, project management, sub-assembly, warehousing, just-in-time delivery and e-commerce solutions.

Recognising that IT is a key factor in successful provision of supply chain management services, SerCom Solutions has continued to invest in additional IT and customer service personnel and systems development, including a range of e-commerce initiatives. The new IT investment is focused on electronically linking the supply chain through the direct interface of SerCom Solutions' IT systems with those of its customers, its customers' suppliers and its customers' customers. While this investment is impacting profitability in the short term, SerCom Solutions is positioning itself to win new business in the rapidly developing market for supply chain management and e-fulfilment services.

The e-fulfilment projects undertaken to date, though modest in scale, have been successful and provide a platform for SerCom Solutions to grow its services in this area for a wider range of customers.

DCC Best practice

Global fulfilment

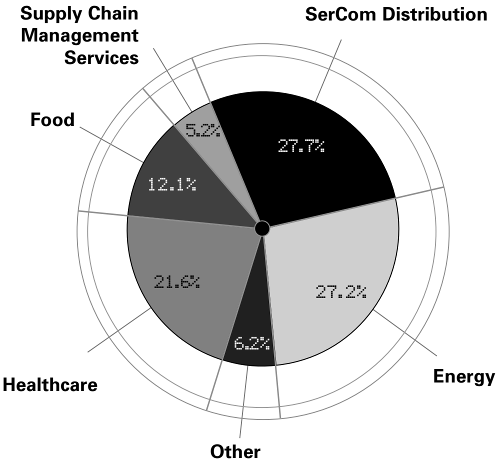
Information Technology

Financial Review

Fergal O'Dwyer: Chief Financial Officer

Strong Growth

DCC's financial position at 31 March 2000 reflects another year of strong revenue and profit growth and good cash generation. Turnover of continuing activities grew by 55.3% to €1,316.1 million while operating profit of continuing activities increased by 27.4% to €73.8 million.



Operating Profit - Continuing Activities

A detailed review of the Group's value added marketing and distribution and supply chain management activities is contained in the Operating Review on pages 12 to 21. The operating profit from other interests of €4.6 million (1999 €2.4 million) was generated principally from the Group's 49% shareholding in Manor Park Homebuilders, which enjoyed another excellent year.

The Group's operating margin reduced from 6.8% to 5.6%. The following is an overview of the principal reasons for the change:

	2000	1999
Energy margin	5.4%	9.4%
IT Distribution margin	3.8%	4.2%
Group margin excluding Energy and IT Distribution	**8.2%**	**8.3%**

In the year Energy turnover increased substantially (91.3%) due to both rising oil prices and volume growth. However because the energy industry operates on a contribution per litre basis rather than on a percentage operating margin on turnover, the Energy margin reduced from 9.4% to 5.4%. The Group margin was also impacted by the faster growth of the IT Distribution businesses which, while generating an excellent return on capital employed (60.2% in the year), earn a lower operating margin compared to the margin for the entire Group. The operating margin of the Group excluding Energy and IT Distribution was similar to the previous year at 8.2% (8.3%).

Financial Review

The Group's return on tangible capital employed increased to 39.5% (1999: 36.3%) and inclusive of acquisition goodwill the return amounted to 21.5% (1999: 21.2%).

The net interest charge increased to €6.4 million from €4.4 million principally due to higher average net debt in the earlier part of the year. Interest cover was 12.1 times (1999: 14.3 times).

Profit before net exceptional gains, goodwill amortisation and tax rose by 20.5% to €71.3 million.

The disposal of interests in Fyffes plc and International Translation and Publishing Limited resulted in a net exceptional gain before taxation of €71.4 million. In addition there was a related gain of €20.7 million through the realisation of goodwill previously eliminated against reserves.

Dividend

The total dividend for the year of 17.6 cent per share represents an increase of 20.1% over the previous year. The dividend is covered 3.9 times by adjusted earnings per share. This level of cover is consistent with previous years.

Taxation

The Group's taxation charge on ordinary activities for the year represents an effective tax rate of 15.0% (1999: 15.0%).

The impact of manufacturing relief and the geographic spread of DCC's profits contribute to the difference between the effective rate and the standard rate of corporation tax in Ireland.

Manufacturing relief results in an effective tax rate of 10% being applied to manufacturing profits and this arrangement will continue until 2010. The standard rate of corporation tax in Ireland will be reduced on a phased basis to 12.5% by 1 January 2003.

An analysis of the taxation charge is contained in note 11 to the financial statements.

Cash Flow

Strong operating cash flows were generated during the year, particularly in DCC's energy businesses. Cash flow from operating activities was €96.3 million, an increase of 47.0% on the previous year. Working capital was well managed during the year with particularly favourable circumstances at 31 March 2000 contributing to a reduction in working capital to 11.6 days sales compared to 17.4 days sales at 31 March 1999. The table overleaf sets out a cash flow summary for the year ended 31 March 2000.

Financial Review

Cash Flow Summary	2000	1999
	€'m	€'m
Operating cash flow	96.3	65.5
Disposals	109.7	-
Share issues (net)	-	8.7
Interest	(5.5)	(4.1)
Taxation	(9.4)	(5.8)
Capital expenditure (net)	(24.7)	(16.8)
Acquisitions	(37.6)	(59.1)
Dividends	(13.7)	(10.5)
Translation adjustment	(5.5)	2.7
Other	(0.1)	(7.9)
Movement in net cash/(debt)	109.5	(27.3)
Opening net (debt)/cash	(20.3)	7.0
Closing net cash/(debt)	89.2	(20.3)

Balance Sheet

DCC has an immensely strong balance sheet at 31 March 2000 with shareholders' funds of €329.1 million and net cash of €89.2million. This net cash position represents a reversal of the 10.4% gearing level that prevailed at the end of the previous year. The composition of net cash at 31 March 2000 is shown in the following table.

Net Cash	€'m
Cash and term deposits	551.3
Bank loans and other debt repayable within 1 year	(191.8)
Bank loans and other debt repayable after 1 year	(161.7)
Unsecured Notes due 2008/11	(108.6)
Total	89.2

The Group's cash is analysed in note 23 to the financial statements. An analysis of DCC's debt at 31 March 2000, including currency, interest rates and maturity periods, is shown in notes 24 to 27 to the financial statements.

Treasury Policy and Management

The principal objective of the Group's treasury policy is the minimisation of financial risk at reasonable cost. This policy is reviewed and approved annually by the Board. The Group does not take speculative positions but seeks, where considered appropriate, to hedge underlying trading and asset/liability exposures by way of derivative financial instruments (such as interest rate and currency swaps and forward contracts).

DCC's Group Treasury function centrally manages the Group's cash and debt and administers the Group's funding requirements. Divisional and subsidiary management manage foreign currency and commodity price exposures within approved guidelines. An analysis of the Group's hedging positions is contained in note 28(b) to the financial statements.

Financial Review

Currency risk management

DCC's reporting currency and that in which its share capital is denominated is the Euro. Due to the nature of the Group's activities, exposures arise in the course of ordinary trading to other currencies, principally sterling and the US dollar. Trading foreign currency exposures are generally hedged by using forward contracts to cover specific or estimated purchases and receivables.

Approximately half of the Group's operating profits are sterling denominated. Where appropriate, hedges are put in place to minimise the exchange rate related volatility of these earnings. However, some natural hedges also exist within the Group as a proportion of the Group's interest payments and of purchases by certain of its Irish businesses are sterling denominated.

In order to protect shareholders' funds from material variations due to sterling exchange movements, a proportion of the Group's sterling net assets are hedged by an equivalent amount of foreign currency borrowings.

Interest rate risk management

The Group finances its operations through a mixture of retained profit, cash and borrowings. The Group borrows in the desired currencies at both fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

Credit risk management

DCC transacts with a variety of financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty within approved guidelines.

Commodity price risk management

Commodity forwards, swaps and options are used to hedge potential price movements in liquefied petroleum gas products and oil products purchased by the Group's energy businesses in Britain and Ireland. All such contracts are entered into with approved counterparties and hedge a projected future purchase or sale of the commodity in question, usually for a two month period.

Five Year Summary and Key Ratios

Profit & Loss Account

Year ended 31 March	1996 €'m	1997 €'m	1998 €'m	1999 €'m	2000 €'m
Turnover	680.1	797.0	892.3	1,059.3	1,527.0
Operating profit	37.8	44.0	51.1	63.7	77.7
Net interest	(1.6)	(3.9)	(4.5)	(4.5)	(6.4)
Profit on ordinary activities before goodwill amortisation, net exceptional gains and tax	36.2	40.1	46.6	59.2	71.3
Goodwill amortisation	(0.2)	(0.2)	(0.2)	(1.5)	(3.5)
Net exceptional gains	0.6	5.1	-	-	71.4
Profit before taxation	36.6	45.0	46.4	57.7	139.2
Taxation	(6.5)	(8.4)	(7.5)	(8.9)	(18.7)
Minority interests	(6.6)	(2.7)	(1.4)	(0.8)	(0.7)
Profit attributable to Group shareholders	23.5	33.9	37.5	48.0	119.8
Earnings per share					
- Basic (cent)	32.20	42.33	45.08	55.39	137.39
- Basic adjusted (cent)	31.93	37.50	45.41	57.19	68.80
Dividend per share (cent)	8.76	10.16	12.19	14.66	17.60
Dividend cover (times)	3.6	3.7	3.7	3.9	3.9
Interest cover (times)	23.1	11.3	11.5	14.3	12.1

Consolidated Balance Sheet

At 31 March	1996 €'m	1997 €'m	1998 €'m	1999 €'m	2000 €'m
Tangible fixed assets	86.9	89.4	98.8	106.7	123.1
Associated undertakings	44.4	41.9	46.5	56.9	34.6
Goodwill	-	-	-	46.0	75.6
	131.3	131.3	145.3	209.6	233.3
Net current assets	2.2	10.7	15.1	23.1	30.6
Net cash/(debt)	(10.5)	(4.5)	7.0	(20.3)	89.2
	123.0	137.5	167.4	212.4	353.1
Shareholders' funds	102.6	122.5	154.1	195.2	329.1
Minority interests	4.4	4.8	5.3	3.9	3.3
Other long term creditors/provisions	16.0	10.2	8.0	13.3	20.7
	123.0	137.5	167.4	212.4	353.1
Capital expenditure	13.3	14.9	18.6	18.0	29.0
Acquisitions	66.1	23.4	14.8	75.4	39.1
Development expenditure	79.4	38.3	33.4	93.4	68.1
Operating cash flow	34.3	43.5	50.8	65.5	96.3
Net cash (debt)/equity (%)	(9.7%)	(3.6%)	4.6%	(10.4%)	27.1%
Return on tangible capital employed (%)	26.4%	30.5%	33.6%	36.3%	39.5%
Average number of employees	2,081	2,170	2,294	2,664	2,933

Management

Senior Group/ Divisional Management

Jim Flavin
Chief Executive/Deputy Chairman

Tommy Breen
Managing Director
SerCom

Morgan Crowe
Managing Director
Healthcare

Kevin Murray
Managing Director
Energy & Food

Fergal O'Dwyer
Chief Financial Officer

Ann Keenan
Head of Human Resources

Donal Murphy
Head of Group IT

Colman O'Keeffe
Deputy Managing Director
Healthcare

Michael Scholefield
Group Secretary and
Investor Relations Manager

Daphne Tease
Group Treasurer

Gerard Whyte
Group Internal Auditor

Senior Subsidiary and Associate Company Management

Value Added Marketing and Distribution

IT

Paul Donnelly
Managing Director
Gem Distribution

Paul White
Managing Director
Sharptext

Gordon McDowell
Managing Director
Micro Peripherals

Philippe Fournier and Serge Valin
Directeurs General
Distrilogie

Energy

Sam Chambers
Managing Director
DCC Energy Northern Ireland

Daniel Murray
Managing Director
Emo Oil

Paddy Kilmartin
Managing Director
Flogas UK

Declan Ryan
Managing Director
Atlas Environmental

Pat Mercer
Managing Director
Flogas Ireland

Healthcare

John Dalton
Managing Director
DMA

Barry O'Neill
Deputy Managing Director
DMA

Mike Davies
Managing Director
Healthilife

Dan Teeters
President
DCC Shoprider Inc

Günter and Boris Frankowski
Joint Managing Directors
CasaCare

Reg Witheridge
Managing Director
Thomson & Capper

Barry Leonard
Managing Director
Virtus

Peter Woods
Chief Executive
Fannin Healthcare

Harry Niece
Managing Director
EuroCaps

Food

Mitchel Barry
Managing Director
Allied Foods

Bernard Rooney
Managing Director
Kelkin

Brian Hogan
Managing Director
Kylemore Group

Michael Scanlon
Managing Director
Brodericks

Ken Peare
Managing Director
Robt. Roberts

Supply Chain Management Services

Kevin Henry and Ultan Reilly
Joint Managing Directors
SerCom Solutions

Corporate Information

Directors

Alex Spain*
Chairman

Jim Flavin
Chief Executive/Deputy Chairman

Tony Barry*

Tommy Breen

Morgan Crowe

Paddy Gallagher*

Kevin Murray

Fergal O'Dwyer

**non-executive*

Audit Committee

Alex Spain - Chairman

Tony Barry

Paddy Gallagher

Nomination Committee

Alex Spain - Chairman

Jim Flavin

Tony Barry

Paddy Gallagher

Remuneration Committee

Alex Spain - Chairman

Tony Barry

Paddy Gallagher

Secretary

Michael Scholefield

Registered and Head Office

DCC House
Stillorgan
Blackrock
Co. Dublin

Solicitors

William Fry
Fitzwilton House
Wilton Place
Dublin 2

Stockbrokers

Davy Stockbrokers
49 Dawson Street
Dublin 2

Cazenove & Co
12 Tokenhouse Yard
London EC2R 7AN

Auditors

PricewaterhouseCoopers
Chartered Accountants
& Registered Auditors
Wilton Place
Dublin 2

Bankers

ABN AMRO Bank

Bank of Ireland

Allied Irish Banks

Ulster Investment Bank

KBC Bank

National Westminster Bank

Registrars and Transfer Office

Computershare Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18

DCC

Directors' Reports and Financial Statements

for the year ended 31 March 2000

Corporate Governance

The Board of Directors

Directors: The Board of DCC consists of five executive and three non-executive Directors and the roles of the Chairman and Chief Executive are separate. The Board has appointed Tony Barry as the senior independent Director. Brief biographies of the Directors are set out underneath their photographs on pages 4 and 5. All of the Directors bring independent judgement to bear on issues of strategy, risk, performance, resources, key appointments and standards. Directors are subject to re-election at least every three years.

