DCC

Annual Report and Accounts 2012

DCC IS A SALES, MARKETING, DISTRIBUTION AND BUSINESS SUPPORT SERVICES GROUP, ORGANISED AND MANAGED ACROSS FIVE DIVISIONS WITH REVENUES OF OVER €10 BILLION AND EMPLOYING OVER 8,800 PEOPLE IN 15 COUNTRIES.

DCC'S OBJECTIVE IS TO BUILD A GROWING, SUSTAINABLE AND CASH GENERATIVE BUSINESS WHICH CONSISTENTLY PROVIDES RETURNS ON TOTAL CAPITAL EMPLOYED SIGNIFICANTLY AHEAD OF ITS COST OF CAPITAL.

DCC IS HEADQUARTERED IN DUBLIN, IRELAND AND IS LISTED UNDER SUPPORT SERVICES ON THE IRISH AND LONDON STOCK EXCHANGES.

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FINANCIAL HIGHLIGHTS

Revenue

2012 €10,690.3m
2011 €8,680.6m

Reported: +23.2%
Constant currency†: +24.9%

Operating profit*

2012 €185.0m
2011 €229.6m

Reported: -19.4%
Constant currency†: -18.3%

Adjusted earnings per share*

2012 163.51 cent
2011 203.15 cent

Reported: -19.5%
Constant currency†: -18.4%

Dividend per share

2012 77.89 cent
2011 74.18 cent

Reported: +5.0%

Operating cash flow

2012 €277.3m
2011 €269.6m

Return on total capital employed

2012 14.2%
2011 19.9%

* excluding net exceptionals and amortisation of intangible assets
† constant currency figures quoted are based on retranslating 2011/12 figures at prior year translation rates

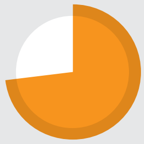
GROUP AT A GLANCE

DCC Energy

Sales, marketing and distribution of oil and liquefied petroleum gas (LPG).

For more information see pages 14 to 19

Revenue (% of Group)



73.2%

Operating profit (% of Group)

45.1%

Customers

Commercial, retail, domestic, industrial, agricultural, aviation and marine.

Principal operating locations

Britain, Ireland, Sweden, Denmark and Austria.

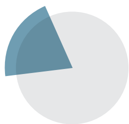
DCC SerCom

SerCom Distribution: Sales, marketing and distribution of IT, communications and home entertainment products.

SerCom Solutions: Supply chain management services.

For more information see pages 20 to 25

Revenue (% of Group)



20.4%

Operating profit (% of Group)

28.8%

Customers

SerCom Distribution:
IT and mobile resellers, dealers, retailers, etailers, grocers and catalogue retailers.
SerCom Solutions:
IT equipment manufacturers, outsourced equipment manufacturers, consumer electronics companies and telecommunications equipment manufacturers.

Principal operating locations

Britain, Ireland, France, Spain, Portugal, Belgium, the Netherlands, Luxembourg, Poland, China, Mexico and the USA.

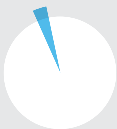
DCC Healthcare

Hospitals Supplies & Services: Medical device and pharma products sales, marketing and distribution and value added logistics services to hospitals.

Health & Beauty Solutions: Outsourced services to brand owners in the health and beauty sector.

For more information see pages 26 to 31

Revenue (% of Group)



3.1%

Operating profit (% of Group)

12.7%

Customers

Hospitals, retail pharmacy, pharma wholesalers, homecare channel, brand owners, mail order companies, specialist health and beauty retailers and private label suppliers.

Principal operating locations

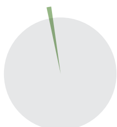
Britain and Ireland.

DCC Environmental

Provider of a broad range of recycling, waste management and resource recovery services.

For more information see pages 32 to 35

Revenue (% of Group)



1.2%

Operating profit (% of Group)

7.7%

Customers

Industrial, commercial, construction and public sector, in the hazardous and non-hazardous markets.

Principal operating locations

Britain and Ireland.

DCC Food & Beverage

Sales, marketing and distribution of food and beverage products.

For more information see pages 36 to 39

Revenue (% of Group)

2.1%

Operating profit (% of Group)

5.7%

Customers

Grocery multiples, symbol and independent retailers including pharmacies, off-licenses, hotels, restaurants and cafes.

Principal operating locations

Britain and Ireland.

Employees

4,174

Market leadership positions

DCC Energy is the largest oil distributor in Britain and in Sweden and a leading oil distributor in Ireland, in Denmark and in Austria. It is also one of the leading sales and marketing businesses for branded fuel cards in Britain.

DCC Energy is the second largest LPG sales, marketing and distribution business in Britain and in Ireland.

