

## Adding Value in Marketing and Distribution

DCC is a value added marketing and distribution group, which operates principally in growth segments of the IT, energy and healthcare markets. DCC holds strong market positions in the UK and Ireland and is expanding its IT and healthcare activities in Continental Europe.

The Company's shares are quoted on the Irish and London stock exchanges.

DCC is diversified in the markets we address. We are highly focused in what we do - *adding value in marketing and distribution.*

**Procurement**  
DCC builds enduring relationships with key suppliers and leading brand owners, driving superior volume growth.

**High quality operations**  
DCC develops skilled management teams who drive consistent strong growth through:

- Product focused sales teams
- Excellent technical support
- Effective use of IT
- Focus on working capital
- Strong cash generation

**Market penetration**  
DCC's deep distribution reach penetrates a broad range of customers across market sectors.

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## Board of Directors

### **Alex Spain: Chairman**

Alex Spain, B.Comm., F.C.A. (aged 68), 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.

*Chairman of the Audit, Remuneration and Nomination committees*



### **Tommy Breen**

Tommy Breen, B.Sc. (Econ), F.C.A., (aged 42), executive Director, joined DCC in 1985, having previously worked with KPMG. He is Managing Director of DCC SerCom. Mr Breen joined the Board in 2000.



### **Jim Flavin: Chief Executive/Deputy Chairman**

Jim Flavin, B.Comm., D.P.A., F.C.A. (aged 58), 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.

*Member of the Nomination committee*



### **Tony Barry**

Tony Barry, Chartered Engineer (aged 66), non-executive Director, is a member of the Court of Bank of Ireland, Chairman of Greencore Group plc and a director of 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.

*Member of the Audit, Remuneration and Nomination committees*

**Morgan Crowe**

Morgan Crowe, Dip. Eng., M.B.A. (aged 56), 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 61), non-executive Director, retired as Head of Legal and Pensions Administration at Guinness Ireland Group in 2000. 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.

*Member of the Audit, Remuneration and Nomination committees*

**Kevin Murray**

Kevin Murray, B.E., F.C.A. (aged 42), 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 joined the Board in 2000.

**Fergal O'Dwyer**

Fergal O'Dwyer, F.C.A. (aged 41), executive Director, joined DCC in 1989 having previously worked with KPMG in Johannesburg and Price Waterhouse in Dublin. He was appointed Chief Financial Officer in 1994. Mr O'Dwyer joined the Board in 2000.



## Chairman's Statement

### Results

*DCC again achieved excellent growth in the year to 31 March 2001. Turnover grew by 42.1% to €1.87 billion and operating profit increased by 24.3% to €91.7 million. Adjusted earnings per share increased by 23.1% to 84.7 cent. The return on tangible capital employed increased to 48.1% from 40.6% and inclusive of acquisition goodwill the return increased to 23.7% from 20.9%.*

#### **Dividend**

The Directors are recommending a final dividend of 13.38 cent per share which, added to the interim dividend of 7.74 cent per share, gives a total dividend for the year of 21.12 cent per share. This represents an increase of 20.0% on the dividend of 17.60 cent per share paid in respect of the year ended 31 March 2000. The dividend for the year is covered 4.0 times by adjusted earnings per share (2000: 3.9 times). The final dividend will be paid on 10 July 2001 to shareholders on the register at the close of business on 25 May 2001.

**Financial strength & share buy back**

DCC has achieved excellent growth since its listing in 1994. Adjusted earnings per share have increased at a compound rate of 19.7% per annum over this period. Reflecting the high quality of the Group's earnings, DCC has also been strongly cash generative and had net cash at 31 March 2001 of €83.2 million. In light of this position, DCC availed of the opportunity during the year to buy back 2.56 million of its own shares (representing 2.9% of its issued share capital) at €9.50 per share, costing €24.7 million in total. The share buy back was earnings enhancing and has had a minimal impact on DCC's financial capacity. Selective share buy backs are intended to complement, rather than substitute for, the Group's capital investment and acquisition programmes.

**Development**

During the year a total of €74.2 million was invested in organic growth and acquisitions (2000: €52.3 million). The expenditure was incurred across the Group and included the extension of SerCom Distribution's UK warehousing and distribution hub. DCC's principal acquisition during the year was Fuel Services which has been successfully integrated with the Group's existing energy operations in Northern Ireland. As a result of the acquisition, DCC's energy division, which

operates throughout Britain and Ireland, is now the largest distributor of fuel oils and distillates in Northern Ireland.

**Corporate governance**

DCC is committed to pursuing best practice in relation to corporate governance matters. Following publication of the Turnbull guidance for directors on internal control, *Internal Control: Guidance for Directors on the Combined Code*, the Board is satisfied that the Group has effective ongoing processes for identifying, evaluating and managing risks faced by the Group.

**The future**

The Group will continue to seek opportunities to invest both organically and by acquisition to exploit growth opportunities in its markets.

**Alex Spain**

Chairman

11 May 2001



## Chief Executive/ Deputy Chairman's Review



### Strong, consistent and high quality earnings growth

*DCC is committed to creating shareholder value through delivering consistent, long-term quality returns well in excess of our cost of capital. Compound annual growth in adjusted earnings per share over the last five years of 21.5% reflects well on DCC's focus on growth markets and its disciplined and rigorous operating and financial controls. The "quality" of DCC's earnings growth record is underscored by high and increasing returns on capital employed and excellent cash generation.*

It is interesting to note that since the listing of DCC in 1994 the growth and development of operations outside of the Republic of Ireland have generated the greater proportion of DCC's earnings growth over that period. The table below sets out the geographical split of operating profit for the years ended 31 March 2001 and 2000.

	2001	2000
UK	48%	44%
Other areas	<u>6%</u>	<u>1%</u>
	54%	45%
Republic of Ireland	<u>46%</u>	<u>55%</u>
	<u>100%</u>	<u>100%</u>

### Core strengths and values

Our core strengths and values are:

- **Organic growth** – we are focused on recurring revenue businesses operating in growth market sectors.
- **Bolt-on acquisitions** – we seek to augment organic growth with bolt-on acquisitions which can be integrated with or complement existing operations, and which extend DCC's reach in markets we know.
- **High returns on capital employed** – we like low working capital intensity businesses and we constantly focus on achieving high and increasing returns on capital employed.
- **Market sector diversity** – we see our market sector diversity as a great strength.
- **Focused activity** – we apply our core skills and competencies in value added marketing and distribution – focused sales teams, deep market knowledge, distribution reach, high quality service to vendors and customers and after sales service – in each of our market sectors. 94% of Group revenues in the past year were generated through business-to-business trading.
- **Commercially adventurous but financially prudent** – finally, DCC seeks to be commercially adventurous while at the same time financially prudent – financial prudence engenders corporate poise and stability and facilitates appropriate risk taking.

### Focus on IT, energy and healthcare

In the past year 82% of DCC's operating profit was generated from the Group's activities in the IT, energy and healthcare markets – up from 65% five years ago. Each of these markets has good growth characteristics, which are discussed further below, and provide the opportunity for DCC to expand

internationally, both organically and by acquisition. Other activities in food, supply chain management services and house building generated 18% of DCC's operating profit. While smaller than the Group's principal core divisions, these businesses are of significant importance to DCC and we will continue to strive for cost effective growth in each.

DCC remains robust in the view that the ongoing pace of technological advances will continue to drive above average growth in the IT market into the long term. Furthermore, particular segments of the IT market, including storage and networking, will grow very strongly. This will benefit DCC's specialist storage distributor Distriologie, which has a strong presence in Southern Europe, and the growing storage and networking business of DCC's UK and Irish IT distribution operations. DCC's business-to-business IT distribution model, which is based on an excellent reputation with its vendors and reseller customer base, has consistently delivered superior profit growth and returns. With a modest share of a large, fragmented European market, DCC's proven strategy leaves the Group well placed for continued strong growth. DCC has achieved consistently excellent returns on tangible capital employed in its IT distribution business – 67.5% in the past year.

The recurring nature of profit and cash flows in the oil and LPG distribution sector have underpinned DCC's energy division. In addition to a strong LPG distribution business in Ireland and the UK, DCC has, in recent years, built a significant presence in the oil distribution sector in Ireland by developing excellent supply relationships with oil majors and by identifying and

successfully integrating value enhancing bolt-on acquisitions. The expansion of the Group's oil distribution operations into the UK is now a key strategic aim of DCC's energy business. Building on a strong relationship with BP, a key supplier in Northern Ireland, DCC recently entered into a Heads of Agreement to acquire part of its commercial, agricultural and domestic oil business in Scotland and Northern England. The UK oil distribution market is fragmented and this planned acquisition will establish a strong base from which DCC will grow both organically and through bolt-on acquisitions in the British oil distribution market. DCC achieves high returns on tangible capital employed and strong cash generation in its Energy division – return on tangible capital employed in the past year was 44.8%.

The healthcare market has excellent long-term growth characteristics. It continues to benefit from a number of significant underlying trends. These include an ageing population in the developed world and increased government spending on healthcare. In addition, there is an increasing awareness of health issues among the general population. DCC's healthcare businesses in hospital supplies, mobility products and nutraceuticals should benefit from these key trends. In this area also, DCC achieved an excellent return on tangible capital employed in the past year of 43.3%.

#### **Quality and best practice**

DCC promotes a quality culture through consistent improvement in all aspects of its business. A continuous focus on key areas such as procurement, management development, information technology, financial management and acquisitions contributes to improvements in operational and financial performance.

In procurement, for example, DCC's scale and group purchasing expertise generates cost savings across many key overhead areas. In addition, DCC is leveraging the Group's scale, financial strength and track record in securing new agencies and products for business units.

The ambition to be world class, through the achievement of best practice in all aspects of our business, is a perpetual one which drives continuous improvement in all areas of DCC's business.

#### **Information technology**

The effective use of information technology is an essential part of DCC's strategy to drive cost effective growth and maximise competitive advantage. The intelligent use of technology, including the selective implementation of Enterprise Resource Planning systems, is generating significant benefits for DCC's businesses.



**Human resources**

Sustainability of superior performance depends more than anything on the quality of leadership and the engagement and contribution of employees. DCC employs over 3,000 people, led by entrepreneurial management teams and, through its group leadership development processes, is focused on optimising and developing DCC's uniquely diverse talent bank of people. The fact that many employees have equity interests in DCC motivates them to take an interest in the performance not just of their own business but that of the DCC Group as a whole.

**Investor relations**

DCC has a substantial international shareholder base which is continuing to expand. Significant senior management resources are committed to communicating with the investment community and DCC's Investor Relations function strives to ensure that the support the company provides is consistent with best international practice.

Corporate websites are an increasingly important platform for communicating with the investment community. During the year, DCC's website ([www.dcc.ie](http://www.dcc.ie)) was redesigned following benchmarking against many of the best European and US

corporate websites. The new website provides users with a flexible and easily navigable information resource on all aspects of DCC. It incorporates an interactive share price monitor, audio and video investor presentations and an extensive library of historical information which is constantly updated with news releases and announcements.

**Looking forward**

In these more uncertain times, DCC's application of its core skills in value added marketing and distribution in diverse growth markets, combined with an immensely strong balance sheet, leaves DCC well positioned to continue its consistent record of strong growth and excellent long-term shareholder returns.

**Jim Flavin**

Chief Executive/Deputy Chairman

11 May 2001



*SerCom Distribution's specialised telesales teams provide a proactive, product-focused service to its 8,000 customers across Europe.*

## Operating Review

### (IT) SerCom Distribution



*This was another excellent year for SerCom Distribution with very strong performances in all operating subsidiaries. Distrilogie, the Continental European specialist storage equipment distributor, achieved excellent growth in its first full year of contribution.*

Marketing and distributing a broad range of computer hardware and software products.

- Britain: SerCom Distribution is a leading distributor of computer hardware, including PCs, peripherals, consumables, networking and storage products, to its extensive computer reseller customer base. It is also the leading distributor of consumer software, marketing and distributing business and leisure software to retail outlets, mail order businesses and computer resellers.
- Ireland: SerCom Distribution is one of the country's leading IT distributors selling a broad range of major hardware and software brands.
- Continental Europe: SerCom Distribution is the leading specialist distributor of high and mid-range storage solutions in France, with expanding operations in Spain and Portugal.

The British hardware distribution business continued to produce excellent results in a highly competitive marketplace.

Its key strengths of proactive, product-focused sales teams and the breadth of its customer base contributed to good growth and consolidated its position as one of the leading distributors in Britain. A new specialist division in the high growth area of computer storage products was established during the year.

The British software distribution business benefited from its focused strategy of specialising in consumer software distribution and generated excellent profit growth.



SerCom Distribution is constantly expanding its product portfolio. In the past 12 months it has broadened its offering in Personal Digital Assistant (PDA), mobile computing and storage products.

The extension of the warehousing and distribution hub in Altham, near Manchester, completed during the year, increased the logistics capacity of SerCom Distribution in Britain by a factor of 2.5 times.

The Irish business again produced excellent growth during the year. The company benefited from the significant investment in its new and larger distribution facility in Dublin which was completed in the previous year. This facilitated a further broadening of its product range, including the introduction of new server and storage products.