Board Procedures: The Board holds regular meetings (normally at least six per annum) and there is contact between meetings as required in order to progress the Group's business. The Directors receive regular and timely information in a form and quality appropriate to enable the Board to discharge its duties. The Board has a formal schedule of matters specifically reserved to it for decision, which covers key areas of the Group's business including approval of financial statements, budgets (including capital expenditure), acquisitions and dividends. Certain additional matters are delegated to Board Committees. There is an established procedure for Directors in the furtherance of their duties to take independent professional advice if they consider this necessary. All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board gives consideration as to whether new Directors require additional training for their role.

Board Committees: There are three principal Board Committees with formal terms of reference: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Audit Committee and the Remuneration Committee comprise the three non-executive Directors. The Nomination Committee comprises the non-executive Directors and the Chief Executive/Deputy Chairman. All of the non-executive Directors are considered by the Board to be independent of management and free of any relationships which could interfere with the exercise of their independent judgement.

Directors' Remuneration

The Board's report on Directors' remuneration is set out on pages 34 to 37.

Relations with Shareholders

DCC attaches considerable importance to shareholder communications and has a well-established investor relations function. There is regular dialogue with institutional investors and shareholders as well as presentations after the interim and preliminary results. Results announcements are sent promptly to all shareholders and published on the Company's web site at www.dcc.ie. The web site contains additional information for investors which is regularly updated.

At the Company's Annual General Meeting the Group Chief Executive makes a presentation and answers questions on the Group's business and its performance during the prior year.

The 1999 Annual Report and AGM notice were sent to shareholders 20 working days before the meeting and the level of proxy votes cast on each resolution, and the numbers for and against, were announced at the meeting. Similar arrangements have been made for the 2000 Annual Report and AGM. The 2000 AGM will be held on 3 July 2000 at 11.00am at the Berkeley Court Hotel, Lansdowne Road, Dublin 4.

Accountability and Audit

Audit Committee: The written terms of reference of the Audit Committee deal clearly with its authority and duties which include, inter alia, consideration of the appointment of the external auditors and their fees, review of the scope and results of the work performed by both internal and external auditors and review of the Group's system of internal control.

Internal Control

The Company has complied with the Combined Code provisions in respect of internal control by reporting on internal financial control in accordance with the guidance for Directors on internal control and financial reporting issued by the Rutteman Committee in December 1994, as permitted by the transitional rules of the Irish and London Stock Exchanges.

The updated guidance for Directors on internal control published by the Turnbull Committee in September 1999 extends the existing requirement in respect of internal financial control to cover all controls including financial, operational and compliance controls and risk management. The procedures necessary to implement this guidance have been established and have been fully operational since 1 April 2000.

The Directors acknowledge that they are responsible for the Group's system of internal financial control, which is established to provide reasonable assurance of

- the safeguarding of assets against unauthorised use or disposition; and
- the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

This system can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors have established a number of key procedures designed to provide an effective system of internal financial control, including providing a basis for the Directors to review the effectiveness of the system. The more important of these procedures, which are supported by detailed controls and processes, include

- developing an organisation structure with clearly defined lines of authority and accountability;
- a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis;
- maintenance of a highly skilled and experienced workforce, particularly at senior management level;
- a treasury risk management policy which limits the exposure of the Group in this area;
- a formally constituted Audit Committee which meets with internal and external auditors and reviews the Group's financial reporting and internal financial control systems; and
- an independent Group internal audit function.

The Directors have reviewed the effectiveness of the Group's system of internal financial control and will continue to do so on a regular basis.

Going Concern

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Directors' responsibility for preparing the financial statements is explained on page 38 and the reporting responsibilities of the auditors are set out in their report on pages 39 and 40.

Compliance

DCC has complied, during the year ended 31 March 2000, with all of the Principles of Good Governance and Code of Best Practice set out in the Combined Code, save that details of Directors' remuneration have been provided on an aggregate basis as permitted by the Listing Rules of the Irish Stock Exchange.

Report of the Directors

for the year ended 31 March 2000

The Directors present their report and the audited financial statements for the year ended 31 March 2000.

Principal Activities

DCC adds value in the marketing and distribution of its own and third party branded products in four market sectors: IT (through SerCom Distribution), Energy, Healthcare and Food. DCC is also one of Europe's leading providers of supply chain management services (including e-fulfilment) to the IT industry through SerCom Solutions. A summary of the Group's activities is set out on pages 2 and 3.

Subsidiary and Associated Companies

Details of the Company's principal subsidiaries are set out on page 78. Details of its principal associated undertakings are set out on page 60, in note 18 to the financial statements.

Results and Business Review

The profit for the financial year attributable to Group shareholders amounted to €119.8 million as set out in the Consolidated Profit and Loss Account on page 44. This represents an increase of 149.8% over the attributable profit for the year ended 31 March 1999.

The Chairman's Statement on pages 6 and 7, the Chief Executive/Deputy Chairman's Review on pages 8 to 11, the Financial Review on pages 22 to 25 and the Operating Review on pages 12 to 21 contain a review of the development of the Group's business during the year, of the state of affairs of the business at 31 March 2000, of recent events and of likely future developments.

Dividends

An interim dividend of 6.45 cent per share was paid on 26 November 1999. The Directors recommend the payment of a final dividend of 11.15 cent per share. Subject to shareholders' approval at the Annual General Meeting on 3 July 2000, this dividend will be paid on 4 July 2000 to shareholders on the register on 26 May 2000. The total net dividend for the year ended 31 March 2000 is 17.60 cent per share, amounting to €15.3 million.

The balance of profit attributable to Group shareholders, which is retained in the business, amounts to €104.5 million.

Research and Development

Certain Group companies carry out development work aimed at improving the quality, competitiveness and range of their products. This expenditure is not material in relation to the size of the Group and is written off to the profit and loss account as it is incurred.

Substantial Shareholdings

At 12 May 2000 the Company had been advised of the following interests in its issued share capital:

	No of €0.25 Ordinary Shares	% of Issued Share Capital
Bank of Ireland Nominees Limited*	11,534,259	13.2%
FMR Corp and its direct and indirect subsidiaries**	9,643,152	11.0%
Allied Irish Banks plc and its subsidiaries*	5,729,363	6.5%
3i Group plc	3,620,796	4.1%
Aberdeen Asset Managers	3,518,806	4.0%
Irish Life Assurance plc	3,385,506	3.9%

* *Notified as non-beneficial interests.*

** *Under Irish and UK law the shares are held by non-beneficial holders.*

Apart from these holdings, the Company has not been notified of any other interest of 3% or more in its issued ordinary share capital.

Report of the Directors
for the year ended 31 March 2000

Directors

The names of the Directors and a short biographical note on each Director appear on pages 4 and 5. Tommy Breen, Kevin Murray and Fergal O'Dwyer were co-opted to the Board on 7 February 2000. In accordance with Article 83(b) of the Articles of Association these Directors retire at the 2000 Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Article 80 of the Articles of Association, Tony Barry and Morgan Crowe retire by rotation at the 2000 Annual General Meeting and, being eligible, offer themselves for re-election.

None of the retiring directors has a service contract with the Company or any member of the Group.

Details of Directors' shareholdings and share options are set out in the Board's Report on Directors' Remuneration on pages 34 to 37.

Health and Safety

It is the policy of the Group to ensure the safety, health and welfare of employees by maintaining safe places and systems of work. This policy is based on the requirements of the Safety, Health and Welfare at Work Act, 1989. Safety statements have been prepared by each of the relevant companies in the Group and the policies set out in these statements are kept under regular review.

Year 2000

During the year DCC completed the formally structured Year 2000 compliance programme that it began in 1997. The costs to the Group of implementing this programme did not add materially to the Group's normal expenditure on the maintenance and upgrading of computer hardware and software. As a result of the work undertaken, no significant disruption to the business internally or to customers was experienced.

Euro

DCC's preparation for Euro changeover is proceeding satisfactorily with most companies in the Group already in a position to engage in dual currency trading. Costs of preparation for the Euro are not expected to have a significant impact on the Group's financial position or its trading activities. DCC's share capital was re-denominated into Euros during the year and both the current and prior year financial statements have been prepared in Euros.

Political Donations

There were no political contributions which require to be disclosed under the Electoral Act, 1997.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Alex Spain, Jim Flavin, *Directors*

DCC House, Stillorgan,
Blackrock, Co Dublin.
12 May 2000

Report on Directors' Remuneration

Remuneration Committee

The Remuneration Committee consists solely of the independent non-executive Directors - Alex Spain (Chairman), Tony Barry and Paddy Gallagher.

The terms of reference for the Remuneration Committee are to determine the remuneration packages of the executive Directors and to approve the grant of share options. The Chief Executive is consulted about remuneration proposals for the other executive Directors and the Remuneration Committee is authorised to obtain access to professional advice if deemed desirable.

Executive Directors' Remuneration

Other than for the Chief Executive, there are no service agreements between any Director of the Company and the Company or any of its subsidiaries. The Chief Executive's service agreement provides for one year's notice of termination by the Company.

The typical elements of the remuneration package for executive Directors are basic salary, pension benefits, a company car and performance related remuneration based on the Company's share option scheme and annual bonuses.

The Company's policy on executive Directors' remuneration recognises that employment and remuneration conditions for the Group's senior executives must properly reward and motivate them to perform in the best interest of the shareholders. The salaries of executive Directors are reviewed annually having regard to personal performance, Company performance and competitive market practice. No fees are payable to executive Directors.

The Company's share option arrangements enable senior management to build, over time, a shareholding in the Company which is material to their net worth and encourages identification with shareholders' interests. The share options granted to executive Directors form a significant part of their total remuneration package. The Remuneration Committee believes this long standing policy has been instrumental in motivating and retaining senior management of the quality required to achieve strong growth. Share options are granted on a phased basis and Directors are encouraged to hold their options beyond the earliest exercise date. Information on share options held by each Director and details of exercise prices and dates are set out on pages 36 and 37.

Employee Share Schemes

The DCC plc 1998 Employee Share Option Scheme was approved by shareholders in 1998. The percentage of share capital which can be issued under the scheme and the individual grant limits comply with guidelines published by the institutional investment associations. The scheme provides for the grant of both basic and second tier options, in each case up to a maximum of 5% of the Company's issued share capital. At 31 March 2000 employees held basic tier options to subscribe for 1,874,000 ordinary shares (2.1% of issued share capital) and second tier options to subscribe for 1,656,000 ordinary shares (1.9% of issued share capital) under this scheme.

The DCC plc 1998 Employee Share Option Scheme replaced the DCC Employee Partly Paid Share Scheme which was terminated in May 1998 and under which 205,000 ordinary shares remain partly paid (1999: 210,000). Under a terminated 1986 DCC Executive Share Option Scheme, which applied before DCC became a public company, employees hold options to subscribe for 650,000 ordinary shares (0.7% of issued share capital).

Non-Executive Directors' Remuneration

The remuneration of the non-executive Directors is determined by the Board. The fees paid to non-executive Directors reflect their experience and ability and the time demands of their Board and Board Committee duties.

Directors' Pensions

Pensions for executive Directors are calculated on basic salary only - no benefit elements are included - and aim to provide for two thirds of salary at normal retirement date.

Report on Directors' Remuneration

A pension is funded for the Chairman, based on his annual fee, to provide a 1/60th accrual for each year of pensionable service.

The table below shows the increase in the accrued pension benefits to which the Directors have become entitled during the year ended 31 March 2000 and the transfer value of the increase in accrued benefit:

	Executive Directors €'000	Non-Executive Chairman €'000
Increase in accrued annual pension benefits (excl. inflation) during the year	61	2
Accumulated accrued annual pension benefits at year end	484	30
Transfer value equivalent to increase in accrued annual pension benefits at year end	818	34

The transfer value has been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11.

Directors' Interests in Contracts

There were no contracts (other than a service agreement with a notice period of one year) at any stage during the year between the Company or other Group undertakings and any Director of the Company.

Directors' Remuneration	Notes	**2000 €'000**	1999 €'000
Executive Directors			
Salary and benefits:			
Basic salary		**771**	584
Benefits	1	**53**	49
		824	633
Performance related payments		**11**	-
Pension charge for year	2	**218**	167
Total executive Directors' remuneration		**1,053**	800
Average number of executive Directors	3	***2.4***	*2.0*
Average basic salary per executive Director		***317***	*292*
% change on prior year		***9%***	
Non-Executive Directors			
Fees	4	**131**	126
Pension charge for Chairman	2	**22**	21
Total non-executive Directors' remuneration		**153**	147
Average number of non-executive Directors		***3.0***	*3.0*
Average non-executive Directors' remuneration		***51***	*49*
% change on prior year		***5%***	
Retired Director			
Payment to retired Director	5	**15**	15
Total Directors' Remuneration		**1,221**	962
Average total number of Directors		***5.4***	*5.0*

Notes: 1. Benefits relate principally to use of a company car.
2. The pension charge for each year represents payments made to a pension fund as advised by an independent actuary.
3. Tommy Breen, Kevin Murray and Fergal O'Dwyer were co-opted to the Board as executive Directors on 7 February 2000.
4. Includes Chairman's and Board Committee fees.
5. Ex gratia pension paid to a retired non-executive Director.