Employees

1,743

Market leadership positions

In the UK, SerCom Distribution is the largest distributor in home entertainment products (including games consoles and software, consumer electronics and AV accessories and peripherals) and a leading distributor of IT and communications products (including PCs, printers, smartphones, peripherals, consumables and networking products).

In Ireland, it is the largest distributor of home entertainment products and a leading distributor of IT products. In France, it is also a leading distributor of IT products.

SerCom Distribution is now the fifth largest distributor of IT and home entertainment products in Europe.

SerCom Solutions is a strategic supply chain partner for some of the world's leading technology and telecommunications companies.

Employees

1,169

Market leadership positions

DCC Healthcare is the largest distributor of medical devices and pharma products in Ireland with a developing presence in Britain and is also the largest provider of outsourced compounding services in Ireland.

It is a leading provider of value added logistics services in Britain.

DCC Healthcare is the leading British based outsourced provider to the health and beauty sector.

Employees

896

Market leadership positions

DCC Environmental is the leading recycling, waste management and resource recovery services provider in Scotland. It owns the largest material recycling facility in the East Midlands at Nottingham. It also owns the leading national waste oil and hazardous waste collection, processing and recycling business in Britain.

DCC Environmental is the largest hazardous waste treatment business in Ireland.

Employees

886

Market leadership positions

In Ireland, DCC Food & Beverage is the leading supplier of healthy foods and beverages, fine foods and vitamins, minerals and supplements. It is also a leading value added distributor of indulgence products in the grocery, impulse and food service sectors. It is also a leading distributor of wine in Ireland to both the on and off-trade.

In Britain, DCC Food & Beverage is a leading supplier of branded and exclusive retail solutions to the multiple off-trade sector of the UK wine market.

BUSINESS MODEL AND STRATEGY

OUR BUSINESS MODEL

DCC IS A SALES, MARKETING, DISTRIBUTION AND BUSINESS SUPPORT SERVICES GROUP. THE GROUP IS ORGANISED AND MANAGED IN FIVE SEPARATE DIVISIONS, EACH FOCUSED ON SPECIFIC MARKET SECTORS.

DIVISION	MARKET SECTOR
DCC ENERGY	• Oil and LPG sales, marketing and distribution
DCC SERCOM	• IT, communications and home entertainment products sales, marketing and distribution • Supply chain management services
DCC HEALTHCARE	• Medical device and pharma products sales, marketing and distribution and value added logistics services to hospitals • Outsourced services to brand owners in the health & beauty sector
DCC ENVIRONMENTAL	• Waste management and recycling services to commercial, industrial and public sector customers
DCC FOOD & BEVERAGE	• Food & beverage product sales, marketing and distribution

OUR OBJECTIVE

TO BUILD A GROWING, SUSTAINABLE AND CASH GENERATIVE BUSINESS WHICH CONSISTENTLY PROVIDES RETURNS ON TOTAL CAPITAL EMPLOYED SIGNIFICANTLY AHEAD OF ITS COST OF CAPITAL.

OUR STRATEGY

CREATING AND SUSTAINING LEADING POSITIONS IN EACH OF THE MARKETS IN WHICH WE OPERATE

DCC aims to be the number 1 or 2 operator in each of its markets. This is achieved through a consistent focus on increasing market shares organically and via value enhancing acquisitions. DCC has a long and successful track record of bolt-on acquisitions which have strengthened our market positions and generated attractive returns on capital invested.

CONTINUOUSLY BENCHMARKING AND IMPROVING THE EFFICIENCY OF OUR OPERATING MODEL IN EACH OF OUR BUSINESSES

DCC strives to be the most efficient business in each of the sectors in which it operates. We continuously benchmark our businesses against those specific KPIs which we judge are important indicators in our drive for superior returns on capital in the short, medium and longer term.

CAREFULLY EXTENDING OUR GEOGRAPHIC FOOTPRINT, THEREBY PROVIDING NEW HORIZONS FOR GROWTH

In the year ended 31 March 2012, 68% of DCC's operating profits were derived from the UK and 14% from Ireland. In recent years we have been expanding certain of the Group's businesses into other European markets which we believe will provide good opportunity for growth going forward. In the year ended 31 March 2012, 17% of operating profits were from Continental Europe, up from 12% last year and 3% five years ago. We will look to further extend our business in these markets and to enter new geographic markets in the coming years.

MAINTAINING FINANCIAL STRENGTH THROUGH A DISCIPLINED APPROACH TO BALANCE SHEET MANAGEMENT

It is core to our strategy that in pursuing our objectives, we will only do so in the context of maintaining relatively low levels of financial risk in the Group. We believe that this not only provides the greatest likelihood of generating value for shareholders in the long term but also leaves the Group best placed to react quickly to commercial opportunities as they arise.