Distrilogie had a strong performance in the year and will continue to benefit from the increasing demand for storage products. The specialist service offered by Distrilogie is valued by major vendors such as IBM and Sun and has enabled Distrilogie to attract additional suppliers such as Compaq and Network Appliance.

SerCom Distribution			
	2001	2000	
Turnover	€753.9m	€542.3m	+39.0%
Operating profit	€31.2m	€20.5m	+52.5%
Operating margin	4.1%	3.8%	
Return on capital employed			
- excluding goodwill	67.5%	62.3%	
- including goodwill	33.9%	33.6%	




Flogas has a 24% share of the fast growing UK autogas market.

## Energy

Marketing and distributing oil and liquefied petroleum gas (LPG) products in Ireland and Britain under DCC's own Emo, Flogas and other local brands.

- Oil: DCC is a substantial and the fastest growing player in the Irish oil distribution market (heating and transport oils); it has nationwide access to importation facilities.
- LPG: DCC markets and distributes propane and butane products, including autogas; it has a leading market position in Ireland and a nationwide distribution network in Britain.
- Environmental Services: DCC is a waste management services provider, principally to the Irish petrol retailing sector and to the industrial sector.

 *Energy achieved strong organic growth and enhanced its position in the Northern Ireland market through the acquisition of Fuel Services in July 2000.*

The increase in turnover reflects strong volume growth and higher selling prices, which were due to increases in the cost of oil and LPG - crude oil prices remained high throughout the year, exacerbated by the strength of the dollar. Extreme volatility in refined oil product prices at certain times in the year had a somewhat negative impact on the growth of oil profits. However, the volume increases drove excellent operating profit growth overall.

Oil volumes grew substantially to in excess of 1 billion litres with continued strong organic growth in the Republic of Ireland and Northern Ireland. Fuel Services was acquired in July 2000 and was successfully integrated into DCC's existing operations



Emo Oil is Ireland's fastest growing independent oil distributor and is a leading supplier of home heating oil in Dublin.

in Northern Ireland, making DCC the leading marketer of fuel oil and distillates in this region. The continuing roll-out of the new Emo logo is generating increased brand awareness, particularly in the Republic of Ireland where DCC has a modest presence in the retail petrol market.

LPG volumes showed satisfactory growth and margins improved as sales price increases were implemented in response to increased product costs and the strengthening of the dollar. The use of LPG autogas as a transport fuel in Britain continues to develop as a result of government policy to promote its use as a more environmentally friendly fuel; DCC has a significant market share in this small but fast-growing market segment.

Energy			
	2001	2000	
Turnover	€610.3m	€369.8m	+65.0%
Operating profit	€23.6m	€20.0m	+17.8%
Operating margin	3.9%	5.4%	
Return on capital employed			
- excluding goodwill	44.8%	38.6%	
- including goodwill	21.0%	19.0%	



Fannin Healthcare's highly trained and qualified sales teams provide extensive technical support to its customers in Irish hospitals and laboratories

## Healthcare

Marketing and distribution of mobility and rehabilitation equipment, hospital supplies and nutraceuticals.

- Mobility and rehabilitation: DCC has a strong position in the UK mobility and rehabilitation market, with a growing presence in Continental Europe and the US, particularly in electrically powered scooters and powerchairs.
- Hospital supplies: DCC is the leading supplier of medical, surgical and laboratory equipment and consumables to Irish healthcare sector.
- Nutraceuticals: DCC is a leading full-service supplier of private label and branded nutraceuticals (vitamins and supplements) in Britain with a growing export customer base. DCC provides marketing, category management and contract manufacturing (tablets, hard-gel and soft-gel capsules) services.

➤ *Healthcare had another year of excellent growth, all of which was organically generated.*

In mobility and rehabilitation, DCC increased its share of the British and German markets for powered mobility products. In order to exploit the opportunities presented by the continuing growth of the mobility and rehabilitation market, DCC has significantly augmented its management team in this area.

DCC's British based nutraceuticals business achieved excellent sales and profit growth. DCC has increased the level of integration of the tablet manufacturing and soft gel

encapsulation businesses. This will provide a better platform from which to penetrate further the British and European nutraceuticals markets. The loss of an important customer, with effect from September next, will adversely impact the nutraceuticals business in the shorter term, but the longer term outlook for the business and the sector continues to be positive.

DCC's Irish hospital supply business performed satisfactorily. During the year the integration of Fannin (medical and surgical supplies) and BM Browne (hospital laboratory

supplies) was completed. This has consolidated Fannin Healthcare's leadership position both in the scale of its business and in the breadth of its product offering to customers. The company is at an advanced stage in developing an e-commerce system, tailored to meet the particular needs of Irish hospitals.

Healthcare			
	2001	2000	
Turnover	€182.7m	€155.6m	+17.4%
Operating profit	€20.3m	€16.0m	+27.4%
Operating margin	11.1%	10.3%	
Return on capital employed			
- excluding goodwill	43.3%	41.3%	
- including goodwill	19.1%	16.8%	



DCC's nutraceuticals operations provide a 'one-stop shop' service to its customers, from product development and manufacture, through to marketing and distribution.



DCC is the exclusive European distributor of the leading Shoprider range of powered scooters and powerchairs.

## Other Activities

DCC's principal other activities comprise its food, supply chain management services and house building businesses.

- Food: DCC markets and distributes leading own and third party branded food and beverage products, focused on growth segments of the Irish food market, to an extensive retail and food-service customer base.
- Supply Chain Management Services: SerCom Solutions provides outsourced supply chain management solutions to leading global manufacturers in the IT and telecommunications sectors.
- Other interests: DCC's principal other interest is its 49% shareholding in Manor Park Homebuilders, one of Ireland's leading house builders, which has a substantial land bank available for future development.

*Other activities, including the food businesses and supply chain management services, showed a modest reduction in profitability, principally reflecting significant developmental investment in IT systems, skilled personnel and management resources in SerCom Solutions.*

**Food** - DCC's focus on higher growth segments of the Irish food market - including healthy foods, soft drinks, wine and snacks - generated sales growth of 13.7% to €182.4 million, with particularly good growth in the food service sector. DCC has a deep distribution reach, supplying a broad retail and food service customer base. During the year, this distribution reach was extended through investment in additional sales





KP, whose products have been successfully marketed in Ireland for many years by DCC, grew its market share further during the year.

and marketing resources, including an expanded van sales force, which contributed to the strong sales performance.

Operating profits were €8.5 million compared with €8.9 million in the prior year. Operating margins reduced due to the increased euro cost of sterling purchases, together with planned investment in additional sales and marketing resources.



DCC's product portfolio includes many leading food and beverage brands. Following the acquisition of the Robinsons agency last year, DCC is strengthening its share of the growing soft drinks market.



DCC markets and distributes an excellent range of wines including leading names such as Torres, Brown Brothers and Bollinger.



SerCom Solutions manages the online sale and worldwide fulfillment of certain software upgrades for IBM.

**Supply Chain Management Services** - DCC's supply chain management services business, SerCom Solutions, continued to invest in the development of its business. This has included the installation of a new SAP® system and a significant strengthening of the management team across all disciplines.

Sales grew by 68.2% to €103.6 million. Operating profit was €2.8 million compared with €3.8 million in the prior year, reflecting the significant developmental investment in IT systems, skilled personnel and management resources.

**Other** - Operating profit from other interests increased by 16.4% to €5.3 million.

The principal other interest is DCC's 49% shareholding in Manor Park Homebuilders, which has commenced operations on a major housing development at Clonee, west Dublin. Manor Park has a substantial land bank, which has been acquired at a very attractive cost relative to current market values, leaving it well placed for continued profit growth in the future.

Other Activities			
	2001	2000*	
Turnover	€323.3m	€248.4m	+30.2%
Operating profit	€16.6m	€17.3m	-4.2%
Operating margin	5.1%	7.0%	
Return on capital employed			
- excluding goodwill	37.1%	41.6%	
- including goodwill	21.8%	23.7%	
* continuing activities			



## Financial Review

### Delivering superior performance

*DCC is committed to creating shareholder value through delivering consistent, long-term returns in excess of our cost of capital. An investment of €1,000 in DCC on 1 April 1996, when combined with the reinvestment of dividends in DCC, grew to a value of €3,953 over the five years to 31 March 2001. This represents a compound annual increase of 31.6%, compared with compound annual growth in the ISEQ index of 18.1% over the same period.*

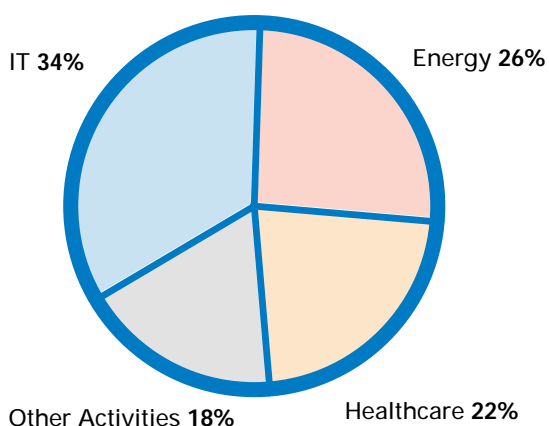
DCC's focus on shareholder value aligns corporate and shareholder goals and drives decision making processes across the Group. The commitment to long-term value creation is reflected in DCC's focus on driving organic growth and seeking complementary acquisition and development opportunities.

#### **Strong growth**

Excellent organic profit growth and a further increase in DCC's high return on capital employed are the key features of DCC's results for the year ended 31 March 2001.

Turnover of continuing activities grew by 42.1% to €1,870.1 million, while operating profit of continuing activities increased by 24.3% to €91.7 million. The chart below shows the breakdown of operating profit by division and a detailed Operating Review is set out on pages 10 to 19.

### Operating profit - Divisional analysis



The Group's operating margin of 4.9% compared with 5.6% in the prior year. However, the main reason for the change was a substantial increase in oil product costs and in the downstream energy market profitability is driven by a contribution per litre of product sold and not a percentage margin.

The Group's return on tangible capital employed increased to 48.1% from 40.6% in 2000, while the return inclusive of acquisition goodwill increased to 23.7% from 20.9%.

The net interest charge reduced to €4.4 million from €6.4 million, reflecting strong operating cash flow generation and disposals made in the second half of last year. Interest cover

was 20.8 times (2000: 12.1 times). Profit before net exceptional gains, goodwill amortisation and tax rose by 22.4% to €87.3 million.

#### Dividend

The total dividend for the year of 21.12 cent per share represents an increase of 20.0% over the previous year. The dividend is covered 4.0 times (2000: 3.9 times) by adjusted earnings per share.

#### Taxation

The Group's taxation charge on ordinary activities for the year represents an effective tax rate of 15.0%, unchanged from last year. The effective tax rate reflects the impact of Irish manufacturing relief and the international spread of DCC's profits. Manufacturing relief results in an effective tax rate of 10% being applied to manufacturing profits in Ireland and this arrangement will continue until 2010. The standard rate of corporation tax in Ireland, set at 20% on 1 January 2001, 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**

DCC focuses on increasing operating cash flow to maximise shareholder value over the long-term. Operating cash flow is used to fund investment in existing operations, complementary bolt-on acquisitions and dividend payments.

Cash flow from operating activities was excellent at €83.4 million, compared with operating profits from subsidiaries of €82.8 million. Strong organic sales growth resulted in an increased investment in working capital of €19.9 million. Working capital efficiency remained excellent and equated to 13.2 days' sales at the year end.

The table below sets out a summary of cash flows.

<i>Cash Flow Summary</i>	2001 €'m	2000 €'m
<b>Inflows</b>		
<b>Operating cash flow</b>	<b>83.4</b>	<b>96.3</b>
Disposal proceeds	16.0	109.7
Share issues (net)	1.9	-
	<u>101.3</u>	<u>206.0</u>
<b>Outflows</b>		
Capital expenditure (net)	29.5	24.7
Acquisitions	26.0	37.6
Acquisition of own shares	24.7	-
Interest paid	2.6	5.6
Taxation paid	9.1	9.4
Dividends paid	16.4	13.7
	<u>108.3</u>	<u>91.0</u>
<b>Net cash (outflow)/inflow</b>	<b>(7.0)</b>	<b>115.0</b>
Translation adjustment	1.0	(5.5)
<b>Movement in net cash/(debt)</b>	<b>(6.0)</b>	<b>109.5</b>
<b>Opening net cash/(debt)</b>	<b>89.2</b>	<b>(20.3)</b>
<b>Closing net cash</b>	<b>83.2</b>	<b>89.2</b>

**Balance sheet**

DCC has a very strong balance sheet with shareholders' funds of €354.7 million at 31 March 2001 and net cash of €83.2 million. The composition of net cash at 31 March 2001 is shown in the following table.