Report on Directors' Remuneration

Directors' and Company Secretary's Interests

The interests of the Directors and the Company Secretary (including their respective family interests) in the share capital of DCC plc at 31 March 2000, together with their interests at 31 March 1999 (or date of appointment, if later), were:

	No of Ordinary Shares	
	At 31 March 2000	At 31 March 1999*
Alex Spain	**15,634**	15,634
Jim Flavin	**2,284,355**	2,283,349
Tony Barry	**7,000**	7,000
Tommy Breen	**173,362**	173,362
Morgan Crowe	**731,339**	731,339
Paddy Gallagher	**1,040**	1,040
Kevin Murray	**164,618**	164,618
Fergal O'Dwyer	**113,765**	113,765
Michael Scholefield (Secretary)	**153,518**	153,518

* or date of appointment if later

All of the above interests were beneficially owned. At 31 March 1999, Jim Flavin had a non-beneficial interest in 2,012 ordinary shares. There were no changes in the interests of the Directors and the Company Secretary between 31 March 2000 and 12 May 2000.

Apart from the interests disclosed above neither the Directors nor the Company Secretary were interested at any time in the year in the share capital or loan stock of the Company or other Group undertakings.

The following are details of share options granted to Directors under the DCC plc 1998 Employee Share Option Scheme:

	No of Options				Weighted Average	
	At 31 March 1999	**Granted in year***	**Exercised in year**	**At 31 March 2000**	**Exercise Price cent**	**Normal Exercise Period**
Jim Flavin						
Basic	200,000	-	-	200,000	720.6	June 2001 - Nov 2008
Second Tier	200,000	-	-	200,000	720.6	June 2003 - Nov 2008
Basic	-	75,000	-	75,000	700.0	Nov 2002 - Nov 2009
Second Tier	-	75,000	-	75,000	700.0	Nov 2004 - Nov 2009
	400,000	150,000	-	550,000		
Tommy Breen						
Basic	45,000	-	-	45,000	709.1	June 2001 - Nov 2008
Second Tier	45,000	-	-	45,000	709.6	June 2003 - Nov 2008
Basic	-	50,000	-	50,000	700.0	Nov 2002 - Nov 2009
Second Tier	-	50,000	-	50,000	700.0	Nov 2004 - Nov 2009
	90,000	100,000	-	190,000		
Morgan Crowe						
Basic	50,000	-	-	50,000	700.4	June 2001 - Nov 2008
Second Tier	50,000	-	-	50,000	700.9	June 2003 - Nov 2008
Basic	-	50,000	-	50,000	700.0	Nov 2002 - Nov 2009
Second Tier	-	50,000	-	50,000	700.0	Nov 2004 - Nov 2009
	100,000	100,000	-	200,000		
Kevin Murray						
Basic	45,000	-	-	45,000	709.1	June 2001 - Nov 2008
Second Tier	45,000	-	-	45,000	709.6	June 2003 - Nov 2008
Basic	-	50,000	-	50,000	700.0	Nov 2002 - Nov 2009
Second Tier	-	50,000	-	50,000	700.0	Nov 2004 - Nov 2009
	90,000	100,000	-	190,000		
Fergal O'Dwyer						
Basic	45,000	-	-	45,000	709.1	June 2001 - Nov 2008
Second Tier	45,000	-	-	45,000	709.6	June 2003 - Nov 2008
Basic	-	50,000	-	50,000	700.0	Nov 2002 - Nov 2009
Second Tier	-	50,000	-	50,000	700.0	Nov 2004 - Nov 2009
	90,000	100,000	-	190,000		

* Options granted during the year to Tommy Breen, Kevin Murray and Fergal O'Dwyer were granted prior to the date of their appointment as Directors.

Basic tier options may not normally be exercised earlier than three years from the date of grant nor second tier options earlier than five years from the date of grant.

Basic tier options may normally only be exercised if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 2%, compound, per annum over the period following the date of grant.

Second tier options may normally only be exercised if the growth in the adjusted earnings per share over the previous five years is such as would place the Company in the top quartile of companies on the ISEQ index in terms of comparison of growth in adjusted earnings per share and if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 10%, compound, per annum in that period.

The following are the details of share options granted to Directors under the terminated 1986 DCC Executive Share Option Scheme which applied before DCC became a public company:

	No of Options				
	At 31 March 1999*	**Exercised in year**	**At 31 March 2000**	**Exercise Price cent**	**Expiry date**
Jim Flavin	225,000	-	225,000	253.9	14 February 2001
Tommy Breen	50,000	-	50,000	253.9	14 February 2001
Morgan Crowe	100,000	-	100,000	253.9	14 February 2001
Kevin Murray	62,500	-	62,500	253.9	14 February 2001
Fergal O'Dwyer	137,500	-	137,500	253.9	14 February 2001

* or date of appointment, if later

No options held by Directors lapsed during the year. The market price of DCC shares on 31 March 2000 was €11.15 and the range during the year was €6.55 to €13.00.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out within their report on pages 39 and 40, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by company law to ensure that the Company prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year.

Following discussions with the auditors, the Directors consider that in preparing the financial statements on pages 41 to 77, which have been prepared on the going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider applicable have been followed (subject to any explanations or material departures disclosed in the notes to the financial statements).

The Directors are required to take all reasonable steps to secure compliance by the Company with its obligations in relation to the preparation and maintenance of proper books of account and financial statements which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1999 and the European Communities (Companies: Group Accounts) Regulations, 1992. The Directors have a general duty to act in the best interests of the Company and must, therefore, take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Report of the Auditors

for the year ended 31 March 2000

To the Members of DCC plc

We have audited the financial statements on pages 41 to 77 and the detailed information on Directors' emoluments, pensions and interests in shares and share options on pages 34 to 37.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 38, this includes responsibility for preparing the financial statements in accordance with Accounting Standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 1999, and the European Communities (Companies: Group Accounts) Regulations, 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the Company balance sheet is in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account;
- whether the Directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the Company, as stated in the Company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, information specified by law or the Listing Rules regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

We review whether the statement on page 31 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the Company's or Group's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Auditors

for the year ended 31 March 2000

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 March 2000 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1999, and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Report of the Directors on pages 32 to 33 is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet on page 47, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 March 2000 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
12 May 2000

Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The currency used in these financial statements is the Euro, denoted by the symbol €.

Basis of Consolidation

The consolidated financial statements include the Company and all its subsidiaries. Two of the Group's subsidiary undertakings have, for commercial considerations, financial periods ending on 29 February 2000. In respect of these subsidiary undertakings, audited financial statements for the year ended 29 February 2000 together with interim accounts for March 2000 less interim accounts for March 1999, have been used in preparing the consolidated financial statements.

The results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal.

Goodwill

Goodwill comprises the excess of consideration paid to acquire new businesses over the fair value of the net assets acquired.

Goodwill arising on the acquisition of subsidiaries prior to 1 April 1998 was eliminated from the balance sheet through reserves in the year in which it arose. Goodwill arising on the acquisition of subsidiaries from 1 April 1998 is capitalised on the balance sheet and amortised on a straight line basis over its estimated useful economic life.

In the case of interests acquired by the Group in associated undertakings, goodwill is capitalised as part of their carrying value and amortised over its expected useful economic life. In the case of similar interests acquired by associated undertakings of the Group, the accounting treatment followed in respect of goodwill is that adopted by that associated undertaking.

The useful economic life of capitalised goodwill arising on acquisitions since 1 April 1998 is estimated to equate to 20 years.

Subsidiaries

Subsidiaries are included in the Company balance sheet at cost less provision for any impairment in value.

Associated Undertakings

Associated undertakings are companies other than subsidiaries in which the Group holds, on a long-term basis, a participating interest in the voting equity share capital and exercises significant influence.

Associated undertakings are included in the Company balance sheet at cost less provision for any impairment in value. Income from associated undertakings included in the Company profit and loss account comprises dividends received and receivable.

The appropriate share of results of associated undertakings is included in the consolidated profit and loss account by way of the equity method of accounting. Associated undertakings are stated in the consolidated balance sheet at cost plus the attributable portion of their retained reserves from the date of acquisition less goodwill amortised. Provision is made, where appropriate, where the Directors consider there has been an impairment in value.

Accounting Policies

Turnover
Turnover comprises the invoiced value, including excise duty and excluding value added tax, of goods supplied and services rendered.

Stocks
Stocks are valued at the lower of cost and net realisable value.

Cost is determined on a first in first out basis and in the case of raw materials, bought-in goods and expense stocks, comprises purchase price plus transport and handling costs less trade discounts and subsidies. Cost, in the case of products manufactured by the Group, consists of direct material and labour costs together with the relevant production overheads based on normal levels of activity.

Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary, for slow moving, obsolete and defective stocks.

Tangible Fixed Assets
Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight line basis at the rates stated below, which are estimated to reduce the assets to their net realisable values by the end of their expected working lives:

	Annual Rate
Freehold and Long Term Leasehold Buildings	2%
Plant and Machinery	5% - $33^1/_3$%
Cylinders	$6^2/_3$%
Motor Vehicles	10% - $33^1/_3$%
Fixtures, Fittings and Office Equipment	10% - $33^1/_3$%

Land is not depreciated.

Leased Assets
Tangible fixed assets, acquired under a lease which transfers substantially all of the risks and rewards of ownership to the Group, are capitalised as fixed assets. Amounts payable under such leases (finance leases), net of finance charges, are shown as short, medium or long term lease obligations, as appropriate. Finance charges on finance leases are charged to the profit and loss account over the term of the lease on an actuarial basis.

The annual rentals under operating leases are charged to the profit and loss account as incurred.

Capital Grants
Capital grants received and receivable by the Group are credited to capital grants and are amortised to the profit and loss account on a straight line basis over the expected useful lives of the assets to which they relate.

Deferred Taxation
Full provision under the liability method is made for deferred taxation on timing differences to the extent that, in the opinion of the Directors, it is probable that a liability will crystallise in the foreseeable future.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rates ruling at the balance sheet date or at contracted rates, where appropriate.

The trading results of overseas subsidiaries are translated into Euros at the average rate of exchange for the year.

Profits and losses arising on transactions in foreign currencies during the year are included in the profit and loss account at the exchange rate ruling on the date of the transactions.

Exchange differences arising from a re-translation of the opening net investment in subsidiary and associated undertakings are dealt with in retained profits net of differences on related currency borrowings.

Derivative Financial Instruments

The Group is a party to derivative financial instruments (derivatives), primarily to manage its exposure to fluctuations in foreign currency exchange rates and interest rates and to manage its exposure to changes in the prices of certain commodity products.

Gains and losses on derivative contracts used to hedge foreign exchange and commodity price trading exposures are recognised in the profit and loss account when the hedged transactions occur.

As part of exchange rate risk management, foreign currency swap agreements are used to convert US dollar borrowings into sterling borrowings. Gains and losses on these derivatives are deferred and recognised on the maturity of the underlying debt, together with the matching loss or gain on the debt.

Interest rate swap agreements and similar contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contracts.

Pension Costs

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Group benefits from the employees' services. The effect of variations from regular cost are spread over the expected average remaining service lives of the members in the schemes. The basis of contributions are determined on the advice of independent qualified actuaries.

Consolidated Profit and Loss Account

for the year ended 31 March 2000

	Notes	2000 €'000	2000 €'000	1999 €'000	1999 €'000
Turnover					
Subsidiary undertakings	1		**1,203,758**		774,144
Share of turnover of associated undertakings	1		**112,353**		73,132
Total turnover - continuing activities	1		**1,316,111**		847,276
Discontinued activities	1		**210,889**		211,990
Total turnover			**1,527,000**		1,059,266
Turnover - subsidiary undertakings					
Continuing activities			**1,154,860**		735,604
Acquisitions			**48,898**		38,540
			1,203,758		774,144
Discontinued activities			**16,480**		17,562
	1		**1,220,238**		791,706
Cost of sales	2		**(1,005,720)**		(624,760)
Gross profit	2		**214,518**		166,946
Net operating costs	2		**(152,654)**		(115,414)
Operating profit before goodwill amortisation					
- parent and subsidiary undertakings	2		**61,864**		51,532
Share of operating profit before goodwill					
amortisation of associated undertakings	1		**15,879**		12,129
Operating profit before goodwill amortisation	1		**77,743**		63,661
Continuing activities		**73,187**		54,388	
Acquisitions		**598**		3,512	
		73,785		57,900	
Discontinued activities		**3,958**		5,761	
		77,743		63,661	
Goodwill amortisation	5		**(3,535)**		(1,557)
Operating profit	1		**74,208**		62,104
Net exceptional gains on sale of associated and					
subsidiary undertakings - discontinued activities	6		**71,365**		-
Net interest payable and similar charges					
- parent and subsidiary undertakings	7		**(6,132)**		(4,364)
Share of net interest payable and similar charges					
- associated undertakings	8		**(268)**		(75)
Profit on ordinary activities before taxation	9		**139,173**		57,665
Continuing activities		**63,333**		48,433	
Acquisitions	10	**306**		3,644	
		63,639		52,077	
Discontinued activities		**75,534**		5,588	
		139,173		57,665	
Taxation	11		**(18,701)**		(8,883)
Profit after taxation			**120,472**		48,782
Minority interests	12		**(631)**		(802)
Profit for the financial year attributable to					
Group shareholders	13		**119,841**		47,980
Dividends paid	14		**(5,631)**		(4,922)
Dividends proposed	14		**(9,735)**		(8,070)
Profit retained for the year			**104,475**		34,988
Earnings per ordinary share					
- basic (cent)	15		**137.39c**		55.39c
- fully diluted (cent)	15		**133.43c**		54.32c
Adjusted earnings per ordinary share					
- basic (cent)	15		**68.80c**		57.19c
- fully diluted (cent)	15		**66.89c**		56.08c

Alex Spain, Jim Flavin, *Directors*

Accounts

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2000

	2000	1999
	€'000	€'000
Profit attributable to Group shareholders	**119,841**	47,980
Other movements on associated company reserves	**2,307**	(454)
Exchange adjustments	**4,968**	(220)
Total recognised gains relating to the year	**127,116**	47,306

Note of Historical Cost Profits and Losses

for the year ended 31 March 2000

There is no difference between the profit on ordinary activities before taxation and the profit retained for the year on an historical cost basis and the amounts shown in the consolidated profit and loss account on page 44.