ATTRACTING AND EMPOWERING ENTREPRENEURIAL LEADERSHIP TEAMS, CAPABLE OF DELIVERING OUTSTANDING PERFORMANCE, THROUGH THE DEPLOYMENT OF A DEVOLVED MANAGEMENT STRUCTURE

DCC strives to attract, motivate and empower entrepreneurial leadership teams across the Group. Given the diverse market sectors which we operate in, we believe that providing appropriate short and long term incentives to these leaders, based on the performance of the businesses which they manage, is the best way to drive returns for shareholders. Very often post-acquisition, we retain entrepreneurial managers who have sold their businesses to DCC and through our devolved management structure we ensure they are empowered to continue to develop those businesses. We then overlay this with both the close involvement of our small divisional teams with the businesses and strong Group financial and capital allocation controls.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDER,

AFTER 17 CONSECUTIVE YEARS OF GROWTH, IT IS DISAPPOINTING TO REPORT TO YOU A FALL OF 18.4% IN ADJUSTED EARNINGS PER SHARE ON A CONSTANT CURRENCY BASIS IN THE FINANCIAL YEAR ENDED 31 MARCH 2012. HAVING HAD A VERY STRONG PERFORMANCE FROM DCC ENERGY OVER A TEN YEAR PERIOD, WITH AN EXCEPTIONAL UPLIFT IN OUR OIL AND LPG BUSINESSES FROM COLDER THAN NORMAL WEATHER IN THE PRECEDING TWO YEARS, TEMPERATURES WERE EXCEPTIONALLY WARM THROUGHOUT THE FINANCIAL YEAR JUST ENDED. HIGH OIL PRICES EXACERBATED THE WEAK TRADING CONDITIONS THROUGHOUT THE YEAR. AS A RESULT, DCC ENERGY'S OPERATING PROFIT FELL BY 38.3%. AS AGAINST THAT, WE HAD A ROBUST OVERALL PERFORMANCE FROM THE OTHER DIVISIONS, NOTABLY DCC SERCOM, WHERE OPERATING PROFIT WAS UP BY 17.0%.

Our overall return on capital employed, at 14.2%, while lower than recent years, remained exceptional and well above the cost of capital. Our free cash flow, at €146.0 million, was higher than in the previous year and our balance sheet remained very robust, with net year end borrowings of only €128.2 million, compared with shareholder equity of over €1 billion.

Dividend

The Board is recommending a final dividend of 50.47 cent per share, making a total annual dividend of 77.89 cent per share, a 5% increase over the prior year. The total dividend for the year is covered 2.1 times by adjusted earnings per share. The Board's policy is to grow dividends over time in line with what we believe to be the long term sustainable trend in underlying earnings per share. It also seeks to balance the income needs of shareholders with the needs of the Group to invest both in the business we have and in future growth opportunities through acquisition, where we believe that we can continue to make high returns on capital employed, as we have consistently done.

Dividend (cent)
- years ended 31 March

2012	**77.89**
2011	74.18
2010	67.44
2009	62.34
2008	56.67
2007	49.28
2006	42.85
2005	37.26
2004	32.40
2003	28.18

CAGR 10yrs 12.3%, CAGR 5yrs 9.6%

Development

2011/12 was a good year for development activity. In all, we deployed €169.1 million on acquisitions during the year, the most substantial of which was for part of the Total business in the UK. We sold our enterprise IT distribution business, which we had concluded was not core to our future strategy, for a good price.

We saw strong organic growth and consolidated leadership positions in the UK and in Ireland in a number of our businesses across the divisions. Approaching one-fifth of our operating profit now comes from Continental Europe.

A number of acquisition opportunities are under review at present across our divisions, to which we will apply our normal disciplined approach.

We made a number of key new senior management appointments during the year so that we will be well equipped to deal with future growth and to continue to build sustainable, scale businesses.

On behalf of the Board, I want to thank DCC's Chief Executive, Tommy Breen, his management team and all 8,800 or so DCC employees for their very hard work, discipline, persistence and effectiveness in meeting all of the challenges and pursuing all of the opportunities that presented themselves during the year.

In addition to Board focus on strategy and operational performance, a detailed review of risk management and compliance policies, practices and structures was completed, with external assistance, in the light of the substantial growth we have experienced in recent years and the diversified nature of the Group. The Board is happy that what we have in place is appropriate from a commercial point of view and in the context of best practice.

I am happy with our progress on our sustainability agenda. We have more to do. But I believe that at all levels there is an appropriate focus on ensuring the resilience of DCC's business over time, by maintaining an appropriate balance between economic, social and environmental dimensions in the way we look at cost management, revenue enhancement, customers, our people management and our reputation.

Board and Governance

The Board believes that DCC meets all of the current requirements of the latest corporate governance standards as set out in the UK Corporate Governance Code and in the Irish Corporate Governance Annex.