<i>Balance Sheet</i>	2001 €'m	2000 €'m
Cash and term deposits	454.6	551.3
Bank and other debt repayable within one year	(200.6)	(191.8)
Bank and other debt repayable after more than one year	(65.8)	(161.7)
Unsecured notes due 2008/11	(105.0)	(108.6)
<b>Net cash</b>	<b>83.2</b>	<b>89.2</b>

The Group's cash is analysed in note 22 to the financial statements. An analysis of DCC's debt at 31 March 2001, including currency, interest rates and maturity periods, is shown in notes 23 to 26 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 funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign currency and commodity price exposures within approved guidelines. An analysis of the Group's hedging positions is contained in note 27(b) to the financial statements.

**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 and, where appropriate, hedges are put in place to minimise the related exchange rate volatility. However, certain 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 operating assets are hedged by an equivalent amount of sterling denominated borrowings.

**Interest rate risk management:** The Group finances its operations through a mixture of retained profit, cash and borrowings. The Group borrows in certain currencies at both fixed and floating rates of interest and utilises interest rate swaps 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 guidelines approved by the Board.

**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 counterparties approved by the Board and hedge projected future purchases or sales of the commodity in question, usually for a period not exceeding two months.



## Senior Group 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 Group  
Human Resources

**Donal Murphy**  
Head of Group IT

**Colman O'Keeffe**  
Deputy Managing Director  
Healthcare

**Michael Scholefield**  
Finance Director  
Energy & Food

**Gerard Whyte**  
Group Secretary and Head  
of Group Risk Management

## Senior Subsidiary Company Management

## IT

**Patrice Arzillier**  
Directeur General  
Distrilogie

**Paul Donnelly**  
Managing Director  
Gem Distribution

**Gordon McDowell**  
Managing Director  
Micro Peripherals

**Paul White**  
Managing Director  
Sharptext

## Energy

**Sam Chambers**  
Managing Director  
DCC Energy Northern Ireland

**Paddy Kilmartin**  
Managing Director  
Flogas UK

**Pat Mercer**  
Managing Director  
Flogas Ireland

**Daniel Murray**  
Managing Director  
Emo Oil

**Declan Ryan**  
Managing Director  
Atlas Environmental

## Healthcare

**Mike Davies**  
Managing Director  
Primacy Healthcare

**Richard Godfrey**  
Managing Director Designate  
DCC Nutraceuticals  
Processing

**Barry Leonard**  
Managing Director  
Virtus

**Stephen O'Connor**  
General Manager  
EuroCaps

**Barry O'Neill**  
Managing Director  
Days Medical Aids

**Dan Teeters**  
President  
DCC Shoprider Inc

**Frank Tiemann**  
Managing Director Designate  
CasaCare

**Reg Witheridge**  
Managing Director  
Thompson & Capper

**Peter Woods**  
Chief Executive  
Fannin Healthcare  
& Deputy Managing Director  
DCC Healthcare

## Other Activities

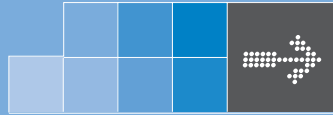
**Food**  
**Ken Peare**  
Managing Director  
Robt. Roberts

**Bernard Rooney**  
Managing Director  
Kelkin

**Michael Scanlon**  
Managing Director  
Broderick Bros.

**Supply Chain Management Services**  
**Kevin Henry and Ultan Reilly**  
Joint Managing Directors  
SerCom Solutions





Directors' Report & Financial Statements 2001

### **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 with their photographs on pages 2 and 3. 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 to take independent professional advice in the furtherance of their duties 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 Board Committees with formal terms of reference: the Audit Committee, the Remuneration Committee and the Nomination 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 30 to 33.

### **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](http://www.dcc.ie). The website contains additional information for investors which is regularly updated.

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

The 2000 Annual Report and Notice of AGM 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 2001 Annual Report and AGM. The 2001 AGM will be held on 6 July 2001 at 11am at the Burlington Hotel, Upper Leeson Street, 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 and review of the scope and results of the work performed by the DCC Risk Committee and by both the Group Risk Management function (incorporating Internal Audit) and the external auditors.

#### *Internal Control*

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with the Turnbull guidance for directors on internal control, *Internal Control: Guidance for Directors on the Combined Code*, the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements, and that this process is regularly reviewed by the Board.

The key risk management and internal control procedures, which are supported by detailed controls and processes, include:

- an organisation structure with clearly defined lines of authority and accountability;
- a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis;
- a Risk Committee, comprising Group senior management, whose main role is to keep under review and report to the Audit Committee of the Board on the principal risks facing the Group, the controls in place to manage those risks and the monitoring procedures;
- an independent Group Risk Management function (incorporating Internal Audit); and
- a formally constituted Audit Committee which reviews the operation of the Risk Committee and the Group Risk Management function, liaises with the external auditors and reviews the Group's internal control systems.

The Board has reviewed the effectiveness of the Group's system of internal control. This review covered all controls including financial, operational and compliance controls and risk management.

#### *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 34 and the reporting responsibilities of the auditors is set out in their report on pages 35 and 36.

#### **Compliance**

DCC has complied, during the year ended 31 March 2001, with all of the Principles of Good Governance and Code of Best Practice set out in the Combined Code.

The Directors present their report and the audited financial statements for the year ended 31 March 2001.

### Principal Activities

DCC is a value added marketing and distribution group which operates principally in the IT, energy and healthcare markets. DCC holds strong positions in growth market sectors in the UK and Ireland and is expanding its IT and healthcare activities in Continental Europe. A summary of the Group's activities is set out on pages 10 to 18.

### Subsidiary and Associated Companies

Details of the Company's principal subsidiaries are set out on pages 74 to 76. Details of its principal associated undertakings are set out on page 56, in note 18 to the financial statements.

### Results and Business Review

The profit for the financial year attributable to Group shareholders amounted to €68.1 million as set out in the Consolidated Profit and Loss Account on page 40.

The Chairman's Statement on pages 4 and 5, the Chief Executive/Deputy Chairman's Review on pages 6 to 9, the Financial Review on pages 20 to 23 and the Operating Review on pages 10 to 19 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 2001, of recent events and of likely future developments.

### Dividends

An interim dividend of 7.74 cent per share, amounting to €6.7 million was paid on 8 December 2000. The Directors recommend the payment of a final dividend of 13.38 cent per share, amounting to €11.4 million. Subject to shareholders' approval at the Annual General Meeting on 6 July 2001, this dividend will be paid on 10 July 2001 to shareholders on the register on 25 May 2001. The total dividend for the year ended 31 March 2001 amounts to 21.12 cent per share, a total of €18.1 million.

The balance of profit attributable to Group shareholders, which is retained in the business, amounts to €49.9 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 11 May 2001, the Company had been advised of the following interests in its issued share capital:

	No. of €0.25 Ordinary Shares	% of Issued Share Capital
FMR Corp. and its direct and indirect subsidiaries*	9,402,894	10.7%
Bank of Ireland Asset Management Limited**	9,208,877	10.4%
Merril Lynch Investment Managers Limited	4,599,678	5.2%
Allied Irish Banks plc and its subsidiaries**	4,408,253	5.0%
3i Group plc	3,340,796	3.8%
Aberdeen Asset Managers Limited	2,706,475	3.1%

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

\*\* Notified as non-beneficial interests.

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

**Directors**

There was no change in the Directors of the Company during the year. The names of the Directors and a short biographical note on each Director appear on pages 2 and 3. In accordance with Article 80 of the Articles of Association, Alex Spain, Jim Flavin and Paddy Gallagher retire by rotation at the 2001 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 with a notice period in excess of one year or with provisions for predetermined compensation on termination which exceeds one year's salary and benefits in kind.

Details of the Directors' interests in the share capital of the Company are set out in the Board's Report on Directors' Remuneration on pages 30 to 33.

**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.

**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.

**Political Contributions**

There were no political contributions which would require disclosure 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  
11 May 2001

**Remuneration Committee**

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

The terms of reference of 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**

The Company's remuneration policy recognises that employment and remuneration conditions for the Group's senior executives must properly reward and motivate them to perform in the best interests of the shareholders.

The typical elements of the remuneration package for executive Directors are basic salary, performance related remuneration consisting of annual performance related bonuses and share options, pension benefits and a company car.

*Salaries*

The salaries of executive Directors are reviewed annually on 1 January having regard to personal performance, Company performance and competitive market practice. No fees are payable to executive Directors.

*Performance Related Bonuses*

Performance related bonuses are paid, in respect of the financial year to 31 March, to executive Directors as to a maximum of one half based on trading performance and to a maximum of one half based on corporate development in their areas of responsibility. The total bonus potential for the year ended 31 March 2001 for individual Directors ranged from 5% to 33% of basic salary.

*Share Options*

Executive Directors and other senior executives participate in the DCC plc 1998 Employee Share Option Scheme, which was approved by shareholders in 1998. The Scheme encourages identification with shareholders' interests by enabling senior management to build, over time, a shareholding in the Company which is material to their net worth.

The percentage of share capital which can be issued under the Scheme, the phasing of the grant of options 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. 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.

Additional information in relation to the DCC plc 1998 Employee Share Option Scheme appears in note 32 on page 66 of the financial statements.

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 page 33.

*Pension Benefits*

Pensions for executive Directors are calculated on pensionable salary (being salary plus 5% bonus) - no benefit elements are included - and aim to provide for two thirds of pensionable salary at normal retirement date.

### 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.

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

### Directors' Service Agreements

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.

### Directors' Remuneration

The remuneration payable in respect of Directors who held office for any part of the financial year is as follows:

	Salary and Fees <sup>1</sup>		Bonus		Benefits <sup>2</sup>		Pension Contribution <sup>3</sup>		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Executive Directors</b>										
Jim Flavin	538	473	25	-	30	31	161	135	754	639
Morgan Crowe	230	214	29	-	17	16	72	61	348	291
Tommy Breen *	198	28	57	4	17	2	62	7	334	41
Kevin Murray *	198	28	57	4	17	2	62	7	334	41
Fergal O'Dwyer *	197	28	45	3	15	2	64	8	321	41
<b>Total for executive Directors</b>	<b>1,361</b>	<b>771</b>	<b>213</b>	<b>11</b>	<b>96</b>	<b>53</b>	<b>421</b>	<b>218</b>	<b>2,091</b>	<b>1,053</b>
<b>Non-executive Directors</b>										
Alex Spain	79	73	-	-	-	-	22	22	101	95
Tony Barry	32	29	-	-	-	-	-	-	32	29
Paddy Gallagher	32	29	-	-	-	-	-	-	32	29
<b>Total for non-executive Directors</b>	<b>143</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>165</b>	<b>153</b>
<b>Pension payment to retired Director</b>									<b>15</b>	<b>15</b>
<b>Total</b>									<b>2,271</b>	<b>1,221</b>

\* In respect of the year ended 31 March 2000, remuneration for Tommy Breen, Kevin Murray and Fergal O'Dwyer is included only for the period from the date of their appointment to the Board, on 7 February 2000, to 31 March 2000.

#### Notes

<sup>1</sup> Fees are only payable to non-executive Directors and include Chairman's and Board Committee fees.

<sup>2</sup> Benefits relate principally to the use of a company car.

<sup>3</sup> Pension contributions represent payments to a defined benefit pension scheme, in accordance with actuarial advice, to provide pension benefits.

### Directors' Pensions

The table below shows the increase in the accrued pension benefits to which the Directors have become entitled during the year ended 31 March 2001 and the transfer value of the increase in accrued benefit:

	Increase in accrued pension benefit (excl inflation) during the year €'000	Transfer value equivalent to the increase in accrued pension benefit €'000	Accumulated accrued pension benefit at year end €'000
<b>Executive Directors</b>			
Jim Flavin	48	715	334
Morgan Crowe	14	189	127
Tommy Breen	11	67	51
Kevin Murray	11	62	46
Fergal O'Dwyer	10	56	42
Total	94	1,089	600
<b>Non-executive Chairman</b>			
Alex Spain	4	50	36

The transfer value has been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11. The transfer value represents a liability of a pension scheme operated by the Group and not a sum paid to or due to the Director noted.

### 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 2001, together with their interests at 31 March 2000 (or date of appointment, if later), were:

	No. of Ordinary Shares	
	At 31 March 2001	At 31 March 2000
Alex Spain	15,634	15,634
Jim Flavin	2,456,033	2,284,355
Tony Barry	7,000	7,000
Tommy Breen	211,512	173,362
Morgan Crowe	807,640	731,339
Paddy Gallagher	2,540	1,040
Kevin Murray	212,306	164,618
Fergal O'Dwyer	212,506	113,765
Gerard Whyte (Secretary)	124,667	124,667*

\* At date of appointment – 28 August 2000

All of the above interests were beneficially owned. There were no changes in the interests of the Directors and the Company Secretary between 31 March 2001 and 11 May 2001.

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.