Consolidated Balance Sheet

as at 31 March 2000

	Notes	2000 €'000	1999 €'000
Fixed Assets			
Intangible assets - goodwill	16	**75,559**	46,028
Tangible fixed assets	17	**123,094**	106,697
Financial assets - associated undertakings	18	**34,598**	56,844
		233,251	209,569
Current Assets			
Stocks	20	**76,016**	54,133
Debtors	21	**248,401**	150,924
Cash and term deposits	23	**551,276**	311,314
		875,693	516,371
Creditors: Amounts falling due within one year			
Bank and other debt	24	**191,781**	42,724
Trade and other creditors	29	**266,133**	163,081
Corporation tax		**17,937**	10,762
Proposed dividend		**9,735**	8,070
		485,586	224,637
Net Current Assets		**390,107**	291,734
Total Assets less Current Liabilities		**623,358**	501,303
Financed by:			
Creditors: Amounts falling due after more than one year			
Bank and other debt	24	**161,725**	191,330
Unsecured Notes due 2008/11	24	**108,611**	97,557
Deferred acquisition consideration		**17,569**	9,868
		287,905	298,755
Provisions for Liabilities and Charges	30	**2,090**	2,244
		289,995	300,999
Capital and Reserves			
Called up equity share capital	33	**21,827**	22,128
Share premium account	34	**121,987**	120,796
Reserves	35	**185,309**	52,297
Equity Shareholders' Funds	36	**329,123**	195,221
Equity minority interests	37	**3,274**	3,902
Capital grants	38	**966**	1,181
		333,363	200,304
		623,358	501,303

Alex Spain, Jim Flavin, *Directors*

Company Balance Sheet

as at 31 March 2000

	Notes	2000 €'000	1999 €'000
Fixed Assets			
Tangible fixed assets	17	**733**	512
Financial assets			
- associated undertakings	18	**1,233**	1,233
- subsidiary undertakings	19	**70,860**	67,385
		72,826	69,130
Current Assets			
Debtors: Amounts falling due within one year	21	**3,396**	2,167
Debtors: Amounts falling due after more than one year	21	**226,944**	212,414
Cash and term deposits	23	**4,792**	1,930
		235,132	216,511
Creditors: Amounts falling due within one year			
Bank and other debt	24	**644**	886
Trade and other creditors	29	**1,176**	1,366
Corporation tax		**4**	-
Proposed dividend		**9,735**	8,070
		11,559	10,322
Net Current Assets		**223,573**	206,189
Total Assets less Current Liabilities		**296,399**	275,319
Financed by:			
Creditors: Amounts falling due after more than one year			
Amounts owed to subsidiary undertakings		**107,104**	87,394
Provisions for Liabilities and Charges	30	**4**	4
		107,108	87,398
Capital and Reserves			
Called up equity share capital	33	**21,827**	22,128
Share premium account	34	**121,987**	120,796
Reserves	35	**45,477**	44,997
Equity Shareholders' Funds		**189,291**	187,921
		296,399	275,319

Alex Spain, Jim Flavin, *Directors*

Consolidated Cash Flow Statement

for the year ended 31 March 2000

	Notes	2000 €'000	1999 €'000
Cash flow from operating activities	41	**96,297**	65,530
Returns on investments and servicing of finance	42	**(5,635)**	(4,214)
Taxation paid		**(9,400)**	(5,768)
Capital expenditure	42	**(24,736)**	(16,816)
Acquisitions and disposals	42	**72,170**	(59,124)
Equity dividends paid		**(13,701)**	(10,527)
Cash inflow/(outflow) before management of liquid resources and financing		**114,995**	(30,919)
(Increase)/decrease in liquid resources	43	**(46,231)**	140,319
Financing	42	**95,255**	29,478
Increase in cash for the year	43	**164,019**	138,878

Reconciliation of Net Cash Flow to Movement in Net Cash/(Debt)

for the year ended 31 March 2000

	Notes	2000 €'000	1999 €'000
Increase in cash for the year	43	**164,019**	138,878
Increase/(decrease) in liquid resources	43	**46,231**	(140,319)
Net loans drawn down	43	**(99,116)**	(31,260)
Funds paid on finance lease arrangements	43	**3,870**	2,693
Changes in net cash/(debt) resulting from cash flow		**115,004**	(30,008)
Exchange movements	43	**(5,548)**	2,677
Movement in net cash/(debt) in the year		**109,456**	(27,331)
Net (debt)/cash at start of year	43	**(20,297)**	7,034
Net cash/(debt) at end of year	43	**89,159**	(20,297)

Notes to the Financial Statements

for the year ended 31 March 2000

1. Segmental Information

(a) Segmental Analysis by Class of Business

An analysis by class of business of turnover, profit before taxation and net assets is set out below:

(i) Summary

	2000			1999		
	Turnover*	**Profit Before Taxation**	**Net Assets**	Turnover*	Profit Before Taxation	Net Assets
	€'000	**€'000**	**€'000**	€'000	€'000	€'000
IT	**542,298**	**20,458**	**41,017**	354,613	14,975	31,351
Energy	**369,812**	**20,053**	**51,526**	193,305	18,213	55,740
Healthcare	**155,555**	**15,951**	**48,400**	114,759	9,780	34,523
Food	**160,372**	**8,916**	**23,616**	120,190	7,135	23,030
Value Added Marketing and Distribution	**1,228,037**	**65,378**	**164,559**	782,867	50,103	144,644
Supply Chain Management Services	**61,551**	**3,812**	**17,019**	43,899	5,424	16,332
Other Interests	**26,523**	**4,595**	**11,816**	20,510	2,373	8,985
Continuing activities	**1,316,111**	**73,785**	**193,394**	847,276	57,900	169,961
Discontinued activities	**210,889**	**3,958**	**-**	211,990	5,761	31,121
	1,527,000	**77,743**	**193,394**	1,059,266	63,661	201,082
Goodwill amortisation		**(3,535)**			(1,557)	
Net exceptional gains		**71,365**			-	
Interest (net)		**(6,400)**			(4,439)	
Net cash/(debt)			**89,159**			(20,297)
Amounts due in respect of acquisitions			**(28,569)**			(20,035)
Investments			**7,128**			673
Disposal proceeds receivable			**16,100**			-
Capitalised goodwill			**75,559**			46,028
Minority interests			**(3,274)**			(3,902)
Group unallocated net assets			**(20,374)**			(8,328)
	1,527,000	**139,173**	**329,123**	1,059,266	57,665	195,221

* *Comprises turnover of subsidiary and associated undertakings.*

(ii) Turnover

	2000			1999		
	Subsidiary Undertakings	**Associated Undertakings**	**Total**	Subsidiary Undertakings	Associated Undertakings	Total
	€'000	**€'000**	**€'000**	€'000	€'000	€'000
IT	**541,649**	**649**	**542,298**	354,613	-	354,613
Energy	**369,812**	**-**	**369,812**	193,305	-	193,305
Healthcare	**140,427**	**15,128**	**155,555**	103,256	11,503	114,759
Food	**90,319**	**70,053**	**160,372**	79,071	41,119	120,190
Value Added Marketing and Distribution	**1,142,207**	**85,830**	**1,228,037**	730,245	52,622	782,867
Supply Chain Management Services	**61,551**	**-**	**61,551**	43,899	-	43,899
Other Interests	**-**	**26,523**	**26,523**	-	20,510	20,510
Continuing activities**	**1,203,758**	**112,353**	**1,316,111**	774,144	73,132	847,276
Discontinued activities***	**16,480**	**194,409**	**210,889**	17,562	194,428	211,990
Turnover	**1,220,238**	**306,762**	**1,527,000**	791,706	267,560	1,059,266

** *Of which acquisitions in 2000 contributed €49.547 million (1999: €42.531 million).*

*** *Of which €194.300 million (1999: €193.989 million) related to Food and €16.589 million (1999: €18.001 million) related to Supply Chain Management Services.*

Notes to the Financial Statements

for the year ended 31 March 2000

1. Segmental Information *continued*

(iii) Profit before Taxation

	2000			1999		
	Parent and Subsidiary Undertakings €'000	**Associated Undertakings €'000**	**Total €'000**	Parent and Subsidiary Undertakings €'000	Associated Undertakings €'000	Total €'000
IT	**20,430**	**28**	**20,458**	14,975	-	14,975
Energy	**20,053**	**-**	**20,053**	18,213	-	18,213
Healthcare	**14,880**	**1,071**	**15,951**	9,085	695	9,780
Food	**7,081**	**1,835**	**8,916**	5,950	1,185	7,135
Value Added Marketing and Distribution	**62,444**	**2,934**	**65,378**	48,223	1,880	50,103
Supply Chain Management Services	**3,812**	**-**	**3,812**	5,424	-	5,424
Other Interests	**-**	**4,595**	**4,595**	-	2,373	2,373
Continuing activities*	**66,256**	**7,529**	**73,785**	53,647	4,253	57,900
Discontinued activities**	**(4,392)**	**8,350**	**3,958**	(2,115)	7,876	5,761
Operating profit before goodwill amortisation	**61,864**	**15,879**	**77,743**	51,532	12,129	63,661
Goodwill amortisation	**(2,710)**	**(825)**	**(3,535)**	(830)	(727)	(1,557)
Operating profit	**59,154**	**15,054**	**74,208**	50,702	11,402	62,104
Net exceptional gains	**10,365**	**61,000**	**71,365**	-	-	-
Interest (net)	**(6,132)**	**(268)**	**(6,400)**	(4,364)	(75)	(4,439)
Profit before Taxation	**63,387**	**75,786**	**139,173**	46,338	11,327	57,665

* *Of which acquisitions in 2000 contributed a profit of €0.598 million (1999: €3.512 million).*

** *Of which a profit of €8.342 million (1999: €7.848 million) related to Food and a loss of €4.384 million (1999: loss: €2.087 million) related to Supply Chain Management Services.*

(iv) Net Assets

	2000			1999		
	Parent and Subsidiary Undertakings €'000	**Associated Undertakings €'000**	**Total €'000**	Parent and Subsidiary Undertakings €'000	Associated Undertakings €'000	Total €'000
IT	**40,824**	**193**	**41,017**	31,351	-	31,351
Energy	**50,934**	**592**	**51,526**	55,740	-	55,740
Healthcare	**41,369**	**7,031**	**48,400**	29,020	5,503	34,523
Food	**8,650**	**14,966**	**23,616**	8,876	14,154	23,030
Value Added Marketing and Distribution	**141,777**	**22,782**	**164,559**	124,987	19,657	144,644
Supply Chain Management Services	**17,019**	**-**	**17,019**	16,332	-	16,332
Other Interests	**-**	**11,816**	**11,816**	-	8,985	8,985
Continuing activities	**158,796**	**34,598**	**193,394**	141,319	28,642	169,961
Discontinued activities***	**-**	**-**	**-**	2,919	28,202	31,121
	158,796	**34,598**	**193,394**	144,238	56,844	201,082
Net cash/(debt)	**89,159**	**-**	**89,159**	(20,297)	-	(20,297)
Amounts due in respect of acquisitions	**(28,569)**	**-**	**(28,569)**	(20,035)	-	(20,035)
Investments	**7,128**	**-**	**7,128**	673	-	673
Disposal proceeds receivable	**16,100**	**-**	**16,100**	-	-	-
Capitalised goodwill	**75,559**	**-**	**75,559**	46,028	-	46,028
Minority interests	**(3,274)**	**-**	**(3,274)**	(3,902)	-	(3,902)
Group unallocated net assets	**(20,374)**	**-**	**(20,374)**	(8,328)	-	(8,328)
Net Assets	**294,525**	**34,598**	**329,123**	138,377	56,844	195,221

*** *At 31 March 1999 €28.169 million related to Food and €2.952 million related to Supply Chain Management Services.*

1. Segmental Information *continued*

(b) Segmental Analysis by Geographical Area

An analysis by geographical area of turnover, profit before taxation and net assets is set out below:

(i) Summary

	2000			1999		
	Turnover by Origin €'000	**Profit Before Taxation €'000**	**Net Assets €'000**	Turnover by Origin €'000	Profit Before Taxation €'000	Net Assets €'000
Ireland	**515,921**	**35,451**	**50,538**	332,220	28,985	68,214
Rest of the World	**687,837**	**30,805**	**108,258**	441,924	24,662	73,105
	1,203,758	**66,256**	**158,796**	774,144	53,647	141,319
Associated undertakings	**112,353**	**7,529**	**34,598**	73,132	4,253	28,642
Continuing activities	**1,316,111**	**73,785**	**193,394**	847,276	57,900	169,961
Discontinued activities	**210,889**	**3,958**	**-**	211,990	5,761	31,121
	1,527,000	**77,743**	**193,394**	1,059,266	63,661	201,082
Goodwill amortisation		**(3,535)**			(1,557)	
Net exceptional gains		**71,365**			-	
Interest (net)		**(6,400)**			(4,439)	
Net cash/(debt)			**89,159**			(20,297)
Investments			**7,128**			673
Disposal proceeds receivable			**16,100**			-
Amounts due in respect of acquisitions			**(28,569)**			(20,035)
Capitalised goodwill			**75,559**			46,028
Minority interests			**(3,274)**			(3,902)
Group unallocated net assets			**(20,374)**			(8,328)
	1,527,000	**139,173**	**329,123**	1,059,266	57,665	195,221

(ii) Turnover by Destination - Continuing Activities

	2000 €'000	1999 €'000
Ireland	**502,875**	318,463
United Kingdom	**636,394**	427,912
Rest of Europe	**44,883**	12,763
USA	**15,259**	11,738
Other	**4,347**	3,268
Share of associated undertakings	**112,353**	73,132
	1,316,111	847,276

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for the year ended 31 March 2000

2. Cost of Sales and Net Operating Costs

	2000				1999			
	Continuing Activities €'000	Acquisitions €'000	Discontinued Activities €'000	Total €'000	Continuing Activities €'000	Acquisitions €'000	Discontinued Activities €'000	Total €'000
Cost of sales	**(953,410)**	**(41,153)**	**(11,157)**	**(1,005,720)**	(585,662)	(28,127)	(10,971)	(624,760)
Gross profit	**201,450**	**7,745**	**5,323**	**214,518**	149,942	10,413	6,591	166,946
Operating costs								
Distribution	**(72,163)**	**(5,143)**	**-**	**(77,306)**	(55,697)	(3,432)	-	(59,129)
Administrative	**(67,307)**	**(2,024)**	**(9,312)**	**(78,643)**	(44,913)	(3,659)	(8,706)	(57,278)
Other operating expenses	**(214)**	**(8)**	**(403)**	**(625)**	(178)	(5)	-	(183)
	(139,684)	**(7,175)**	**(9,715)**	**(156,574)**	(100,788)	(7,096)	(8,706)	(116,590)
Other operating income	**3,920**	**-**	**-**	**3,920**	1,082	94	-	1,176
Net operating costs	**(135,764)**	**(7,175)**	**(9,715)**	**(152,654)**	(99,706)	(7,002)	(8,706)	(115,414)
Operating profit before goodwill amortisation - parent and subsidiaries	**65,686**	**570**	**(4,392)**	**61,864**	50,236	3,411	(2,115)	51,532

3. Employee Information

The average weekly number of persons (including executive Directors) employed by the Group during the year analysed by class of business was:

	2000 Number	1999 Number
IT	**704**	602
Energy	**515**	457
Healthcare	**759**	724
Food	**274**	244
Value Added Marketing and Distribution	**2,252**	2,027
Supply Chain Management Services	**681**	637
	2,933	2,664

The staff costs for the above were:

	2000 €'000	1999 €'000
Wages and salaries	**86,114**	67,113
Social welfare costs	**8,408**	6,440
Pension costs	**3,875**	3,119
	98,397	76,672

4. Directors' Emoluments and Interests

Directors' emoluments and interests are given in the Report on Directors' Remuneration on pages 34 to 37.

5. Goodwill Amortisation

	2000 €'000	1999 €'000
Amortisation of capitalised goodwill arising on the acquisition of subsidiaries after 1 April 1998 (note 16)	**2,710**	830
Amortisation of goodwill included in the carrying value of associated undertakings (note 18)	**825**	727
	3,535	1,557

6. Net Exceptional Gains on Sale of Associated and Subsidiary Undertakings

	2000 €'000	1999 €'000
Profit on sale of associated undertaking	**76,000**	-
Profit on sale of subsidiary net tangible assets	**18,000**	-
Other	**(1,902)**	-
	92,098	-
Goodwill previously eliminated against reserves	**(20,733)**	-
	71,365	-
Taxation	**(8,000)**	-

In February 2000 the Group sold its holding of ordinary shares in its associated undertaking, Fyffes plc. The Group still holds 4,621,901 Convertible Preference shares in Fyffes plc.

In March 2000 the Group unconditionally contracted to sell its 90% interest in International Translation and Publishing Limited, the consideration for which is receivable in cash on 16 May 2000.

7. Net Interest Payable and Similar Charges - Parent and Subsidiary Undertakings

	2000 €'000	1999 €'000
Interest receivable and similar income		
Interest on cash and term deposits	**19,496**	17,792
Other interest receivable	**4**	259
	19,500	18,051
Interest payable and similar charges		
On bank loans, overdrafts and Unsecured Notes due 2008/11		
- repayable within 5 years, not by instalments	**(11,968)**	(8,171)
- repayable within 5 years, by instalments	**(73)**	(310)
- repayable wholly or partly in more than 5 years	**(9,042)**	(8,293)
On loan notes		
- repayable within 5 years, not by instalments	**(50)**	(296)
- repayable wholly or partly in more than 5 years	**(1,551)**	(1,663)
On finance leases	**(2,637)**	(3,484)
Notional interest	**(311)**	(198)
	(25,632)	(22,415)
	(6,132)	(4,364)

Where acquisitions involve further payments which are deferred or contingent on levels of performance achieved in the years following acquisition, the profit and loss account is charged with notional interest to eliminate the benefit which the Group is temporarily deriving. The notional interest charge is calculated by reference to the period of deferral, current interest rates and the amount of the likely payments.

Notes to the Financial Statements

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8. Share of Net Interest Payable and Similar Charges - Associated Undertakings

This comprises the Group's share of the net interest payable and similar charges of its associated undertakings.

9. Profit on Ordinary Activities Before Taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2000	1999
	€'000	€'000
Auditors' remuneration	**444**	317
Revenue grants	**(79)**	(17)
Amortisation of capital grants	**(296)**	(366)
Operating leases		
- land and buildings	**2,316**	1,938
- plant and machinery	**12**	48
- motor vehicles	**988**	700
Depreciation		
- owned assets	**13,655**	11,772
- leased assets	**5,235**	4,404

10. Acquisitions

The profit on ordinary activities before taxation arising from acquisitions represents the aggregate of net incremental profit resulting from the acquisition of subsidiary and associated undertakings in the relevant financial year.

11. Taxation

	2000	1999
	€'000	€'000
Irish Corporation Tax at 27% (1999: 31%)		
- current	**5,368**	7,476
- deferred	**(244)**	(65)
- less: manufacturing relief	**(2,625)**	(3,799)
United Kingdom Corporation Tax at 30%		
- current	**4,003**	2,881
- deferred	**40**	(10)
Netherlands Corporation Tax	**759**	336
Other overseas tax	**188**	19
Tax on net exceptional gains	**8,000**	-
(Over)/under provision in respect of prior years		
- current	**(202)**	(307)
- deferred	**26**	(374)
	15,313	6,157
Associated undertakings	**3,388**	2,726
	18,701	8,883

Manufacturing relief is scheduled to expire in the year 2010.

The standard rate of corporation tax in Ireland will be reduced on a phased basis to 12.5% by 1 January 2003.

12. Minority Interests

	2000 €'000	1999 €'000
Subsidiary undertakings	**3**	137
Associated undertakings	**628**	665
	631	802

13. Profit for the Financial Year Attributable to Group Shareholders

As permitted by Section 3(2) of the Companies (Amendment) Act, 1986, a separate profit and loss account for the holding company has not been included in these financial statements. The profit for the financial year attributable to DCC shareholders dealt with in the financial statements of the holding company amounted to €15,502,000 (1999: €11,037,000).

14. Dividends

	2000 €'000	1999 €'000
Per Ordinary Share		
Interim dividend of 6.450 cent per share (1999: 5.396 cent per share)	**5,631**	4,698
Proposed final dividend of 11.150 cent per share (1999: second interim dividend of 9.264 cent per share)	**9,735**	8,070
Additional dividend	**-**	224
	15,366	12,992

The additional dividend of €224,000 paid during the year ended 31 March 1999 was in respect of shares issued after the date of approval of the relevant financial statements but qualifying for receipt of the dividend declared.

Notes to the Financial Statements

for the year ended 31 March 2000

15. Earnings per Ordinary Share and Adjusted Earnings per Ordinary Share

	2000 €'000	1999 €'000
Profit after taxation and minority interests	**119,841**	47,980
Net exceptional gains (net of taxation)	**(63,365)**	-
Goodwill amortisation	**3,535**	1,557
Adjusted profit after taxation and minority interests	**60,011**	49,537

Basic earnings per ordinary share

	cent	cent
Basic earnings per ordinary share	**137.39**	55.39
Net exceptional gains	**(72.64)**	-
Goodwill amortisation	**4.05**	1.80
Adjusted basic earnings per ordinary share	**68.80**	57.19
Weighted average number of ordinary shares in issue during the year ('000)	**87,225**	86,621

Fully diluted earnings per ordinary share

	cent	cent
Fully diluted earnings per ordinary share	**133.43**	54.32
Net exceptional gains	**(70.46)**	-
Goodwill amortisation	**3.92**	1.76
Adjusted fully diluted earnings per ordinary share	**66.89**	56.08
Fully diluted weighted average number of ordinary shares ('000)	**89,925**	88,504

The adjusted figures for basic earnings per ordinary share and fully diluted earnings per ordinary share are intended to demonstrate the results of the Group after eliminating the impact of goodwill amortisation and net exceptional items which are not expected to recur regularly.

The weighted average number of ordinary shares used in calculating the fully diluted earnings per ordinary share for the year ended 31 March 2000 was 89.925 million (1999: 88.504 million). A reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the fully diluted earnings per share amounts is as follows:

	2000 '000	1999 '000
Weighted average number of ordinary shares in issue used for the calculation of basic earnings per ordinary share amounts	**87,225**	86,621
Dilutive effect of options and partly paid shares	**943**	917
Dilutive effect of ordinary shares potentially issuable under deferred contingent consideration arrangements	**1,757**	966
Weighted average number of ordinary shares in issue used for the calculation of diluted earnings per ordinary share amounts	**89,925**	88,504

The earnings used for the purpose of the fully diluted earnings per ordinary share calculations were €119.989 million (1999: €48.079 million) and €60.159 million (1999: €49.636 million) for the purpose of the adjusted diluted earnings per ordinary share calculations.

16. Intangible Assets - Goodwill

Group

	2000 €'000	1999 €'000
Arising on the acquisition of subsidiaries:		
At 1 April	**46,028**	-
Arising during the year (note 39)	**32,241**	46,858
Amortised to profit and loss account (note 5)	**(2,710)**	(830)
At 31 March	**75,559**	46,028

17. Tangible Fixed Assets

(a) Group

	Freehold & long term leasehold land & buildings €'000	Plant & machinery & cylinders €'000	Fixtures & fittings & office equipment €'000	Motor vehicles €'000	Total €'000
Cost					
At 1 April 1999	42,675	138,523	23,007	22,841	227,046
Acquisitions (note 39)	1,361	1,764	922	307	4,354
Additions	6,958	10,304	6,219	5,526	29,007
Disposals	(1,008)	(1,776)	(5,241)	(3,167)	(11,192)
Reclassifications	(1,759)	396	1,354	9	-
Exchange adjustments	1,613	8,302	863	1,357	12,135
At 31 March 2000	**49,840**	**157,513**	**27,124**	**26,873**	**261,350**
Depreciation					
At 1 April 1999	7,806	84,117	16,288	12,138	120,349
Acquisitions (note 39)	-	-	369	28	397
Charge for year	1,089	10,669	3,399	3,733	18,890
Disposals	(367)	(1,421)	(3,834)	(2,283)	(7,905)
Reclassifications	(560)	303	263	(6)	-
Exchange adjustments	277	4,996	390	862	6,525
At 31 March 2000	**8,245**	**98,664**	**16,875**	**14,472**	**138,256**
Net Book Value					
At 31 March 2000	**41,595**	**58,849**	**10,249**	**12,401**	**123,094**
At 31 March 1999	34,869	54,406	6,719	10,703	106,697

The net book value of tangible fixed assets includes an amount of €20,361,000 (1999: €24,136,000) in respect of assets held under finance leases.

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17. Tangible Fixed Assets *continued*

(b) Company

	Fixtures & fittings & office equipment €'000	Motor vehicles €'000	Total €'000
Cost			
At 1 April 1999	999	540	1,539
Additions	143	324	467
Disposals	-	(124)	(124)
At 31 March 2000	**1,142**	**740**	**1,882**
Depreciation			
At 1 April 1999	802	225	1,027
Charge for year	96	129	225
Disposals	-	(103)	(103)
At 31 March 2000	**898**	**251**	**1,149**
Net Book Value			
At 31 March 2000	**244**	**489**	**733**
At 31 March 1999	197	315	512

18. Financial Assets - Associated Undertakings

(a) Group

	2000 €'000	1999 €'000
At 1 April	**56,844**	46,474
Additions	**726**	7,194
Disposals/transfer to investments	**(34,144)**	-
Retained profits less dividends	**9,505**	7,175
Other movements in reserves	**2,492**	(3,154)
Amortisation of goodwill (note 5)	**(825)**	(727)
Acquired as a subsidiary	**-**	(118)
At 31 March	**34,598**	56,844

18. Financial Assets - Associated Undertakings *continued*

The carrying value of associated undertakings is analysed as follows:

	2000 €'000	1999 €'000
Interest in net assets	**7,079**	25,615
Goodwill (net of amortisation)	**9,410**	13,865
Share of post acquisition reserves	**18,109**	17,364
	34,598	56,844

During the year the Group acquired a 50% interest in an Irish oil distributor for a consideration of €726,000.