**Directors' Share Options**

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

Executive Directors	At 31 March 2000 and 2001	Weighted Average Exercise Price €	Normal Exercise Period
<b>Jim Flavin</b>			
Basic Tier	200,000	7.206	June 2001 - Nov 2008
Second Tier	200,000	7.206	June 2003 - Nov 2008
Basic Tier	75,000	7.000	Nov 2002 - Nov 2009
Second Tier	75,000	7.000	Nov 2004 - Nov 2009
	550,000		
<b>Morgan Crowe</b>			
Basic Tier	50,000	7.004	June 2001 - Nov 2008
Second Tier	50,000	7.009	June 2003 - Nov 2008
Basic Tier	50,000	7.000	Nov 2002 - Nov 2009
Second Tier	50,000	7.000	Nov 2004 - Nov 2009
	200,000		
<b>Tommy Breen</b>			
Basic Tier	45,000	7.091	June 2001 - Nov 2008
Second Tier	45,000	7.096	June 2003 - Nov 2008
Basic Tier	50,000	7.000	Nov 2002 - Nov 2009
Second Tier	50,000	7.000	Nov 2004 - Nov 2009
	190,000		
<b>Kevin Murray</b>			
Basic Tier	45,000	7.091	June 2001 - Nov 2008
Second Tier	45,000	7.096	June 2003 - Nov 2008
Basic Tier	50,000	7.000	Nov 2002 - Nov 2009
Second Tier	50,000	7.000	Nov 2004 - Nov 2009
	190,000		
<b>Fergal O'Dwyer</b>			
Basic Tier	45,000	7.091	June 2001 - Nov 2008
Second Tier	45,000	7.096	June 2003 - Nov 2008
Basic Tier	50,000	7.000	Nov 2002 - Nov 2009
Second Tier	50,000	7.000	Nov 2004 - Nov 2009
	190,000		

No options were granted to, exercised by or allowed to lapse by Directors under the DCC plc 1998 Employee Share Option Scheme during the year.

The market price of DCC shares on 31 March 2001 was €10.55 and the range during the year was €9.00 to €12.35.

The Company's Register of Directors' Interests (which is open to inspection) contains full details of Directors' shareholdings and share options.

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

Executive Directors	No. of Options		Exercise price €	Expiry date
	31 March 2000	Exercised		
Jim Flavin	225,000	(225,000)	2.539	14 February 2001
Morgan Crowe	100,000	(100,000)	2.539	14 February 2001
Tommy Breen	50,000	(50,000)	2.539	14 February 2001
Kevin Murray	62,500	(62,500)	2.539	14 February 2001
Fergal O'Dwyer	137,500	(137,500)	2.539	14 February 2001

All of the above options were exercised on 23 May 2000 when the market price was €10.80.

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out within their report on pages 35 and 36, 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 37 to 73, 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.

**To the Members of DCC plc**

We have audited the financial statements on pages 37 to 73 and the detailed information on Directors' emoluments, pensions and interests in shares and share options on pages 30 to 33.

**Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report. As described on page 34, 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 27 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.



### **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 2001 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 28 and 29 is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet on page 43, 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 2001 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

11 May 2001

### **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 €.

Comparative amounts have been regrouped and restated, where necessary, on the same basis as the amounts for the current year.

### **Basis of Preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 1999. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

### **Basis of Consolidation**

The consolidated financial statements include the Company and all its subsidiaries.

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 since 1 April 1998 is capitalised on the balance sheet and amortised on a straight line basis over its estimated useful economic life. On disposal of an undertaking acquired prior to 1 April 1998, goodwill eliminated against reserves in respect of that undertaking is included in the determination of the profit or loss on disposal.

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 be 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.

### 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 residual level values by the end of their expected working lives:

	<b>Annual Rate</b>
Freehold and Long Term Leasehold Buildings	2%
Plant and Machinery	5% - 33 $\frac{1}{3}$ %
Cylinders	6 $\frac{2}{3}$ %
Motor Vehicles	10% - 33 $\frac{1}{3}$ %
Fixtures, Fittings and Office Equipment	10% - 33 $\frac{1}{3}$ %

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 Consideration

Where acquisitions involve further payments which are deferred or contingent on levels of performance achieved in the years following the acquisition, a discounted deferred acquisition creditor is accrued. Notional interest is charged to the profit and loss account over the relevant period by reference to the period of deferral, current interest rates and the amount of the likely payments.

### 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 euro 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 euro 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 will be recognised on the maturity of the underlying debt, together with the matching gain or loss 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.



	Notes	2001		2000	
		€'000	€'000	€'000	€'000
<b>Turnover</b>					
Subsidiary undertakings	1		1,712,402		1,203,758
Share of turnover of associated undertakings	1		157,739		112,353
<b>Total turnover - continuing activities</b>	1		1,870,141		1,316,111
Discontinued activities			-		210,889
<b>Total turnover</b>			1,870,141		1,527,000
<b>Turnover - subsidiary undertakings</b>					
Continuing activities			1,643,194		1,154,860
Acquisitions			69,208		48,898
			1,712,402		1,203,758
Discontinued activities			-		16,480
	1		1,712,402		1,220,238
Cost of sales	2		(1,452,786)		(1,005,720)
<b>Gross profit</b>	2		259,616		214,518
Net operating costs	2		(176,829)		(152,654)
Operating profit before goodwill amortisation					
- parent and subsidiary undertakings	2		82,787		61,864
Share of operating profit before goodwill amortisation of associated undertakings	1		8,950		15,879
<b>Operating profit before goodwill amortisation</b>	1		91,737		77,743
Continuing activities		90,659		73,187	
Acquisitions		1,078		598	
		91,737		73,785	
Discontinued activities		-		3,958	
		91,737		77,743	
Goodwill amortisation	6		(4,923)		(3,535)
<b>Operating profit</b>	1		86,814		74,208
Net exceptional gains on sale of associated and subsidiary undertakings - discontinued activities	7		-		71,365
Net interest payable and similar charges					
- parent and subsidiary undertakings	8		(3,121)		(6,132)
Share of net interest payable and similar charges - associated undertakings	9		(1,281)		(268)
<b>Profit on ordinary activities before taxation</b>	10		82,412		139,173
Continuing activities		81,342		63,333	
Acquisitions	3	1,070		306	
		82,412		63,639	
Discontinued activities		-		75,534	
		82,412		139,173	
Taxation	11		(13,100)		(18,701)
<b>Profit after taxation</b>			69,312		120,472
Minority interests	12		(1,230)		(631)
<b>Profit for the financial year attributable to</b>					
<b>Group shareholders</b>	13		68,082		119,841
Dividends paid	14		(6,691)		(5,631)
Dividends proposed	14		(11,449)		(9,735)
<b>Profit retained for the year</b>			49,942		104,475
<b>Earnings per ordinary share</b>					
- basic (cent)	15		78.98c		137.39c
- diluted (cent)	15		78.28c		133.43c
<b>Adjusted earnings per ordinary share</b>					
- basic (cent)	15		84.69c		68.80c
- diluted (cent)	15		83.94c		66.89c

Alex Spain, Jim Flavin, Directors





	2001 €'000	2000 €'000
Profit for the financial year	68,082	119,841
Other movements on associated company reserves	(25)	2,307
Exchange adjustments	(2,356)	4,968
Total recognised gains for the financial year	<u>65,701</u>	<u>127,116</u>



Note of Historical Cost Profits and Losses  
For the year ended 31 March 2001

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 40.



	Notes	2001 €'000	2000 €'000
<b>Fixed Assets</b>			
Intangible assets - goodwill	16	84,447	75,559
Tangible fixed assets	17	135,241	123,094
Financial assets - associated undertakings	18	38,458	34,598
		<u>258,146</u>	<u>233,251</u>
<b>Current Assets</b>			
Stocks	20	93,063	76,016
Debtors	21	296,804	248,401
Cash and term deposits	22	454,582	551,276
		<u>844,449</u>	<u>875,693</u>
<b>Creditors: Amounts falling due within one year</b>			
Bank and other debt	23	200,621	191,781
Trade and other creditors	28	328,328	266,133
Corporation tax		18,959	17,937
Proposed dividend		11,449	9,735
		<u>559,357</u>	<u>485,586</u>
<b>Net Current Assets</b>		<u>285,092</u>	<u>390,107</u>
<b>Total Assets less Current Liabilities</b>		<u>543,238</u>	<u>623,358</u>
<b>Financed by:</b>			
<b>Creditors: Amounts falling due after more than one year</b>			
Bank and other debt	23	65,753	161,725
Unsecured Notes due 2008/11	23	104,977	108,611
Deferred acquisition consideration		11,464	17,569
		<u>182,194</u>	<u>287,905</u>
<b>Provisions for Liabilities and Charges</b>	29	<u>1,801</u>	<u>2,090</u>
		<u>183,995</u>	<u>289,995</u>
<b>Capital and Reserves</b>			
Called up equity share capital	32	22,034	21,827
Share premium account	33	124,450	121,987
Other reserves	34	1,400	1,400
Profit and loss	35	206,802	183,909
<b>Equity Shareholders' Funds</b>	36	<u>354,686</u>	<u>329,123</u>
Equity minority interests	37	3,493	3,274
Capital grants	38	1,064	966
		<u>359,243</u>	<u>333,363</u>
		<u>543,238</u>	<u>623,358</u>

Alex Spain, Jim Flavin, *Directors*

	Notes	2001 €'000	2000 €'000
<b>Fixed Assets</b>			
Tangible fixed assets	17	1,077	733
Financial assets			
- associated undertakings	18	1,522	1,233
- subsidiary undertakings	19	82,715	70,860
		<u>85,314</u>	<u>72,826</u>
<b>Current Assets</b>			
Debtors: Amounts falling due within one year	21	7,138	3,396
Debtors: Amounts falling due after more than one year	21	203,084	226,944
Cash and term deposits	22	3,178	4,792
		<u>213,400</u>	<u>235,132</u>
<b>Creditors: Amounts falling due within one year</b>			
Bank and other debt	23	1,359	644
Trade and other creditors	28	1,331	1,176
Corporation tax		4	4
Proposed dividend		11,449	9,735
		<u>14,143</u>	<u>11,559</u>
<b>Net Current Assets</b>		<u>199,257</u>	<u>223,573</u>
<b>Total Assets less Current Liabilities</b>		<u>284,571</u>	<u>296,399</u>
<b>Financed by:</b>			
<b>Creditors: Amounts falling due after more than one year</b>			
Amounts owed to subsidiary undertakings		117,773	107,104
<b>Provisions for Liabilities and Charges</b>	29	<u>4</u>	<u>4</u>
		<u>117,777</u>	<u>107,108</u>
<b>Capital and Reserves</b>			
Called up equity share capital	32	22,034	21,827
Share premium account	33	124,450	121,987
Other reserves	34	344	344
Profit and loss	35	19,966	45,133
<b>Equity Shareholders' Funds</b>		<u>166,794</u>	<u>189,291</u>
		<u>284,571</u>	<u>296,399</u>

Alex Spain, Jim Flavin, *Directors*



	Notes	2001 €'000	2000 €'000
<b>Cash flow from operating activities</b>	40	<b>83,369</b>	96,297
Returns on investments and servicing of finance	41	(2,587)	(5,635)
Taxation paid		(9,073)	(9,400)
Capital expenditure	41	(29,506)	(24,736)
Acquisitions and disposals	41	(9,943)	72,170
Equity dividends paid		<u>(16,426)</u>	<u>(13,701)</u>
<b>Cash inflow before management of liquid resources and financing</b>		<b>15,834</b>	114,995
Increase in liquid resources	42	(165,894)	(46,231)
Financing	41	<u>(137,704)</u>	<u>95,255</u>
<b>(Decrease)/increase in cash for the year</b>	42	<u><b>(287,764)</b></u>	<u>164,019</u>



Reconciliation of Net Cash Flow to Movement in Net Cash/(Debt)  
For the year ended 31 March 2001

	Notes	2001 €'000	2000 €'000
<b>(Decrease)/increase in cash for the year</b>	42	<b>(287,764)</b>	164,019
Increase in liquid resources	42	<b>165,894</b>	46,231
Net loans repaid/(drawn down)	42	<b>110,853</b>	(99,116)
Capital element of finance lease payments	42	<u><b>4,113</b></u>	<u>3,870</u>
Changes in net cash resulting from cash flow		<b>(6,904)</b>	115,004
Exchange movements	42	<u><b>976</b></u>	<u>(5,548)</u>
<b>Net (outflow)/inflow in the year</b>		<b>(5,928)</b>	109,456
<b>Net cash/(debt) at start of year</b>	42	<u><b>89,159</b></u>	<u>(20,297)</u>
<b>Net cash at end of year</b>	42	<u><b>83,231</b></u>	<u>89,159</u>

## 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

	2001			2000		
	Turnover €'000	Profit Before Taxation €'000	Net Assets €'000	Turnover €'000	Profit Before Taxation €'000	Net Assets €'000
IT	753,887	31,203	53,775	542,298	20,458	38,645
Energy	610,257	23,617	57,447	369,812	20,053	48,044
Healthcare	182,657	20,313	49,728	155,555	15,951	44,207
Other Activities	323,340	16,604	46,994	248,446	17,323	42,449
Continuing activities	1,870,141	91,737	207,944	1,316,111	73,785	173,345
Discontinued activities	-	-	-	210,889	3,958	-
	1,870,141	91,737	207,944	1,527,000	77,743	173,345
Goodwill amortisation		(4,923)			(3,535)	
Net exceptional gains		-			71,365	
Interest (net)		(4,402)			(6,400)	
Net cash			83,231			89,159
Amounts due in respect of acquisitions			(21,976)			(28,569)
Investments			7,128			7,128
Disposal proceeds receivable			-			16,100
Capitalised goodwill - subsidiaries			84,447			75,559
Capitalised goodwill - associates			8,854			9,410
Minority interests			(3,493)			(3,274)
Proposed dividend			(11,449)			(9,735)
	1,870,141	82,412	354,686	1,527,000	139,173	329,123