At 31 March 2000 the Group's aggregate share of its associated undertakings' fixed assets, current assets, liabilities due within one year and liabilities due after more than one year was as follows:

	2000 €'000	1999 €'000
Fixed assets	**17,155**	33,455
Current assets	**55,739**	90,428
Liabilities due within one year	**(29,095)**	(59,979)
Liabilities due after more than one year and minority interests	**(18,611)**	(20,925)

The movement in goodwill of associated undertakings is as follows:

	2000 €'000	1999 €'000
Cost		
At 1 April	**16,137**	13,732
Additions	**685**	2,405
Disposals	**(6,142)**	-
At 31 March	**10,680**	16,137
Amortisation		
At 1 April	**2,272**	1,545
Amortisation for the year	**825**	727
Disposals	**(1,827)**	-
At 31 March	**1,270**	2,272
Net Book Value		
At 31 March	**9,410**	13,865

Notes to the Financial Statements

for the year ended 31 March 2000

18. Financial Assets - Associated Undertakings *continued*

Details of the Group's principal associated undertakings at 31 March 2000 are set out below. All of these companies are incorporated and operate principally in their country of registration.

Name and Registered Office	Nature of Business	Shareholding
Merits Health Products Company Limited, 9 Road 36, Taichung Industrial Park, Taichung, Taiwan.	Manufacture of mobility aids.	45.0%
KP (Ireland) Limited, 79 Broomhill Road, Tallaght, Dublin 24, Ireland.	Manufacture of snack foods.	50.0%
Kylemore Foods Holdings Limited, DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland.	Holding company for the Kylemore group of companies whose principal activities are the baking, wholesaling and retailing of bakery products and the operation of restaurants.	50.0%
Millais Investments Limited, Kinsale Road, Cork, Ireland.	Holding company for Allied Foods Limited, a distributor of frozen and chilled foods.	50.0%
Manor Park Homebuilders Limited, "The Gables", Torquay Road, Dublin 18, Ireland.	Residential house building.	49.0%

(b) Company

	2000 €'000	1999 €'000
At 31 March	**1,233**	1,233

19. Financial Assets - Subsidiary Undertakings

Company

	2000 €'000	1999 €'000
At 1 April	**67,385**	57,283
Additions	**3,475**	10,209
Disposals	**-**	(107)
At 31 March	**70,860**	67,385

The Group's principal operating subsidiary undertakings are shown on page 78. All of these subsidiaries are wholly owned except Broderick Bros. Limited (82.5%), Virtus Limited (51.0%), EuroCaps Limited (80.0%), where put and call options exist to acquire the remaining 20.0%, CasaCare GmbH (74.9%), where put and call options exist to acquire the remaining 25.1%, Distrilogie SA (55.0%), where put and call options exist to acquire the remaining 45.0% and Fannin Limited (82.0%), where put and call options exist to acquire the remaining 18.0%.

The Group's principal overseas holding company subsidiaries are DCC Holdings (UK) Limited, a company operating, incorporated and registered in England and Wales and DCC International Holdings B.V., a company operating, incorporated and registered in the Netherlands. The registered office of DCC Holdings (UK) Limited is at Days Medical Aids Limited, Litchard Industrial Estate, Bridgend, Mid Glamorgan CF31 2AL, Wales. The registered office of DCC International Holdings B.V. is Drentestraat 24, 1083 HK Amsterdam, the Netherlands.

20. Stocks

Group

	2000 €'000	1999 €'000
Raw materials and consumables	**6,873**	5,407
Work in progress	**1,852**	552
Finished goods and goods for resale	**67,291**	48,174
	76,016	54,133

The replacement cost of stocks is not considered to be materially different from the amounts shown above.

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21. Debtors

	Group 2000 €'000	Group 1999 €'000	Company 2000 €'000	Company 1999 €'000
Amounts falling due within one year:				
Trade debtors	**201,816**	134,074	**866**	421
Amounts owed by subsidiary undertakings	**-**	-	**1,812**	1,064
Disposal proceeds receivable	**16,100**	-	**-**	-
Corporation tax recoverable	**1,492**	850	**-**	-
Value added tax recoverable	**2,413**	729	**11**	-
Prepayments and accrued income	**12,771**	9,202	**707**	667
Investments	**7,128**	673	**-**	-
Other debtors (note 22)	**3,043**	2,030	**-**	15
	244,763	147,558	**3,396**	2,167
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	**-**	-	**226,944**	212,318
Other debtors (note 22)	**3,638**	3,366	**-**	96
	3,638	3,366	**226,944**	212,414
	248,401	150,924	**230,340**	214,581

22. Director's Loan Accounts

Other debtors include nil (1999: €29,000) in respect of house loans to an executive Director as follows:

	M Crowe €'000
Balance at 1 April 1999	29
Interest	1
Repayments	(30)
Balance at 31 March 2000	-
Maximum amount outstanding during year	29

Interest was charged at 5% per annum.

23. Cash and Term Deposits

	Group 2000 €'000	Group 1999 €'000	Company 2000 €'000	Company 1999 €'000
Cash in hand and at bank	**389,247**	201,751	**85**	128
Term deposits	**162,029**	109,563	**4,707**	1,802
	551,276	311,314	**4,792**	1,930

For the purposes of the consolidated cash flow statement, cash in hand and at bank comprises cash on demand. The movements in cash in hand and at bank and term deposits are set out in note 43.

24. Bank and Other Debt

	Group		Company	
	2000	1999	**2000**	1999
	€'000	€'000	**€'000**	€'000
Bank loans and overdrafts (note 25)	**279,271**	164,767	**-**	-
Loan notes (note 26)	**33,205**	28,655	**644**	886
Obligations under finance leases (note 27)	**41,030**	40,632	**-**	-
	353,506	234,054	**644**	886
Unsecured Notes due 2008/11 (note 25)	**108,611**	97,557	**-**	-
	462,117	331,611	**644**	886
Bank and other loans and leases:				
- repayable within one year	**191,781**	42,724	**644**	886
- repayable after more than one year	**161,725**	191,330	**-**	-
Unsecured Notes due 2008/11	**108,611**	97,557	**-**	-
	462,117	331,611	**644**	886

In September 1996 the Group raised US$100 million of senior unsecured notes in a private placement with US institutional investors. Of this amount US$92.5 million is due in 2008 and US$7.5 million is due in 2011. The funds have been swapped to sterling at a margin over LIBOR.

25. Bank Loans, Overdrafts and Unsecured Notes due 2008/11

	Group		Company	
	2000	1999	**2000**	1999
	€'000	€'000	**€'000**	€'000
Repayable as follows:				
In one year or less	**186,324**	35,730	**-**	-
Between one and two years	**79,652**	61,054	**-**	-
Between two and five years	**12,675**	67,983	**-**	-
Over five years	**109,231**	97,557	**-**	-
	387,882	262,324	**-**	-
The above amounts are further analysed as follows:				
Wholly repayable within one year	**186,324**	35,730	**-**	-
Repayable by instalments:				
- between one and two years	**630**	180	**-**	-
- between two and five years	**12,675**	11,208	**-**	-
- over five years	**620**	-	**-**	-
Repayable other than by instalments:				
- between one and two years	**79,022**	60,874	**-**	-
- between two and five years	**-**	56,775	**-**	-
- over five years	**108,611**	97,557	**-**	-
	387,882	262,324	**-**	-

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for the year ended 31 March 2000

26. Loan Notes

	Group		Company	
	2000	1999	**2000**	1999
	€'000	€'000	**€'000**	€'000
The loan notes are repayable as follows:				
In one year or less	**1,251**	3,206	**644**	886
Over five years	**31,954**	25,449	**-**	-
	33,205	28,655	**644**	886
Loan notes are further analysed as follows:				
Wholly repayable within one year	**1,251**	3,206	**644**	886
Repayable other than by instalments:				
- over five years	**31,954**	25,449	**-**	-
	33,205	28,655	**644**	886

The above loan notes are unsecured and €33,152,000 (1999: €28,402,000) are supported by bank guarantees. The Company and certain of its subsidiaries have guaranteed the obligations of the relevant banks in respect of the loan notes which are guaranteed by the banks.

27. Finance Leases

The net finance lease obligations to which the Group is committed are:

	2000	1999
	€'000	€'000
In one year or less	**4,206**	3,788
Between one and two years	**4,418**	3,784
Between two and five years	**14,900**	12,862
Over five years	**17,506**	20,198
	36,824	36,844
	41,030	40,632

28. Derivative and Other Financial Instruments

The Group's treasury activities are designed to finance its operations and to reduce or eliminate the financial risks arising from those operations.

A number of the Group's operating and financial costs and revenues are exposed to movements in the financial and commodity markets which are outside the Group's control. In particular, interest rates can fluctuate, affecting the cost of borrowings, and commodity price movements can affect the cost of certain raw materials purchased.

Furthermore, foreign exchange movements can affect the cost of products sourced and revenues generated from overseas markets and can also affect the translation of the results and net operating assets or operating liabilities of the Group's overseas operations save to the extent that they are hedged by borrowings in the same currency. In order to reduce these exposures and to bring both stability and more certainty to the Group's costs and revenues the Group uses various derivative financial instruments to hedge its position going forward.

All transactions in derivatives (which are mainly interest rate swaps, forward foreign currency and commodity contracts and purchased currency and commodity options) are designed to manage risks without engaging in speculative transactions.

28. Derivative and Other Financial Instruments *continued*

(a) Interest Rate Risk Profile of Financial Liabilities and Financial Assets

The following tables analyse the currency and interest rate composition of the Group's gross debt and cash portfolio, as stated on the balance sheet, after taking cross currency and interest rate swaps into account:

	2000 € equivalent			1999 € equivalent		
	Financial Liabilities €'000	**Financial Assets €'000**	**Net €'000**	Financial Liabilities €'000	Financial Assets €'000	Net €'000
€ Fixed	**(1,983)**	**-**	**(1,983)**	(220)	-	(220)
€ Floating	**(77,979)**	**201,792**	**123,813**	(39,445)	66,303	26,858
€ Total	**(79,962)**	**201,792**	**121,830**	(39,665)	66,303	26,638
Stg£ Fixed	**(101,929)**	**101,921**	**(8)**	(97,579)	91,553	(6,026)
Stg£ Floating	**(279,697)**	**241,584**	**(38,113)**	(194,335)	150,133	(44,202)
Stg£ Total	**(381,626)**	**343,505**	**(38,121)**	(291,914)	241,686	(50,228)
US$ Fixed	**-**	**-**	**-**	-	-	-
US$ Floating	**(529)**	**5,979**	**5,450**	(32)	3,325	3,293
US$ Total	**(529)**	**5,979**	**5,450**	(32)	3,325	3,293
Total	**(462,117)**	**551,276**	**89,159**	(331,611)	311,314	(20,297)

The Group's deferred acquisition consideration of €28,569,000 as stated on the balance sheet, consists entirely of € floating rate financial liabilities (1999: €16,247,000 of € floating rate financial liabilities and €3,788,000 of Stg£ floating rate financial liabilities) payable as follows:

	2000 €'000	1999 €'000
In one year or less	**11,000**	10,167
In more than one year but not more than two years	**7,166**	3,268
In more than two years but not more than five years	**10,403**	6,600
	28,569	20,035

The Group's floating rate financial liabilities and financial assets bear interest rates based primarily on:

- 1 - 3 month EURIBOR
- 1 - 12 month LIBOR
- US$ prime rate

	2000 Weighted average interest rate		1999 Weighted average interest rate	
	Fixed rate financial liabilities	**Fixed rate financial assets**	Fixed rate financial liabilities	Fixed rate financial assets
€	**5.2%**	**n/a**	7.8%	n/a
Stg£	**8.8%**	**8.0%**	8.8%	8.0%

	2000 Weighted average period for which rate is fixed		1999 Weighted average period for which rate is fixed	
	Fixed rate financial liabilities	**Fixed rate financial assets**	Fixed rate financial liabilities	Fixed rate financial assets
€	**6.9 years**	**n/a**	1.5 years	n/a
Stg£	**8.5 years**	**8.5 years**	9.0 years	9.5 years

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28. Derivative and Other Financial Instruments *continued*

The maturity profile of the Group's financial liabilities is set out in notes 25 to 27 and can be summarised as follows:

	2000	1999
	€'000	€'000
In one year or less	**191,781**	42,724
In more than one year but not more than two years	**84,070**	64,838
In more than two years but not more than five years	**27,575**	80,845
In more than five years	**158,691**	143,204
	462,117	331,611

(b) Gains and Losses on Hedges
The Group enters into forward foreign currency contracts to eliminate the currency exposures that arise on revenues and costs denominated in foreign currencies. The Group also enters into commodity swap contracts in order to eliminate the exposure to price movements of oil and LPG. Changes in the fair value of instruments used as hedges are not recognised in the financial statements until the hedged position matures. An analysis of these unrecognised gains and losses is as follows:

	2000			1999		
	Gains	**Losses**	**Total net gains/ (losses)**	Gains	Losses	Total net gains/ (losses)
	€'000	**€'000**	**€'000**	€'000	€'000	€'000
Opening unrecognised gains and losses on hedges	**356**	**3,332**	**(2,976)**	365	1,646	(1,281)
Gains and losses arising in previous years that were recognised in current year	**356**	**1,879**	**(1,523)**	365	1,316	(951)
Gains and losses arising in previous years that were not recognised in current year	**-**	**1,453**	**(1,453)**	-	330	(330)
Gains and losses arising in current year that were not recognised in current year	**429**	**4,940**	**(4,511)**	356	3,002	(2,646)
Closing unrecognised gains and losses on hedges	**429**	**6,393**	**(5,964)**	356	3,332	(2,976)
Of which:						
Gains and losses expected to be recognised within one year	**429**	**5,898**	**(5,469)**	356	1,879	(1,523)
Gains and losses expected to be recognised thereafter	**-**	**495**	**(495)**	-	1,453	(1,453)
	429	**6,393**	**(5,964)**	356	3,332	(2,976)

The above table does not include cross currency interest rate swaps where unrecognised gains or losses on the swaps are matched by equal and opposite gains or losses in the fair value of Unsecured Notes due 2008/11. See accounting policy for derivative financial instruments.