#### (ii) Split between Subsidiary Undertakings and Associated Undertakings

	2001			2000		
	Subsidiary Undertakings €'000	Associated Undertakings €'000	Total €'000	Subsidiary Undertakings €'000	Associated Undertakings €'000	Total €'000
Turnover						
- continuing activities	1,712,402	157,739	1,870,141	1,203,758	112,353	1,316,111
- discontinued activities	-	-	-	16,480	194,409	210,889
	1,712,402	157,739	1,870,141	1,220,238	306,762	1,527,000
Operating profit before goodwill amortisation						
- continuing activities	82,787	8,950	91,737	66,256	7,529	73,785
- discontinued activities	-	-	-	(4,392)	8,350	3,958
	82,787	8,950	91,737	61,864	15,879	77,743
Goodwill amortisation	(4,367)	(556)	(4,923)	(2,710)	(825)	(3,535)
Operating profit	78,420	8,394	86,814	59,154	15,054	74,208
Net exceptional gains	-	-	-	10,365	61,000	71,365
Interest (net)	(3,121)	(1,281)	(4,402)	(6,132)	(268)	(6,400)
Profit before taxation	75,299	7,113	82,412	63,387	75,786	139,173
Net assets (including capitalised goodwill)	316,228	38,458	354,686	294,525	34,598	329,123

## 1. Segmental Information *continued*

### (iii) Other Activities

Other Activities are analysed as follows:

	2001			2000		
	Turnover €'000	Profit Before Taxation €'000	Net Assets €'000	Turnover €'000	Profit Before Taxation €'000	Net Assets €'000
Food	182,367	8,464	17,483	160,372	8,916	15,489
Supply Chain						
Management Services	103,558	2,791	15,915	61,551	3,812	16,035
Other Interests	37,415	5,349	13,596	26,523	4,595	10,925
	<b>323,340</b>	<b>16,604</b>	<b>46,994</b>	<b>248,446</b>	<b>17,323</b>	<b>42,449</b>

### (iv) Acquisitions

Acquisitions in the year contributed turnover of €69.208 million (2000: €48.898 million) and operating profit before goodwill amortisation of €1.078 million (2000: €0.598 million).

**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**

	2001			2000		
	Turnover by Origin €'000	Profit Before Taxation €'000	Net Assets €'000	Turnover by Origin €'000	Profit Before Taxation €'000	Net Assets €'000
Ireland	709,425	36,130	61,964	515,921	35,451	47,155
Rest of the World	1,002,977	46,657	116,376	687,837	30,805	101,002
	<b>1,712,402</b>	<b>82,787</b>	<b>178,340</b>	1,203,758	66,256	148,157
Associated undertakings	157,739	8,950	29,604	112,353	7,529	25,188
Continuing activities	1,870,141	91,737	207,944	1,316,111	73,785	173,345
Discontinued activities	-	-	-	210,889	3,958	-
	<b>1,870,141</b>	<b>91,737</b>	<b>207,944</b>	1,527,000	77,743	173,345
Goodwill amortisation		(4,923)			(3,535)	
Net exceptional gains		-			71,365	
Interest (net)		(4,402)			(6,400)	
Net cash			83,231			89,159
Amounts due in respect of acquisitions			(21,976)			(28,569)
Investments			7,128			7,128
Disposal proceeds receivable			-			16,100
Capitalised goodwill - subsidiaries			84,447			75,559
Capitalised goodwill - associates			8,854			9,410
Minority interests			(3,493)			(3,274)
Proposed dividend			(11,449)			(9,735)
	<b>1,870,141</b>	<b>82,412</b>	<b>354,686</b>	<b>1,527,000</b>	<b>139,173</b>	<b>329,123</b>

**(ii) Turnover by Destination - Continuing Activities**

	2001 €'000	2000 €'000
Ireland	681,722	502,875
United Kingdom	872,860	636,394
Rest of Europe	127,795	44,883
USA	24,807	15,259
Other	5,218	4,347
Share of associated undertakings	157,739	112,353
	<b>1,870,141</b>	<b>1,316,111</b>

## 2. Cost of Sales and Net Operating Costs

	2001			2000				
	Continuing		Total €'000	Continuing		Discontinued		Total €'000
	Activities €'000	Acquisitions €'000		Activities €'000	Acquisitions €'000	Activities €'000		
<b>Cost of sales</b>	<b>(1,390,624)</b>	<b>(62,162)</b>	<b>(1,452,786)</b>	(953,410)	(41,153)	(11,157)	(1,005,720)	
<b>Gross profit</b>	<b>252,570</b>	<b>7,046</b>	<b>259,616</b>	201,450	7,745	5,323	214,518	
<b>Operating costs</b>								
Distribution	(83,295)	(3,640)	(86,935)	(72,163)	(5,143)	-	(77,306)	
Administrative	(90,394)	(2,328)	(92,722)	(67,307)	(2,024)	(9,312)	(78,643)	
Other operating expenses	(212)	-	(212)	(214)	(8)	(403)	(625)	
	<b>(173,901)</b>	<b>(5,968)</b>	<b>(179,869)</b>	(139,684)	(7,175)	(9,715)	(156,574)	
Other operating income	3,040	-	3,040	3,920	-	-	3,920	
<b>Net operating costs</b>	<b>(170,861)</b>	<b>(5,968)</b>	<b>(176,829)</b>	(135,764)	(7,175)	(9,715)	(152,654)	
<b>Operating profit before goodwill amortisation</b>								
- parent and subsidiaries	<b>81,709</b>	<b>1,078</b>	<b>82,787</b>	65,686	570	(4,392)	61,864	

## 3. 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.

## 4. Employee Information

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

	2001 Number	2000 Number
IT	737	704
Energy	620	515
Healthcare	832	759
Other Activities	867	955
	<b>3,056</b>	<b>2,933</b>

The staff costs for the above were:

	2001 €'000	2000 €'000
Wages and salaries	97,717	86,114
Social welfare costs	10,321	8,408
Pension costs	4,228	3,875
	<b>112,266</b>	<b>98,397</b>

## 5. Directors' Emoluments and Interests

Directors' emoluments and interests are given in the Report on Directors' Remuneration on pages 30 to 33.



## 6. Goodwill Amortisation

	2001 €'000	2000 €'000
Amortisation of capitalised goodwill arising on the acquisition of subsidiaries after 1 April 1998 (note 16)	4,367	2,710
Amortisation of goodwill included in the carrying value of associated undertakings (note 18)	556	825
	<u>4,923</u>	<u>3,535</u>

## 7. Net Exceptional Gains on Sale of Associated and Subsidiary Undertakings

	2001 €'000	2000 €'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)
	-	<u>71,365</u>

## 8. Net Interest Payable and Similar Charges - Parent and Subsidiary Undertakings

	2001 €'000	2000 €'000
<b>Interest receivable and similar income</b>		
Interest on cash and term deposits	25,010	19,496
Other interest and similar income receivable	512	4
	<u>25,522</u>	<u>19,500</u>
<b>Interest payable and similar charges</b>		
On bank loans, overdrafts and Unsecured Notes due 2008/11		
- repayable within 5 years, not by instalments	(14,150)	(11,968)
- repayable within 5 years, by instalments	(54)	(73)
- repayable wholly or partly in more than 5 years	(9,352)	(9,042)
On loan notes		
- repayable within 5 years, not by instalments	(48)	(50)
- repayable wholly or partly in more than 5 years	(1,694)	(1,551)
On finance leases	(2,891)	(2,637)
Notional interest	(454)	(311)
	<u>(28,643)</u>	<u>(25,632)</u>
	<u>(3,121)</u>	<u>(6,132)</u>

## 9. 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.

## 10. Profit on Ordinary Activities Before Taxation

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

	2001 €'000	2000 €'000
Auditors' remuneration	470	444
Revenue grants	(264)	(79)
Amortisation of capital grants	(327)	(296)
Operating leases		
- land and buildings	1,791	2,316
- plant and machinery	62	12
- motor vehicles	1,173	988
Depreciation		
- owned assets	13,989	13,655
- leased assets	<u>6,777</u>	<u>5,235</u>

## 11. Taxation

	2001 €'000	2000 €'000
Irish Corporation Tax at 23% (2000: 27%)		
- current	7,931	5,368
- deferred	(107)	(244)
- less: manufacturing relief	(2,062)	(2,625)
United Kingdom Corporation Tax at 30%		
- current	5,635	4,003
- deferred	102	40
Other overseas tax	1,610	947
Capital gains tax	98	-
Tax on net exceptional gains	-	8,000
(Over)/under provision in respect of prior years		
- current	(1,535)	(202)
- deferred	<u>(280)</u>	<u>26</u>
Associated undertakings	<u>11,392</u>	<u>15,313</u>
	<u>1,708</u>	<u>3,388</u>
	<u>13,100</u>	<u>18,701</u>

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

	2001 €'000	2000 €'000
Subsidiary undertakings	489	3
Associated undertakings	741	628
	<u>1,230</u>	<u>631</u>

## 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 €17,641,000 (2000: €15,502,000).

## 14. Dividends

	2001 €'000	2000 €'000
Per Ordinary Share		
Interim dividend of 7.74 cent per share (2000: 6.45 cent per share)	6,619	5,631
Proposed final dividend of 13.38 cent per share (2000: 11.15 cent per share)	11,449	9,735
Additional dividend	72	-
	<u>18,140</u>	<u>15,366</u>

The additional dividend of €72,000 is in respect of shares issued after the date of approval of the 31 March 2000 financial statements but qualifying for receipt of the final dividend declared.

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

	2001 €'000	2000 €'000
Profit after taxation and minority interests	68,082	119,841
Net exceptional gains (net of taxation)	-	(63,365)
Goodwill amortisation	4,923	3,535
Adjusted profit after taxation and minority interests	<u>73,005</u>	<u>60,011</u>
<b>Basic earnings per ordinary share</b>		
	cent	cent
Basic earnings per ordinary share	78.98	137.39
Net exceptional gains	-	(72.64)
Goodwill amortisation	5.71	4.05
Adjusted basic earnings per ordinary share	<u>84.69</u>	<u>68.80</u>
Weighted average number of ordinary shares in issue during the year ('000)	<u>86,202</u>	<u>87,225</u>
<b>Diluted earnings per ordinary share</b>		
	cent	cent
Diluted earnings per ordinary share	78.28	133.43
Net exceptional gains	-	(70.46)
Goodwill amortisation	5.66	3.92
Adjusted diluted earnings per ordinary share	<u>83.94</u>	<u>66.89</u>
Diluted weighted average number of ordinary shares ('000)	<u>87,030</u>	<u>89,925</u>

The adjusted figures for basic earnings per ordinary share and 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 diluted earnings per ordinary share for the year ended 31 March 2001 was 87.030 million (2000: 89.925 million). A reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

	2001 '000	2000 '000
Weighted average number of ordinary shares in issue used for the calculation of basic earnings per ordinary share amounts	86,202	87,225
Dilutive effect of options and partly paid shares	601	943
Dilutive effect of ordinary shares potentially issuable under deferred contingent consideration arrangements	227	1,757
Weighted average number of ordinary shares in issue used for the calculation of diluted earnings per ordinary share amounts	<u>87,030</u>	<u>89,925</u>

The earnings used for the purpose of the diluted earnings per ordinary share calculations were €68.131 million (2000: €119.989 million) and €73.054 million (2000: €60.159 million) for the purpose of the adjusted diluted earnings per ordinary share calculations.

## 16. Intangible Assets - Goodwill

The movement in goodwill arising on the acquisition of subsidiaries is as follows:

	2001 €'000	2000 €'000
<b>Cost</b>		
At 1 April	79,099	46,858
Additions (note 39)	13,255	32,241
At 31 March	<u>92,354</u>	<u>79,099</u>
<b>Amortisation</b>		
At 1 April	3,540	830
Amortisation for the year (note 6)	4,367	2,710
At 31 March	<u>7,907</u>	<u>3,540</u>
<b>Net Book Value</b>		
At 31 March	<u>84,447</u>	<u>75,559</u>

## 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
<b>Cost</b>					
At 1 April 2000	49,840	157,513	27,124	26,873	261,350
Acquisitions (note 39)	558	1,129	-	1,807	3,494
Additions	5,464	13,633	8,031	6,934	34,062
Reclassifications	-	(84)	84	-	-
Disposals	(504)	(3,848)	(1,367)	(3,874)	(9,593)
Exchange adjustments	(504)	(2,785)	(351)	(493)	(4,133)
At 31 March 2001	<u>54,854</u>	<u>165,558</u>	<u>33,521</u>	<u>31,247</u>	<u>285,180</u>
<b>Depreciation</b>					
At 1 April 2000	8,245	98,664	16,875	14,472	138,256
Charge for year	1,242	11,405	3,622	4,497	20,766
Disposals	(144)	(3,090)	(860)	(2,735)	(6,829)
Exchange adjustments	(94)	(1,670)	(190)	(300)	(2,254)
At 31 March 2001	<u>9,249</u>	<u>105,309</u>	<u>19,447</u>	<u>15,934</u>	<u>149,939</u>
<b>Net Book Value</b>					
At 31 March 2001	<u>45,605</u>	<u>60,249</u>	<u>14,074</u>	<u>15,313</u>	<u>135,241</u>
At 31 March 2000	<u>41,595</u>	<u>58,849</u>	<u>10,249</u>	<u>12,401</u>	<u>123,094</u>

The net book value of tangible fixed assets includes an amount of €15,101,000 (2000: €20,361,000) in respect of assets held under finance leases.