(c) Fair Value of Financial Instruments
The carrying amounts and estimated fair values of the financial assets and financial liabilities of the Group are as follows:

	2000		1999	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	€'000	**€'000**	€'000	€'000
Assets:				
Cash and short term deposits	**551,276**	**551,188**	311,314	311,314
Publicly traded investments	**7,128**	**11,297**	673	343
Liabilities:				
Deferred acquisition consideration	**(28,569)**	**(28,569)**	(20,035)	(20,035)
Short term debt	**(191,781)**	**(191,781)**	(41,759)	(41,759)
Medium and long term debt	**(161,725)**	**(161,637)**	(192,295)	(192,295)
Unsecured Notes due 2008/11	**(108,611)**	**(108,611)**	(97,557)	(97,557)
Derivative financial instruments:				
Commodity swaps	**-**	**(1,199)**	-	-
Forward exchange rate contracts	**-**	**(4,765)**	-	(2,976)
Interest rate contracts	**-**	**-**	-	-

28. Derivative and Other Financial Instruments *continued*

The following methods and assumptions were used by the Group in estimating its fair value disclosures for financial instruments:

Cash, short term deposits and short term debt:
The carrying amount reported in the balance sheet generally approximates to fair value because of the short maturity of these instruments.

Publicly traded investments:
These are valued based on quoted prices.

Deferred acquisition consideration:
The carrying amount reported in the balance sheet approximates to fair value because the future amounts payable are discounted back to their present value.

Medium and long term debt:
The fair value of the Group's medium and long term debt generally approximates to fair value because these instruments re-price frequently at market rates.

Unsecured Notes due 2008/11:
The fair value of the Group's Unsecured Notes due 2008/11 is shown net of the gain or loss on the cross currency interest rate swap used to hedge these loan notes. At 31 March 2000 the cross currency interest rate swap had a fair value equating to a loss of €3,338,000. Conversely the Unsecured Notes due 2008/11 had a fair value equating to a gain of the same amount.

Commodity and forward exchange rate contracts:
The fair value of these instruments is based on the estimated replacement cost of equivalent instruments at the balance sheet date.

Interest rate contracts:
The fair value of these instruments is based on the estimated replacement cost of equivalent instruments at the balance sheet date. The Group uses interest rate contracts to swap floating rate assets and liabilities into fixed rate assets and liabilities. The fair value of the interest rate contracts attributable to financial assets is offset by the fair value of the interest rate contracts attributable to financial liabilities.

(d) Undrawn Bank Borrowing Facilities
The Group has various borrowing facilities available to it. The undrawn committed bank borrowing facilities available at 31 March 2000 in respect of which all conditions precedent had been met at that date mature as follows:

	2000	1999
	€'000	€'000
In one year or less	**3,169**	-
In more than two years	**1,081**	4,297
	4,250	4,297

(e) Short Term Debtors and Creditors
Short term debtors and creditors are not included in the above disclosures of financial assets and financial liabilities.

(f) Currency Exposures
At 31 March 2000, after taking into account the effects of foreign currency contracts, the Group had no material currency exposures.

(g) Treasury Policy
The Group's treasury policy and management of derivatives and of financial instruments is discussed in the Financial Review on pages 24 and 25.

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29. Trade and Other Creditors

	Group 2000 €'000	Group 1999 €'000	Company 2000 €'000	Company 1999 €'000
Amounts falling due within one year:				
Trade creditors	**199,454**	113,183	**73**	284
Other creditors and accruals	**34,900**	21,880	**941**	933
Deferred acquisition consideration	**11,000**	10,167	**-**	-
PAYE and PRSI	**2,450**	1,911	**162**	136
Value added tax	**12,049**	9,626	**-**	13
Capital grants (note 38)	**235**	245	**-**	-
Interest payable	**2,401**	2,035	**-**	-
Amounts due in respect of fixed assets	**905**	714	**-**	-
Amounts due to associated undertakings	**2,739**	3,320	**-**	-
	266,133	163,081	**1,176**	1,366

30. Provisions for Liabilities and Charges

(a) Group

	2000 Deferred taxation (note 31) €'000	2000 Pensions and similar obligations (note 32) €'000	2000 Total €'000	1999 Deferred taxation (note 31) €'000	1999 Pensions and similar obligations (note 32) €'000	1999 Total €'000
At 1 April	**2,200**	**44**	**2,244**	2,524	45	2,569
Credited to profit and loss account	**(178)**	**(1)**	**(179)**	(449)	(1)	(450)
Acquisitions	**-**	**-**	**-**	147	-	147
Exchange adjustments	**25**	**-**	**25**	(22)	-	(22)
At 31 March	**2,047**	**43**	**2,090**	2,200	44	2,244

(b) Company

	2000 €'000	1999 €'000
Deferred taxation at 31 March (note 31)	**4**	4

31. Deferred Taxation

Deferred taxation provided in the financial statements and the full potential liability are as follows:

(a) Group

	Amount Provided 2000 €'000	Amount Provided 1999 €'000	Full Potential Liability 2000 €'000	Full Potential Liability 1999 €'000
Tax effect of timing differences due to:				
Excess of accelerated capital allowances over depreciation	**2,097**	2,454	**2,204**	2,587
Other short term timing differences	**(50)**	(254)	**(50)**	(254)
	2,047	2,200	**2,154**	2,333

No provision is made for certain potential taxation liabilities amounting to €107,000 (1999: €133,000) arising from accelerated capital allowances as it is considered that the related taxation will not become payable in the foreseeable future.

No provision is made for taxation liabilities which would arise on the distribution of profits retained by overseas subsidiaries as there is no intention in the foreseeable future to remit such profits.

(b) Company

	Amount Provided		Full Potential Liability	
	2000	1999	**2000**	1999
	€'000	€'000	**€'000**	€'000
Tax effect of timing differences due to:				
Excess of accelerated capital allowances over depreciation	**3**	3	**3**	3
Other short term timing differences	**1**	1	**1**	1
	4	4	**4**	4

32. Pensions and Similar Obligations

The Group operates defined benefit and defined contribution pension schemes in the parent and subsidiary undertakings. The pension scheme assets are held in separate trustee administered funds.

Total pension costs for the year amounted to €3,875,000 (1999: €3,119,000) of which €1,332,000 (1999: €1,331,000) was paid in respect of defined contribution schemes.

The pension costs relating to the Group's defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries. Either the attained age or the accrued benefits method are used to assess pension costs. The most recent actuarial valuations range from 31 December 1996 to 17 August 1999.

The assumptions which have the most significant effect on the results of the actuarial valuations are those relating to the rates of return on investments and the rates of increase in remuneration and pensions. It was assumed that the rates of return on investments would, on average, exceed annual remuneration increases by 2% and pension increases by 3% per annum.

At the dates of the most recent actuarial valuations, the market value of the assets of the Group's defined benefit schemes totalled €24,643,000 (1999: €18,837,000).

After allowing for expected future increases in earnings and pension payments, the actuarial values of the various schemes' assets were sufficient to cover between 79% and 111% (Group weighted average cover: 100%) of the benefits that had accrued to the members of the individual schemes. Any actuarial deficits are being spread over the average remaining service lives of current employees.

At 31 March 2000, €71,000 (1999: €48,000) was included in creditors in respect of pension liabilities and €566,000 (1999: €721,000) was included in debtors in respect of pension prepayments.

In general, actuarial valuations are not available for public inspection, although the results of valuations are advised to the members of the various pension schemes.

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33. Called up Equity Share Capital

Group and Company	2000 €'000	1999 €'000
Authorised		
152,368,568 ordinary shares of €0.25 each	**38,092**	38,092
Issued		
87,306,376 ordinary shares of €0.25 each, fully paid (1999: 87,134,555 ordinary shares of IR20p each, fully paid)	**21,827**	22,128
205,000 ordinary shares of €0.25 each, €0.0025 paid (1999: 210,000 ordinary shares of IR20p each, IR0.2p paid)	**-**	-
	21,827	22,128

Movements during year

Ordinary shares of €0.25 each	No of shares ('000)	€'000
At 1 April 1999	87,345	22,128
Acquisition issue	166	42
Payment up of partly paid shares	-	1
Transfer to capital conversion reserve fund	-	(344)
At 31 March 2000	87,511	21,827

At the last Annual General Meeting held on 25 June 1999 each of the issued and unissued ordinary shares of IR20p in DCC plc was re-denominated into an ordinary share of 25.394761 cent. Each such share was then re-nominalised to be an ordinary share of 25 cent. An amount equal to the reduction in the issued share capital resulting from this re-nominalisation was transferred to a capital conversion reserve fund.

Under the DCC plc 1998 Employee Share Option Scheme, employees hold basic tier options to subscribe for 1,874,000 ordinary shares and second tier options to subscribe for 1,656,000 ordinary shares. The number of shares in respect of which basic tier and second tier options may be granted under this scheme may not exceed 5% of all numbers of shares in issue in each case.

Under the terminated DCC Employee Partly Paid Share Scheme, at 31 March 2000, 205,000 shares (1999: 210,000 shares) remain partly paid.

Under a terminated 1986 DCC Executive Share Option Scheme, which applied before DCC became a public company, employees hold options exercisable up to February 2001 to subscribe for 650,000 ordinary shares (1999: 650,000 ordinary shares) at €2.5395 per share.

All shares, whether fully or partly paid, carry equal voting rights and rank for dividends to the extent to which the total amount payable on each share is paid up.

34. Share Premium Account

Group and Company	2000 €'000	1999 €'000
At 1 April	**120,796**	112,090
Premium on issue of shares	**1,203**	8,769
Share issue expenses	**(12)**	(63)
At 31 March	**121,987**	120,796

35. Reserves

(a) Group

	Profit and loss account €'000	Associated undertaking reserves €'000	Capital conversion reserve fund €'000	Other reserves €'000	Total €'000
At 1 April 1999	33,877	17,364	-	1,056	52,297
Profit retained for the year	94,970	9,505	-	-	104,475
Goodwill previously eliminated against reserves realised on sale of subsidiary and associated undertakings	5,733	15,000	-	-	20,733
Transfers	26,253	(26,253)	-	-	-
Re-nominalisation of share capital	-	-	344	-	344
Movement on other reserves - associated undertakings	-	2,492	-	-	2,492
Exchange adjustments	4,968	-	-	-	4,968
At 31 March 2000	**165,801**	**18,108**	**344**	**1,056**	**185,309**

In accordance with the Group's accounting policy, goodwill arising on the acquisition of subsidiaries prior to 1 April 1998, eliminated from the balance sheet through reserves, amounts to €100.079 million. This goodwill will be charged in the profit and loss account should the Group dispose of the businesses to which it relates.

(b) Company

	Profit and loss account €'000	Capital conversion reserve fund €'000	Total €'000
At 1 April 1999	44,997	-	44,997
Profit retained	136	-	136
Re-nominalisation of share capital	-	344	344
At 31 March 2000	**45,133**	**344**	**45,477**

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36. Reconciliation of Movements in Equity Shareholders' Funds

Group

	2000 €'000	1999 €'000
Profit attributable to Group shareholders	119,841	47,980
Dividends	(15,366)	(12,992)
	104,475	34,988
Movement on associated undertaking reserves	2,492	(3,154)
Goodwill realised previously eliminated against reserves (note 6)	20,733	-
Equity share capital issued (net of expenses)	1,234	9,525
Exchange adjustments	4,968	(220)
Net movement in shareholders' funds	133,902	41,139
Opening equity shareholders' funds	195,221	154,082
Closing equity shareholders' funds	329,123	195,221

37. Equity Minority Interests

Group

	2000 €'000	1999 €'000
At 1 April	3,902	5,295
Acquisitions (note 39)	326	(166)
Acquisition of minority interest in subsidiary undertakings	-	(1,289)
Disposal of minority interest in subsidiary undertaking (note 40)	(947)	-
Share of profit for the financial year (note 12)	3	137
Dividends to minorities	(86)	(135)
Exchange and other adjustments	76	60
At 31 March	3,274	3,902

38. Capital Grants

Group

	2000 €'000	1999 €'000
At 1 April	1,426	1,953
Received in year	62	14
Amortisation in year	(296)	(366)
Exchange and other adjustments	9	(175)
At 31 March	1,201	1,426
Disclosed as due within one year (note 29)	(235)	(245)
	966	1,181

39. Acquisitions of Subsidiary Undertakings

The principal acquisitions completed during the year were Distrilogie SA (55.0%), Casa Garden & Co. KG (since renamed CasaCare) (74.9%), the Cawoods oil business (100.0%) and a number of other smaller LPG distributors.

The Group acquired 55% of the share capital of Distrilogie and entered into put and call options for the remaining 45%. Distrilogie is treated as a 100% subsidiary of the Group with an estimate of the consideration payable, on exercise of the put and call options, included in the deferred contingent consideration arising on the acquisition. The amounts provided in deferred contingent consideration represent an estimate of the amounts that are reasonably expected to be payable, discounted to their present values which are contingent on the future performance of Distrilogie. Further performance related payments beyond these amounts, of a maximum of €18.857 million may be made up to 31 March 2003. The estimation of deferred contingent consideration will be reviewed as more certain information becomes available with the corresponding adjustments being made to goodwill.

In addition to the above the Group has provided for the purchase of certain minority interests.

A summary of the effect of these acquisitions is as follows:

	Acquisition of subsidiary undertakings €'000	Fair value adjustments €'000	Fair value at acquisition €'000
Tangible fixed assets	3,957	-	**3,957**
Stocks	7,743	(750)	**6,993**
Debtors	22,291	(850)	**21,441**
Net debt	(9,303)	-	**(9,303)**
Creditors	(16,353)	(300)	**(16,653)**
Tax and deferred tax	(761)	-	**(761)**
Minority interests	(326)	-	**(326)**
Net assets acquired	7,248	(1,900)	**5,348**
Goodwill			**32,241**
Cost			**37,589**
Satisfied by:			
Cash			**19,124**
Deferred consideration and deferred contingent consideration			**18,465**
			37,589

Acquisition accounting has been adopted in respect of the above acquisitions. The fair value adjustments relate to stocks, debtors and creditors and the alignment of accounting policies with those of the Group.

An analysis of the net outflow of cash in respect of the acquisition of subsidiary undertakings is as follows:

	2000 €'000
Cost	**37,589**
Net debt acquired	**9,303**
Deferred consideration and deferred contingent consideration	**(18,465)**
Net outflow of cash	**28,427**

Notes to the Financial Statements

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40. Sale of Associated and Subsidiary Undertakings

(a) Sale of Subsidiary Undertaking	2000 €'000
Net assets disposed of:	
Fixed assets	1,343
Associated undertakings	34
Stocks	329
Debtors	2,981
Creditors	(2,184)
Net debt	(3,456)
Minority interest	(947)
	(1,900)
Profit on sale of subsidiary undertaking (note 6)	18,000
	16,100
Satisfied by:	
Disposal proceeds receivable in cash	16,100

(b) Sale of Associated Undertaking

Carrying value as an associate	30,289
Profit on sale of associated undertaking (note 6)	76,000
	106,289
Satisfied by:	
Cash	106,289

41. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

Group

	2000 €'000	1999 €'000
Operating profit before goodwill amortisation	77,743	63,661
Operating profit of associated undertakings	(15,879)	(12,129)
Dividends received from associated undertakings	2,768	2,268
Depreciation of tangible fixed assets	18,890	16,176
Increase in stocks	(11,081)	(5,151)
Increase in debtors	(45,941)	(20,680)
Increase in creditors	72,845	22,479
Other	(3,048)	(1,094)
Cash flow from operating activities	96,297	65,530

42. Analysis of Cash Flows for Headings netted in the Consolidated Cash Flow Statement

	2000 €'000	1999 €'000
(a) Returns on Investments and Servicing of Finance		
Interest received and similar receipts	**19,432**	19,032
Interest paid and similar payments	**(24,981)**	(23,112)
Dividends paid to minority interests	**(86)**	(134)
Net cash outflow from returns on investments and servicing of finance	**(5,635)**	(4,214)
(b) Capital Expenditure		
Expenditure on tangible fixed assets	**(28,815)**	(18,274)
Proceeds on sale of tangible fixed assets	**4,017**	1,444
Grants received	**62**	14
Net cash outflow from capital expenditure	**(24,736)**	(16,816)
(c) Acquisitions and Disposals		
Purchase of subsidiary undertakings (net of debt/cash acquired) (note 39)	**(28,427)**	(40,758)
Investment in associated undertakings (note 18)	**(726)**	(7,194)
Purchase of minority interests	**-**	(8,234)
Sale of subsidiary (note 40)	**3,456**	-
Sale of associated undertaking (note 40)	**106,289**	-
Payment of deferred consideration/accruals in respect of acquisitions	**(8,422)**	(2,938)
Net cash inflow/(outflow) from acquisitions and disposals	**72,170**	(59,124)
(d) Financing		
Issues of share capital (including share premium)	**9**	8,656
Capital element of finance lease payments	**(3,870)**	(2,693)
Loans drawn down	**99,116**	31,260
Other	**-**	(7,745)
Net cash inflow from financing	**95,255**	29,478

43. Analysis of Movement in Net Cash/(Debt)

	At 1 April 1999 €'000	Cash flow €'000	Exchange movements €'000	At 31 March 2000 €'000
Cash in hand and at bank	201,751	161,205	26,291	**389,247**
Overdrafts	(33,294)	2,814	(3,283)	**(33,763)**
	168,457	164,019	23,008	**355,484**
Term deposits	109,563	46,231	6,235	**162,029**
Bank loans and loan notes	(160,128)	(99,116)	(19,469)	**(278,713)**
Unsecured Notes due 2008/11	(97,557)	-	(11,054)	**(108,611)**
Finance leases	(40,632)	3,870	(4,268)	**(41,030)**
Total	(20,297)	115,004	(5,548)	**89,159**

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44. Capital Commitments

Group

	2000 €'000	1999 €'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**4,248**	7,004
Capital expenditure that has been authorised by the directors but has not yet been contracted for	**12,707**	11,482

45. Operating Lease Commitments

At 31 March 2000 the Group had annual commitments under operating leases as follows:

	2000		1999	
	Land and Buildings €'000	**Other €'000**	Land and Buildings €'000	Other €'000
Expiring within one year	**178**	**73**	59	50
Expiring between two and five years	**173**	**648**	519	425
Expiring after five years	**1,547**	**-**	1,352	-
	1,898	**721**	1,930	475

46. Contingent Liabilities

(a) Bank and Other Loans

The parent undertaking and certain subsidiaries have given guarantees of up to €454,280,000 (1999: €330,943,000) in respect of borrowings by the parent undertaking itself and other group undertakings.

(b) Grants

In certain circumstances capital grants amounting to a maximum of €4,759,000 (1999: €4,797,000) and revenue grants amounting to a maximum of nil (1999: €863,000) may become repayable.

(c) Other

Included in trade creditors are amounts of approximately €8,909,000 (1999: €7,860,000) due to creditors who have reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how much of the above amount was effectively secured by reservation of title. However, the amount referred to above is matched in terms of net book value of fixed assets and stocks of raw materials in the possession of the Group which were supplied subject to reservation of title and accordingly the creditors referred to could be regarded as effectively secured to the extent of at least this amount.

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of Alvabay Limited, Atlas Oil Refining Company Limited, Classic Fuel and Oil Limited, DCC Energy Limited, DCC SerCom Limited, Emo Oil Limited, Emo Oil Services Limited and Flogas Ireland Limited and, as a result, these companies have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

47. Reporting Currency

The primary currency used in these financial statements is the Euro which is denoted by the symbol €. The exchange rates used in translating sterling balance sheets and profit and loss account amounts were as follows:

	2000	1999
	€1=Stg£	€1=Stg£
Balance sheet (closing rate)	**0.599**	0.666
Profit and loss (average rate)	**0.643**	0.681

48. Transactions with Related Parties

On 29 September 1999 the Company increased to 82% its shareholding in Fannin Limited by acquiring from minority shareholders in Fannin Limited 7% of its issued share capital, which was subject to put and call options exercisable by DCC and the Fannin Limited minority shareholders. The total value of the consideration amounted to €3.440 million which was satisfied by €2.215 million in cash and €1.225 million in shares. The remaining 18% shareholding is also subject to put and call options exercisable up to 2003.

49. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 12 May 2000.

Group Directory

Value Added Marketing and Distribution

IT

SerCom Distribution Limited	Holding company	www.dcc.ie
Micro Peripherals Limited*	Computer products distribution	www.micro-p.com
Sharptext Limited	Computer products and office equipment distribution	www.sharptext.com
Gem Distribution Limited*	Computer products distribution	www.gem.co.uk
Distrilogie SA	Computer storage products distribution	www.distrilogie.com

Energy

DCC Energy Limited	Holding and management company	www.dcc.ie
Emo Oil Limited	Distribution of oil products	www.emo.ie
Flogas Ireland Limited	Manufacture and distribution of liquefied petroleum gas	www.flogas.ie
Flogas UK Limited*	Distribution of liquefied petroleum gas	www.flogas.co.uk
Atlas Ireland Limited	Environmental services to garages	www.atlasireland.com
DCC Energy (NI) Limited	Distribution of liquefied petroleum gas and oil products	www.emooil.com

Healthcare

DCC Healthcare Limited	Holding and management company	www.dcc.ie
Days Medical Aids Limited*	Manufacture and distribution of mobility and rehabilitation products	www.daysmedical.com
Fannin Limited	Manufacture and distribution of healthcare products	www.dcc.ie
DCC Shoprider Inc.	Distribution of mobility scooters and power chairs	www.dcc-shoprider.com
CasaCare GmbH	Manufacture and distribution of mobility and rehabilitation products	www.casagarden.de
Virtus Limited	Manufacture and distribution of healthcare products	www.virtus.ie
Healthilife Limited*	Distribution of vitamin and food supplements	www.healthilife.com
EuroCaps Limited*	Manufacture and distribution of soft gelatine capsules	www.softgels.co.uk
Thompson & Capper Limited*	Manufacture and distribution of tablets and capsules	www.tablets2buy.com

Food

DCC Foods Limited	Holding and management company	www.dcc.ie
Robt. Roberts Limited	Marketing and distribution of branded food and beverage products	www.robt-roberts.com
Kelkin Limited	Marketing and distribution of branded healthy food products	www.kelkin.com
Broderick Bros. Limited	Distribution and service of equipment and consumables to the food processing, retailing and catering industries	www.dcc.ie

Supply Chain Management Services

SerCom Solutions Limited	Supply chain management services for the computer industry	www.sercomsolutions.com

All of the above companies are incorporated and operate principally in the Republic of Ireland except those indicated with * which are incorporated and operate principally in England and Wales, Distrilogie SA which is incorporated and operates principally in France, DCC Energy (NI) Limited which is incorporated and operates principally in Northern Ireland, DCC Shoprider Inc. which is incorporated and operates principally in the United States of America and CasaCare GmbH which is incorporated and operates principally in Germany.

A full list of subsidiary and associated undertakings will be annexed to the Annual Return of the Company to be filed with the Irish Registrar of Companies.

Shareholder Information

Shareholder Analysis at 12 May 2000

	Number of accounts	% of accounts	Number of shares ('000)	% of shares
1 - 1,000	1,313	51.9%	697,911	0.8%
1,001 - 10,000	1,040	41.1%	2,797,173	3.2%
10,001 - 50,000	81	3.2%	1,794,656	2.0%
50,001 - 100,000	28	1.1%	1,997,573	2.3%
100,001 - 250,000	30	1.2%	4,509,666	5.2%
Over 250,000	39	1.5%	75,509,397	86.5%
Total	2,531	100.0%	87,306,376	100.0%

Share Price Data (€)

	High	Low	31 March
Year ended 31 March 2000	13.00	6.55	11.15
Year ended 31 March 1999	9.02	4.32	7.25

The market capitalisation of DCC plc at 31 March 2000 was €976 million (1999: €632 million) and at 12 May 2000 was €936 million (€10.70 per share).

Web Site

DCC's web site address is www.dcc.ie

The web site includes further information on the Group's activities and provides links into Group companies' web sites. DCC's recent press releases can be read or downloaded from the News section, where visitors can also register to receive future press releases directly by e-mail. The Investor Information section contains a complete dividend history, the financial calendar and further points of contact.

Investor Relations

For investor enquiries please contact:
Michael Scholefield,
Investor Relations Manager,
DCC plc, DCC House, Brewery Road,
Stillorgan, Blackrock, Co Dublin.
Tel: 353 1 283 1011.
Fax: 353 1 283 1018.
e-mail: investorrelations@dcc.ie

Registrar

Administrative enquiries about the holding of DCC shares should be directed in the first instance to the Company's Registrar at:
Computershare Services (Ireland) Limited,
Heron House, Corrig Road, Dublin 18.
Tel: 353 1 216 3100
Fax: 353 1 216 3151
e-mail: web.queries@computershare.co.uk

Shareholder Information

Amalgamation of Accounts

Shareholders who receive duplicate sets of company mailings owing to multiple accounts in their names should write to the Company's Registrar to have their accounts amalgamated.

Dividends

Shareholders are offered the option of having dividends paid in Euros or pounds sterling. Shareholders may also elect to receive dividend payments either by cheque or by electronic funds transfer directly into their bank accounts. Shareholders should contact the Company's Registrar for details.

Dividend Withholding Tax (DWT)

The Company is obliged to deduct tax at the standard rate of income tax in Ireland (currently 22%), from dividends paid to its shareholders, unless a particular shareholder is entitled to an exemption from DWT and has completed and returned to the Company's Registrar a declaration form claiming entitlement to the particular exemption. Exemption from DWT may be available to shareholders resident in another EU Member State, or in a country with which the Republic of Ireland has a double taxation agreement in place, and to certain non-individual shareholders resident in Ireland (e.g. companies, pension funds, charities etc).

An explanatory leaflet entitled "Dividend Withholding Tax Information Leaflet", has been published by the Irish Revenue Commissioners and can be obtained by contacting the Company's Registrar. This leaflet can also be downloaded from the Irish Revenue Commissioners web site at http://www.revenue.ie/download/dwtleaf.doc. Declaration forms for claiming an exemption are available from the Company's Registrar.

Annual General Meeting

The Annual General Meeting will be held at the Berkeley Court Hotel, Lansdowne Road, Dublin 4 on Monday 3 July 2000 at 11a.m. The Notice of Meeting together with an explanatory letter from the Chairman and a proxy card accompany this report.

CREST

DCC is a member of the CREST share settlement system. Shareholders may continue to hold paper share certificates or hold their shares in electronic form.

Share Listings

DCC's shares are listed on the Irish Stock Exchange (symbol: DCC.I) and the London Stock Exchange (symbol: DCC.L).

Financial Calendar

Preliminary results announced	15 May 2000
Ex-dividend date for the final dividend	22 May 2000
Record date for the final dividend	26 May 2000
Annual Report posted	31 May 2000
Annual General Meeting	3 July 2000
Proposed final dividend payment date	4 July 2000
Interim results announced	early November 2000
Payment date for interim dividend	late November 2000

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