## 17. Tangible Fixed Assets *continued*

### (b) Company

	Fixtures & fittings & office equipment €'000	Motor vehicles €'000	Total €'000
<b>Cost</b>			
At 1 April 2000	1,142	740	1,882
Additions	283	342	625
Disposals	(22)	(148)	(170)
At 31 March 2001	<u>1,403</u>	<u>934</u>	<u>2,337</u>
<b>Depreciation</b>			
At 1 April 2000	898	251	1,149
Charge for year	93	173	266
Disposals	(22)	(133)	(155)
At 31 March 2001	<u>969</u>	<u>291</u>	<u>1,260</u>
<b>Net Book Value</b>			
At 31 March 2001	<u>434</u>	<u>643</u>	<u>1,077</u>
At 31 March 2000	<u>244</u>	<u>489</u>	<u>733</u>

## 18. Financial Assets - Associated Undertakings

### (a) Group

	2001 €'000	2000 €'000
At 1 April	34,598	56,844
Additions	325	726
Disposals/transfer to investments	-	(34,144)
Retained profits less dividends	4,116	9,505
Other movements in reserves	(25)	2,492
Amortisation of goodwill (note 6)	(556)	(825)
At 31 March	<u>38,458</u>	<u>34,598</u>

## 18. Financial Assets - Associated Undertakings *continued*

The carrying value of associated undertakings is analysed as follows:

	2001 €'000	2000 €'000
Interest in net assets	7,404	7,079
Share of post acquisition reserves	<u>22,200</u>	<u>18,109</u>
	29,604	25,188
Goodwill (net of amortisation)	<u>8,854</u>	<u>9,410</u>
	<u><b>38,458</b></u>	<u><b>34,598</b></u>

At 31 March 2001 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:

	2001 €'000	2000 €'000
Fixed assets	20,765	17,155
Current assets	69,721	62,586
Liabilities due within one year	(40,600)	(35,942)
Liabilities due after more than one year and minority interests	<u>(20,282)</u>	<u>(18,611)</u>
	<u><b>29,604</b></u>	<u><b>25,188</b></u>

The movement in goodwill of associated undertakings is as follows:

	2001 €'000	2000 €'000
<b>Cost</b>		
At 1 April	10,680	16,137
Additions	-	685
Disposals	-	(6,142)
At 31 March	<u><b>10,680</b></u>	<u><b>10,680</b></u>
<b>Amortisation</b>		
At 1 April	1,270	2,272
Amortisation for the year	556	825
Disposals	-	(1,827)
At 31 March	<u><b>1,826</b></u>	<u><b>1,270</b></u>
<b>Net Book Value</b>		
At 31 March	<u><b>8,854</b></u>	<u><b>9,410</b></u>

## 18. Financial Assets - Associated Undertakings *continued*

Details of the Group's principal associated undertakings at 31 March 2001 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
<b>Healthcare</b>		
Merits Health Products Company Limited, 9 Road 36, Taichung Industrial Park, Taichung, Taiwan.	Manufacture of mobility aids.	45.0%
<b>Other Activities</b>		
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, wholesale 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.	51.5% *
* The Group holds 50% of the voting share capital of Millais Investments Limited.		
Manor Park Homebuilders Limited, "The Gables", Torquay Road, Dublin 18, Ireland.	Residential house building.	49.0%

### (b) Company

	2001 €'000	2000 €'000
At April 1	1,233	1,233
Additions	289	-
At 31 March	<u>1,522</u>	<u>1,233</u>



## 19. Financial Assets - Subsidiary Undertakings

Company	2001 €'000	2000 €'000
At 1 April	70,860	67,385
Additions	11,855	3,475
At 31 March	<u>82,715</u>	<u>70,860</u>

The Group's principal operating subsidiary undertakings are shown on pages 74 to 76. All of these subsidiaries are wholly owned except Broderick Holdings Limited (82.5%), Virtus Limited (51.0%), EuroCaps Limited (85.0%) where put and call options exist to acquire the remaining 15.0%, Distrilogie SA (55.0%) where put and call options exist to acquire the remaining 45.0% and Fannin Limited (88.0%), where put and call options exist to acquire the remaining 12.0%.

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	2001 €'000	2000 €'000
Raw materials and consumables	7,825	6,873
Work in progress	1,280	1,852
Finished goods and goods for resale	83,958	67,291
	<u>93,063</u>	<u>76,016</u>

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

## 21. Debtors

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
<b>Amounts falling due within one year:</b>				
Trade debtors	259,327	201,816	1,591	866
Amounts owed by subsidiary undertakings	-	-	2,453	1,812
Disposal proceeds receivable	-	16,100	-	-
Corporation tax recoverable	-	1,492	-	-
Value added tax recoverable	3,263	2,413	-	11
Prepayments and accrued income	16,283	12,771	3,094	707
Other debtors	6,950	3,043	-	-
	<b>285,823</b>	<b>237,635</b>	<b>7,138</b>	<b>3,396</b>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by subsidiary undertakings	-	-	203,084	226,944
Investments	7,128	7,128	-	-
Other debtors	3,853	3,638	-	-
	<b>10,981</b>	<b>10,766</b>	<b>203,084</b>	<b>226,944</b>
	<b>296,804</b>	<b>248,401</b>	<b>210,222</b>	<b>230,340</b>

## 22. Cash and Term Deposits

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
Cash in hand and at bank	127,972	389,247	-	85
Term deposits	326,610	162,029	3,178	4,707
	<b>454,582</b>	<b>551,276</b>	<b>3,178</b>	<b>4,792</b>

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 42.

### 23. Bank and Other Debt

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
Bank loans and overdrafts (note 24)	198,764	279,271	846	-
Loan notes (note 25)	32,013	33,205	513	644
Obligations under finance leases (note 26)	35,597	41,030	-	-
	<b>266,374</b>	<b>353,506</b>	<b>1,359</b>	<b>644</b>
Unsecured Notes due 2008/11 (note 24)	104,977	108,611	-	-
	<b>371,351</b>	<b>462,117</b>	<b>1,359</b>	<b>644</b>
Bank and other loans and leases:				
- repayable within one year	200,621	191,781	1,359	644
- repayable after more than one year	65,753	161,725	-	-
Unsecured Notes due 2008/11	104,977	108,611	-	-
	<b>371,351</b>	<b>462,117</b>	<b>1,359</b>	<b>644</b>

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.

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

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
Repayable as follows:				
Within one year	195,217	186,324	846	-
Between one and two years	2,413	79,652	-	-
Between two and five years	542	12,675	-	-
After five years	105,569	109,231	-	-
	<b>303,741</b>	<b>387,882</b>	<b>846</b>	<b>-</b>
The above amounts are further analysed as follows:				
Wholly repayable within one year	195,217	186,324	846	-
Repayable by instalments:				
- between one and two years	2,413	630	-	-
- between two and five years	542	12,675	-	-
- after five years	592	620	-	-
Repayable other than by instalments:				
- between one and two years	-	79,022	-	-
- after five years	104,977	108,611	-	-
	<b>303,741</b>	<b>387,882</b>	<b>846</b>	<b>-</b>

## 25. Loan Notes

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
The loan notes are repayable as follows:				
Within one year	1,128	1,251	513	644
After five years	30,885	31,954	-	-
	<b>32,013</b>	<b>33,205</b>	<b>513</b>	<b>644</b>
Loan notes are further analysed as follows:				
Wholly repayable within one year	1,128	1,251	513	644
Repayable other than by instalments:				
- after five years	30,885	31,954	-	-
	<b>32,013</b>	<b>33,205</b>	<b>513</b>	<b>644</b>

The above loan notes are unsecured and €10,911,000 (2000: €33,152,000) 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.

## 26. Finance Leases

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

	2001 €'000	2000 €'000
Within one year	4,276	4,206
Between one and two years	5,135	4,418
Between two and five years	14,469	14,900
After five years	11,717	17,506
	<b>31,321</b>	<b>36,824</b>
	<b>35,597</b>	<b>41,030</b>

## 27. 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 revenues and costs 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 impact on the cost of certain raw materials purchased.

Furthermore, foreign exchange movements can impact on the cost of products sourced and revenues generated from overseas markets and can also impact on 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 or deposits in the same currency. In order to reduce these exposures and to bring both stability and more certainty to the Group's revenues and costs, the Group uses various derivative financial instruments to hedge its positions 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.

**27. Derivative and Other Financial Instruments** *continued*
**(a) Interest Rate Risk Profile of Financial Assets and Financial Liabilities**

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

	2001 € equivalent			2000 € equivalent		
	Financial Assets €'000	Financial Liabilities €'000	Net €'000	Financial Assets €'000	Financial Liabilities €'000	Net €'000
€ Fixed	-	(1,655)	(1,655)	-	(1,983)	(1,983)
€ Floating	135,765	(33,232)	102,533	201,792	(77,979)	123,813
€ Total	135,765	(34,887)	100,878	201,792	(79,962)	121,830
Stg£ Fixed	98,517	(98,759)	(242)	101,921	(101,929)	(8)
Stg£ Floating	213,069	(236,982)	(23,913)	241,584	(279,697)	(38,113)
Stg£ Total	311,586	(335,741)	(24,155)	343,505	(381,626)	(38,121)
US\$ Fixed	-	-	-	-	-	-
US\$ Floating	7,231	(723)	6,508	5,979	(529)	5,450
US\$ Total	7,231	(723)	6,508	5,979	(529)	5,450
Total	454,582	(371,351)	83,231	551,276	(462,117)	89,159

The Group's deferred acquisition consideration of €21,976,000 as stated on the balance sheet, comprises €20,102,000 of € floating rate financial liabilities and €1,874,000 of Stg£ floating rate financial liabilities (2000: €28,569,000 of € floating rate financial liabilities) payable as follows:

	2001 €'000	2000 €'000
Within one year	10,512	11,000
Between one and two years	7,428	7,166
Between two and five years	4,036	10,403
	<b>21,976</b>	<b>28,569</b>

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

- 1 - 6 month EURIBOR
- 1 - 12 month LIBOR
- US\$ prime rate

At 31 March the interest rate profile of the Group's fixed rate financial assets and financial liabilities was as follows:

	2001 Weighted average interest rate		2000 Weighted average interest rate	
	Fixed rate financial assets	Fixed rate financial liabilities	Fixed rate financial assets	Fixed rate financial liabilities
€	n/a	4.7%	n/a	5.2%
Stg£	8.0%	8.8%	8.0%	8.8%

	2001 Weighted average period for which rate is fixed		2000 Weighted average period for which rate is fixed	
	Fixed rate financial assets	Fixed rate financial liabilities	Fixed rate financial assets	Fixed rate financial liabilities
€	n/a	8.3 years	n/a	6.9 years
Stg£	7.5 years	7.5 years	8.5 years	8.5 years

## 27. Derivative and Other Financial Instruments *continued*

The maturity profile of the Group's financial liabilities is set out in notes 24 to 26 and can be summarised as follows:

	2001 €'000	2000 €'000
Within one year	200,621	191,781
Between one and two years	7,548	84,070
Between two and five years	15,011	27,575
After five years	148,171	158,691
	<b>371,351</b>	<b>462,117</b>

### (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:

	2001			2000		
	Gains €'000	Losses €'000	Total €'000	Gains €'000	Losses €'000	Total €'000
At 1 April	429	(6,393)	(5,964)	356	(3,332)	(2,976)
Portion recognised in current year	(429)	5,898	5,469	(356)	1,879	1,523
Arising in current year	5,100	(490)	4,610	429	(4,940)	(4,511)
At 31 March	<b>5,100</b>	<b>(985)</b>	<b>4,115</b>	<b>429</b>	<b>(6,393)</b>	<b>(5,964)</b>
Of which, expected to be recognised:						
- within one year	2,650	(673)	1,977	429	(5,898)	(5,469)
- after one year	2,450	(312)	2,138	-	(495)	(495)
	<b>5,100</b>	<b>(985)</b>	<b>4,115</b>	<b>429</b>	<b>(6,393)</b>	<b>(5,964)</b>

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 as described in the 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:

	2001		2000	
	Carrying amount €'000	Fair value €'000	Carrying amount €'000	Fair value €'000
<b>Assets:</b>				
Cash and short term deposits	454,582	454,582	551,276	551,188
<b>Liabilities:</b>				
Deferred acquisition consideration	(21,976)	(21,976)	(28,569)	(28,569)
Short term debt	(200,621)	(200,621)	(191,781)	(191,781)
Medium and long term debt	(65,753)	(65,682)	(161,725)	(161,637)
Unsecured Notes due 2008/11	(104,977)	(104,977)	(108,611)	(108,611)
<b>Derivative financial instruments:</b>				
Commodity swaps	-	575	-	(1,199)
Forward exchange rate contracts	-	3,540	-	(4,765)
Interest rate contracts	-	-	-	-
	<b>61,255</b>	<b>65,441</b>	<b>60,590</b>	<b>54,626</b>

## 27. 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.

**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 sterling cross currency interest rate swap used to hedge these loan notes (note 23). At 31 March 2001 the cross currency interest rate swap had a fair value equating to a profit of €19,821,000 (2000: loss of €3,338,000) and the fair value of the Unsecured Notes 2008/11 was lower than the book value by 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. At 31 March 2001 the Group has no undrawn committed bank borrowing facilities (2000: €4,250,000).

### **(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 2001, 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 20 to 23.

## 28. Trade and Other Creditors

	Group		Company	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
<b>Amounts falling due within one year:</b>				
Trade creditors	254,278	199,454	155	73
Other creditors and accruals	38,099	34,900	1,002	941
Deferred acquisition consideration	10,512	11,000	-	-
PAYE and PRSI	2,535	2,450	-	162
Value added tax	14,939	12,049	174	-
Capital grants (note 38)	305	235	-	-
Interest payable	2,744	2,401	-	-
Amounts due in respect of fixed assets	1,163	905	-	-
Amounts due to associated undertakings	3,753	2,739	-	-
	<b>328,328</b>	<b>266,133</b>	<b>1,331</b>	<b>1,176</b>

## 29. Provisions for Liabilities and Charges

### (a) Group

	2001			2000		
	Deferred taxation (note 30) €'000	Pension and similar obligations (note 31) €'000	Total €'000	Deferred taxation (note 30) €'000	Pension and similar obligations (note 31) €'000	Total €'000
At 1 April	2,047	43	2,090	2,200	44	2,244
Credited to profit and loss account	(285)	-	(285)	(178)	(1)	(179)
Exchange adjustments	(4)	-	(4)	25	-	25
At 31 March	<b>1,758</b>	<b>43</b>	<b>1,801</b>	<b>2,047</b>	<b>43</b>	<b>2,090</b>

### (b) Company

	2001 €'000	2000 €'000
Deferred taxation at 31 March (note 30)	<b>4</b>	<b>4</b>

## 30. Deferred Taxation

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

### (a) Group

	Amount Provided		Full Potential Liability	
	2001 €'000	2000 €'000	2001 €'000	2000 €'000
Tax effect of timing differences due to:				
Excess of accelerated capital allowances over depreciation	2,112	2,097	2,577	2,204
Other short term timing differences	(354)	(50)	(354)	(50)
	<b>1,758</b>	<b>2,047</b>	<b>2,223</b>	<b>2,154</b>

No provision is made for potential taxation liabilities amounting to €465,000 (2000: €107,000) 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.



### 30. Deferred Taxation *continued*

#### (b) Company

	Amount Provided		Full Potential Liability	
	2001 €'000	2000 €'000	2001 €'000	2000 €'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
	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

### 31. Pension 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 €4,228,000 (2000: €3,875,000) of which €1,493,000 (2000: €1,332,000) 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 projected unit benefits method are used to assess pension costs. The most recent actuarial valuations range from 1 April 1997 to 1 April 2000.

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 €33,220,000 (2000: €24,643,000).

After allowing for expected future increases in earnings and pension payments, the actuarial values of the various schemes' assets were sufficient to cover between 84% and 110% (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 2001, €48,000 (2000: €71,000) was included in creditors in respect of pension liabilities and €2,486,000 (2000: €566,000) 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.

### 32. Called up Equity Share Capital

<b>Group and Company</b>	<b>2001</b>	<b>2000</b>
	<b>€'000</b>	<b>€'000</b>
<b>Authorised</b>		
152,368,568 ordinary shares of €0.25 each	<b>38,092</b>	<b>38,092</b>
<b>Issued</b>		
88,134,404 ordinary shares (including 2,563,045 ordinary shares held as Treasury Shares) of €0.25 each, fully paid (2000: 87,306,376 ordinary shares of €0.25 each, fully paid)	<b>22,034</b>	<b>21,827</b>
90,000 ordinary shares of €0.25 each, €0.0025 paid (2000: 205,000 ordinary shares of €0.25 each, €0.0025 paid)	<b>-</b>	<b>-</b>
	<b>22,034</b>	<b>21,827</b>
<b>Movements during year</b>		
Ordinary shares of €0.25 each	No of shares ('000)	€'000
At 1 April 2000	87,511	21,827
Exercise of share options	650	162
Acquisition issues	63	16
Payment up of partly paid shares	-	29
At 31 March 2001	<b>88,224</b>	<b>22,034</b>

During the year the Group purchased 2,563,045 of its own ordinary shares of €0.25 each at a total cost of €24,668,000. These shares are held as Treasury Shares and they are not included in the calculation of earnings per share from the date they were purchased by the Group.

Under the DCC plc 1998 Employee Share Option Scheme, employees hold basic tier options to subscribe for 2,095,500 ordinary shares and second tier options to subscribe for 1,913,500 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 2001, 90,000 shares (2000: 205,000 shares) remain partly paid.

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.

### 33. Share Premium Account

<b>Group and Company</b>	<b>2001</b>	<b>2000</b>
	<b>€'000</b>	<b>€'000</b>
At 1 April	121,987	120,796
Premium on issue of shares	2,493	1,203
Share issue expenses	(30)	(12)
At 31 March	<u>124,450</u>	<u>121,987</u>

### 34. Other Reserves

<b>(a) Group</b>	<b>Capital Conversion Reserve Fund €'000</b>	<b>Other Reserves €'000</b>	<b>Total €'000</b>
At 31 March 2001 and 31 March 2000	<u>344</u>	<u>1,056</u>	<u>1,400</u>

<b>(b) Company</b>	<b>Capital Conversion Reserve Fund €'000</b>
At 31 March 2001 and 31 March 2000	<u>344</u>

### 35. Profit and Loss

<b>(a) Group</b>	<b>Profit and Loss Account €'000</b>
At 1 April 2000	183,909
Profit retained for the year	49,942
Share buyback (note 32)	(24,668)
Movement on other reserves - associated undertakings	(25)
Exchange adjustments	(2,356)
At 31 March 2001	<u>206,802</u>

In accordance with the Group's accounting policy, goodwill arising on the acquisition of the subsidiaries prior to 1 April 1998, eliminated from the balance sheet through reserves, amounts €100.079 million.

<b>(b) Company</b>	<b>Profit and Loss Account €'000</b>
At 1 April 2000	45,133
Profit retained	(499)
Share buyback (note 32)	(24,668)
At 31 March 2001	<u>19,966</u>

### 36. Reconciliation of Movements in Equity Shareholders' Funds

	2001 €'000	2000 €'000
Profit for the financial year	68,082	119,841
Dividends	<u>(18,140)</u>	<u>(15,366)</u>
	49,942	104,475
Movement on associated undertaking reserves	(25)	2,492
Goodwill realised previously eliminated against reserves (note 7)	-	20,733
Equity share capital issued (net of expenses)	2,670	1,234
Share buyback (note 32)	(24,668)	-
Exchange adjustments	<u>(2,356)</u>	<u>4,968</u>
Net movement in shareholders' funds	25,563	133,902
Opening equity shareholders' funds	<u>329,123</u>	<u>195,221</u>
Closing equity shareholders' funds	<u>354,686</u>	<u>329,123</u>

### 37. Equity Minority Interests

	2001 €'000	2000 €'000
At 1 April	3,274	3,902
Acquisitions	-	326
Acquisition of minority interest in subsidiary undertakings	(61)	-
Disposal of minority interest in subsidiary undertaking	-	(947)
Share of profit for the financial year (note 12)	489	3
Dividends to minorities	(173)	(86)
Exchange adjustments	<u>(36)</u>	<u>76</u>
At 31 March	<u>3,493</u>	<u>3,274</u>

### 38. Capital Grants

	2001 €'000	2000 €'000
At 1 April	1,201	1,426
Received in year	502	62
Amortisation in year	(327)	(296)
Exchange adjustments	<u>(7)</u>	<u>9</u>
At 31 March	1,369	1,201
Disclosed as due within one year (note 28)	<u>(305)</u>	<u>(235)</u>
	<u>1,064</u>	<u>966</u>

### 39. Acquisitions of Subsidiary Undertakings

The principal acquisition completed during the year was Fuel Services. A number of smaller oil and LPG distributors were also acquired.

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

	<b>Acquisition of subsidiary undertakings €'000</b>
Tangible fixed assets	3,494
Stocks	922
Debtors	3,777
Net debt	(3,140)
Creditors	(2,001)
Net assets acquired	<u>3,052</u>
Goodwill	<u>13,255</u>
Cost	<u><b>16,307</b></u>
Satisfied by:	
Cash	10,726
Shares	740
Deferred consideration and deferred contingent consideration	<u>4,841</u>
	<u><b>16,307</b></u>

Acquisition accounting has been adopted in respect of the above acquisitions. No fair value adjustments were made to the assets acquired.

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

	<b>2001 €'000</b>
Cost	16,307
Net debt acquired	3,140
Shares issued	(740)
Deferred consideration and deferred contingent consideration	<u>(4,841)</u>
Net outflow of cash	<u><b>13,866</b></u>

#### 40. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2001 €'000	2000 €'000
Operating profit before goodwill amortisation	91,737	77,743
Operating profit of associated undertakings	(8,950)	(15,879)
Dividends received from associated undertakings	1,896	2,768
Depreciation of tangible fixed assets	20,766	18,890
Increase in stocks	(17,650)	(11,081)
Increase in debtors	(66,961)	(45,941)
Increase in creditors	64,682	72,845
Other	(2,151)	(3,048)
Cash flow from operating activities	<u>83,369</u>	<u>96,297</u>

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

	2001 €'000	2000 €'000
<b>(a) Returns on Investments and Servicing of Finance</b>		
Interest received and similar receipts	25,432	19,432
Interest paid and similar payments	(27,846)	(24,981)
Dividends paid to minority interests	(173)	(86)
Net cash outflow from returns on investments and servicing of finance	<u>(2,587)</u>	<u>(5,635)</u>
<b>(b) Capital Expenditure</b>		
Expenditure on tangible fixed assets	(33,804)	(28,815)
Proceeds on sale of tangible fixed assets	3,796	4,017
Grants received	502	62
Net cash outflow from capital expenditure	<u>(29,506)</u>	<u>(24,736)</u>
<b>(c) Acquisitions and Disposals</b>		
Purchase of subsidiary undertakings (net of debt/cash acquired) (note 39)	(13,866)	(28,427)
Investment in associated undertakings (note 18)	(325)	(726)
Purchase of minority interests	(61)	-
Sale of subsidiary	16,026	3,456
Sale of associated undertaking	-	106,289
Payment of deferred consideration in respect of acquisitions	(11,717)	(8,422)
Net cash (outflow)/inflow from acquisitions and disposals	<u>(9,943)</u>	<u>72,170</u>
<b>(d) Financing</b>		
Issues of share capital (including share premium)	1,930	9
Share buyback	(24,668)	-
Capital element of finance lease payments	(4,113)	(3,870)
Loans (repaid)/drawn down	(110,853)	99,116
Net cash (outflow)/inflow from financing	<u>(137,704)</u>	<u>95,255</u>

#### 42. Analysis of Movement in Net Cash

	At 1 April 2000 €'000	Cash flow €'000	Exchange movements €'000	At 31 March 2001 €'000
Cash in hand and at bank	389,247	(251,321)	(9,954)	<b>127,972</b>
Overdrafts	(33,763)	(36,443)	767	<b>(69,439)</b>
	355,484	(287,764)	(9,187)	<b>58,533</b>
Term deposits	162,029	165,894	(1,313)	<b>326,610</b>
Bank loans and loan notes	(278,713)	110,853	6,522	<b>(161,338)</b>
Unsecured Notes due 2008/11	(108,611)	-	3,634	<b>(104,977)</b>
Finance leases	(41,030)	4,113	1,320	<b>(35,597)</b>
<b>Total</b>	<b>89,159</b>	<b>(6,904)</b>	<b>976</b>	<b>83,231</b>

#### 43. Capital Commitments

##### Group

	2001 €'000	2000 €'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<b>5,264</b>	4,248
Capital expenditure that has been authorised by the Directors but has not yet been contracted for	<b>18,037</b>	12,707

#### 44. Operating Lease Commitments

At 31 March 2001 the Group had annual commitments under operating leases as follows:

	2001			2000		
	Land and Buildings €'000	Other €'000	Total €'000	Land and Buildings €'000	Other €'000	Total €'000
Expiring within one year	155	434	589	178	73	251
Expiring between two and five years	460	519	979	173	648	821
Expiring after five years	1,339	11	1,350	1,547	-	1,547
	<b>1,954</b>	<b>964</b>	<b>2,918</b>	<b>1,898</b>	<b>721</b>	<b>2,619</b>

#### 45. Contingent Liabilities

##### (a) Bank and Other Loans

The parent undertaking and certain subsidiaries have given guarantees of up to €339,776,000 (2000: €454,280,000) 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 €84,000 (2000: €4,759,000) may become repayable.

##### (c) Other

Included in trade creditors is an amount of approximately €14,193,000 (2000: €8,909,000) 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 Alvalbay Limited, Atlas Oil Refining Company Limited, Classic Fuel & Oil Limited, DCC Energy Limited, DCC SerCom Limited, Emo Oil 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.

#### 46. 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:

	2001 €1=Stg£	2000 €1=Stg£
Balance sheet (closing rate)	<b>0.619</b>	0.599
Profit and loss (average rate)	<b>0.613</b>	0.643



#### 47. Transactions with Related Parties

On 3 July 2000, DCC acquired 3.7% of the share capital of SerCom Distribution Limited from the management of that company at a cost of €7,298,000. These shareholdings arose from the exercise of options by management over 4.7% of the share capital of SerCom Distribution Limited. Put and call options exist over the remaining shares, exercisable up to 2004.

On 16 August 2000, the Company increased its shareholding in EuroCaps Limited to 85.0% through the acquisition of 5.0% of the issued share capital from the minority shareholders. The total value of the consideration amounted to Stg£412,000 which was satisfied in cash. The remaining 15.0% is also subject to put and call options exercisable up to 2002.

On 26 September 2000, the Company increased its shareholding in Fannin Limited to 88% by acquiring 6% of the issued share capital from the minority shareholders in Fannin Limited, which was subject to put and call options exercisable by DCC and the Fannin minority shareholders. The total value of the consideration amounted to €3,277,000 of which €3,276,000 was satisfied in cash and €1,000 in shares. The remaining 12% shareholding is also subject to put and call options exercisable up to 2003.

On 26 February 2001, the Company acquired the remaining 10% shareholding held by minority shareholders in BM Browne (UK) Limited for a consideration of Stg£463,000 satisfied through the issue of shares.

#### 48. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 11 May 2001.

Name and Registered Office Address	Principal Activity	Telephone/Fax/email and website if applicable
<b>IT (SerCom Distribution)</b>		
<b>DCC SerCom Limited</b> DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: + 353 1 2799 400 Fax: + 353 1 2831 017 email: sercom@dcc.ie www.dcc.ie
<b>SerCom Distribution Limited</b> DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: + 353 1 2799 400 Fax: + 353 1 2831 017 email: sercom@dcc.ie www.dcc.ie
<b>Sharptext Limited</b> M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Distribution of computer products and office equipment	Tel: + 353 1 4087 171 Fax: + 353 1 4599 421 email: info@sharptext.com www.sharptext.com
<b>Micro Peripherals Limited *</b> Shorten Brook Way, Altham Business Park, Altham, Accrington, Lancashire BB5 5YJ, England	Distribution of computer products	Tel: + 44 1282 776 776 Fax: + 44 1282 770 001 email: info@micro-p.com www.micro-p.com
<b>Gem Distribution Limited *</b> Lovet Road, The Pinnacles, Marlow, Essex CM19 5TB, England	Distribution of computer software	Tel: + 44 1279 822 800 Fax: + 44 1279 416 228 email: info@gem.co.uk www.gem.co.uk
<b>Distrilogie SA</b> 12, Rue des Frères Caudron, 78147 Vélizy Cedex, France	Distribution of computer storage products	Tel: + 33 1 34 58 47 00 Fax: + 33 1 34 58 47 27 email: distrilogie@distrilogie.com www.distrilogie.com
<b>Energy</b>		
<b>DCC Energy Limited</b> DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: + 353 1 2799 400 Fax: + 353 1 2831 017 email: energy@dcc.ie www.dcc.ie
<b>Flogas Ireland Limited</b> Dublin Road, Drogheda, Co. Louth, Ireland	Manufacture and distribution of liquified petroleum gas	Tel: + 353 41 9831 041 Fax: + 353 41 9834 652 email: info@flogas.ie www.flogas.ie
<b>DCC Energy (NI) Limited</b> Airport Road West, Sydenham, Belfast BT3 9ED, Northern Ireland	Marketing and distribution of petroleum products	Tel: + 44 28 9073 2611 Fax: + 44 28 9073 2020 email: enquiries@emooil.com www.emooil.com
<b>Flogas (UK) Limited *</b> Merrylees, Leicestershire LE9 9FE, England	Processing and distribution of liquified petroleum gas	Tel: + 44 1530 230 352 Fax: + 44 1530 230 253 email: info@flogas.co.uk www.flogas.co.uk
<b>Atlas Environmental Ireland Limited</b> Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Provision of environmental services including recycling of oils	Tel: + 353 502 747 47 Fax: + 353 502 747 57 email: info@atlasireland.com www.atlasireland.com

Name and Registered Office Address	Principal Activity	Telephone/Fax/email and website if applicable
<b>Emo Oil Limited</b> Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Marketing and distribution of petroleum products	Tel: + 353 502 747 00 Fax: + 353 502 747 50 email: emo@iol.ie www.emo.ie
<b>Healthcare</b>		
<b>DCC Healthcare Limited</b> DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: + 353 1 2799 400 Fax: + 353 1 2831 017 email: healthcare@dcc.ie www.dcc.ie
<b>Days Medical Aids Limited *</b> Litchard Industrial Estate, Bridgend, Mid Glamorgan CF31 2AL, Wales	Manufacture and distribution of rehabilitation and mobility products	Tel: + 44 1656 657 495 Fax: + 44 1656 767 178 email: sales@daysmedical.com
<b>DCC Shoprider Inc.</b> 3540 Northwest 56th Street, Suite 206, Fort Lauderdale, Florida 33309, USA	Distribution of mobility scooters and power chairs	Tel: + 1 954 535 0781 Fax: + 1 954 535 0956 email: sales@dcc-shoprider.com www.dcc-shoprider.com
<b>Fannin Limited</b> Blackthorn Road, Sandyford Industrial Estate, Foxrock, Dublin 18, Ireland	Distribution of medical and scientific equipment and consumables	Tel: + 353 1 294 4500 Fax: + 353 1 295 3818 email: info@fanninhealthcare.com
<b>Virtus Limited</b> Adamstown, Lucan, Co. Dublin, Ireland	Manufacture and distribution of pneumatic healthcare appliances	Tel: + 353 1 628 0571 Fax: + 353 1 628 0572 email: info@virtus.ie
<b>Healthilife Limited *</b> Charleston House, Otley Road, Baildon, Shipley, West Yorkshire BD17 7JS, England	Manufacture and distribution of vitamin and mineral supplements	Tel: + 44 1274 595 021 Fax: + 44 1274 581 515 email: enquiries@healthilife.com www.healthilife.com
<b>EuroCaps Limited *</b> Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Manufacture and distribution of soft gelatine capsules	Tel: + 44 1495 308 900 Fax: + 44 1495 308 990 email: enquiries@softgels.co.uk www.softgels.co.uk
<b>CasaCare GmbH &amp; Co KG</b> Gewerbestraße 13, 32584 Löhne, Germany	Manufacture and distribution of rehabilitation and mobility products	Tel: + 49 5731 786 50 Fax: + 49 5731 786 520 email: sales@casacare.de www.casacare.de
<b>Primacy Healthcare Limited *</b> 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Manufacture and distribution of tablets and capsules	Tel: +44 1928 573734 Fax: +44 1928 580694 email: enquiries@tablets2buy.com www.tablets2buy.com

Name and Registered Office Address	Principal Activity	Telephone/Fax/email and website if applicable
<b>Other Activities</b>		
<b>DCC Foods Limited</b> DCC House, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: + 353 1 2799 400 Fax: + 353 1 2831 017 email: <a href="mailto:foods@dcc.ie">foods@dcc.ie</a> <a href="http://www.dcc.ie">www.dcc.ie</a>
<b>Robt. Roberts Limited</b> 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Marketing and distribution of branded food and beverage products	Tel: + 353 1 4047 300 Fax: + 353 1 4599 369 email: <a href="mailto:info@robt-roberts.ie">info@robt-roberts.ie</a>
<b>Kelkin Limited</b> Unit 1, Crosslands Industrial Park, Ballymount Cross, Dublin 12, Ireland	Marketing and distribution of branded healthy foods	Tel: + 353 1 4600 400 Fax: + 353 1 4600 411 email: <a href="mailto:info@kelkin.ie">info@kelkin.ie</a>
<b>Broderick Holdings Limited</b> JFK Industrial Estate, Naas Road, Dublin 12, Ireland	Marketing, distribution and service of equipment for the food processing and catering industries	Tel: + 353 1 4509 083 Fax: + 353 1 4509 570 email: <a href="mailto:broderickbros@eircom.net">broderickbros@eircom.net</a>
<b>SerCom Solutions Limited</b> Cloverhill Industrial Estate, Clondalkin, Dublin 22, Ireland	Provision of manufacturing services to the computer industry	Tel: + 353 1 405 6500 Fax: + 353 1 405 6555 email: <a href="mailto:info@sercomsolutions.com">info@sercomsolutions.com</a> <a href="http://www.sercomsolutions.com">www.sercomsolutions.com</a>

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 incorporated and operating principally in France, DCC Energy (NI) Limited incorporated and operating principally in Northern Ireland, DCC Shoprider Inc. incorporated and operating principally in the United States of America and CasaCare GmbH & Co KG incorporated and operating 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 Analysis at 11 May 2001

	Number of accounts	% of accounts	Number of shares	% of shares
1 – 1,000	1,626	55.2	867,038	1.0
1,001 – 10,000	1,127	38.3	3,055,114	3.6
10,001 – 50,000	95	3.2	2,176,395	2.5
50,001 – 100,000	26	0.9	1,888,070	2.2
100,001 – 250,000	33	1.1	5,350,526	6.3
Over 250,000	39	1.3	72,234,216	84.4
<b>Total</b>	<b>2,946</b>	<b>100.0</b>	<b>85,571,359</b>	<b>100.0</b>

### Share Price Data (€)

	High	Low	31 March
Year ended 31 March 2001	12.35	9.00	10.55
Year ended 31 March 2000	13.00	6.55	11.15

The market capitalisation of DCC plc at 31 March 2001 was €904 million (2000: €976 million) and at 11 May 2001 was €890 million (€10.40 per share).

### Website

DCC's website address is [www.dcc.ie](http://www.dcc.ie).

DCC's website provides comprehensive corporate and financial information to the investment community and other interested parties. It incorporates a variety of useful features which enable users to access and analyse current and archived financial data, download this and archived annual reports, register for news and other announcements and view interactive audio and video investor presentations.

### Investor Relations

For investor enquiries please contact:

Conor Costigan,  
Investor Relations Manager,  
DCC plc, DCC House,  
Brewery Road, Stillorgan, Co. Dublin, Ireland.  
Tel: +353 1 2799 400.  
Fax: +353 1 2831 018.  
email: [investorrelations@dcc.ie](mailto:investorrelations@dcc.ie)

### Registrar

Administrative enquiries about the holding of DCC shares should be directed in the first instance to the Company's Registrar:

Computershare Investor Services (Ireland) Limited,  
Heron House, Corrig Road,  
Sandyford Industrial Estate,  
Dublin 18, Ireland.  
Tel: +353 1 2163 100.  
Fax: +353 1 2163 151.  
email: [web.queries@computershare.ie](mailto:web.queries@computershare.ie)

**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 euro 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 20%) 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).

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 website at <http://www.revenue.ie/pdf/dwtinfv2.pdf>. 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 Burlington Hotel, Upper Leeson Street, Dublin 4 on Friday 6 July 2001 at 11.00 a.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 traded on the Irish Stock Exchange (symbol: DCC.I) and the London Stock Exchange (symbol: DCC.L). DCC's shares are quoted on the official lists of both the Irish Stock Exchange and the UK Listing Authority.

**Financial Calendar**

Preliminary results announced	14 May 2001
Ex-dividend date for the final dividend	23 May 2001
Record date for the final dividend	25 May 2001
Annual Report posted	7 June 2001
Annual General Meeting	6 July 2001
Proposed final dividend payment date	10 July 2001
Interim results announced	early November 2001
Payment date for the interim dividend	early December 2001

**Solicitors**

William Fry  
Fitzwilton House  
Wilton Place  
Dublin 2

**Stockbrokers**

Davy Stockbrokers  
49 Dawson Street  
Dublin 2

Cazenove  
12 Tokenhouse Yard  
London EC2R 7AN

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants  
& Registered Auditors  
Wilton Place  
Dublin 2

**Registered and Head Office**

DCC House  
Stillorgan  
Blackrock  
Co. Dublin

**Registrar and Transfer Office**

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

**Bankers**

ABN AMRO Bank  
Allied Irish Banks  
Bank of Ireland  
IIB Bank  
KBC Bank  
Royal Bank of Scotland  
Ulster Bank

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