There were no changes in the composition of the Board during the year under review. The average service of the non-executive Director cadre at 31 March 2012 was 4 years and 8 months. The significant diversification of experience and expertise brought to the table as a result of new appointments over the past three years has paid substantial dividends in terms of the quality of Board discussion and contribution to decision-making. The effectiveness of the Board was underlined by the positive results of an external evaluation of Board performance which was undertaken by Towers Watson in the final quarter of the financial year. The Board has incorporated learnings from the evaluation into an action plan which will be implemented in the current year. I continue to spend a significant amount of time on ensuring that we will continue to have available top class candidates for future non-executive appointments, as vacancies arise.

Further detail on governance is set out in the Corporate Governance statement on pages 64 to 73.

Outlook

Economic conditions in the UK, Ireland and Europe generally, on which our business is focused, are unlikely to improve materially in the year ahead. But a return to something like more average winter temperatures should lead to a material resumption in DCC Energy's profit growth path. On that key assumption and with the benefit of our continuing development activities across all divisions, I would anticipate strong overall growth in Group operating profit and another year of excellent returns on capital employed in the year ahead.

Michael Buckley
Chairman
14 May 2012

CHIEF EXECUTIVE'S REVIEW

KEY FEATURES OF RESULTS

THE OPERATING PROFIT OF THE GROUP DECLINED BY 18.3% ON A CONSTANT CURRENCY BASIS IN THE YEAR ENDED 31 MARCH 2012. AS SIGNALLED DURING THE YEAR, THE GROUP'S RESULTS WERE ADVERSELY IMPACTED BY TRADING IN DCC ENERGY DUE TO MILD WEATHER, HIGHER OIL PRICES AND THE CONTINUING DIFFICULT ECONOMIC BACKGROUND, PARTICULARLY IN THE UK. HOWEVER, THE YEAR WAS ALSO ONE OF SIGNIFICANT DEVELOPMENT ACTIVITY, WITHIN DCC ENERGY AND ACROSS THE WIDER GROUP, WITH TOTAL CAPITAL DEPLOYED ON ACQUISITIONS AND NET CAPITAL EXPENDITURE OF €235 MILLION. WITH THE BENEFIT OF THIS ACTIVITY AND THE PROSPECT OF A MORE NORMAL WINTER, DCC LOOKS FORWARD TO A RESUMPTION OF STRONG GROWTH IN THE YEAR AHEAD.

While operating profit in DCC Energy in the year ended 31 March 2012 declined by 38.3% on a constant currency basis, reflecting the factors already referred to, operating profit in the Group's other four divisions combined increased by 11.3% on a constant currency basis.

This was driven primarily by DCC SerCom, DCC's second largest division, which increased its operating profit by 17.0% on a constant currency basis. DCC Healthcare increased its operating profit on continuing activities by 5.3% on a constant currency basis, while DCC Environmental's operating profit advanced 24.9%, also on a constant currency basis, driven primarily by acquisition activity during the year. Operating profit declined by 7.0% in DCC's smallest division, DCC Food & Beverage.

Despite the challenging trading result in the year, the Group continued to drive strong cash generation with operating cash flow of €277.3 million (€269.6 million in the prior year) and free cash flow of €146.0 million (€123.6 million in the prior year). A major factor in this was a working capital reduction of €46.6 million in the year despite a €2.0 billion

Results Highlights

	€		% Change on Prior Year Reported	Constant Currency†
Revenue	10,690.3m		+23.2%	+24.9%
Operating profit*	185.0m		-19.4%	-18.3%
Profit before net exceptional items, amortisation of intangible assets and tax	167.1m		-22.2%	-21.1%
Adjusted earnings per share*	163.51 cent		-19.5%	-18.4%
Dividend per share	77.89 cent		+5.0%	
Operating cash flow	277.3m	(2011: €269.6m)		
Free cash flow**	146.0m	(2011: €123.6m)		
Net debt	128.2m	(2011: €45.2m)		
Total equity	1,014.0m	(2011: €931.9m)		
Return on total capital employed	14.2%	(2011: 19.9%)		

† all constant currency figures quoted in this report are based on retranslating 2011/12 figures at prior year translation rates
* excluding net exceptionals and amortisation of intangible assets
** after net capital expenditure, interest and tax payments

increase in revenue with overall working capital days reducing to 2.5 days at 31 March 2012 from 4.9 days at 31 March 2011.

Reflecting the strong cash generation and confidence in the future development of the Group, it is proposed to increase the final dividend for the year by 5% to 50.47 cent per share, resulting in a 5% increase for the full year to 77.89 cent per share.

While return on total capital employed declined to 14.2% (19.9% in the prior year), reflecting the result in DCC Energy, this is well above the Group's cost of capital.

Delivering against Strategy

Despite a challenging year, we continued to make excellent progress against each of our key strategic objectives.

We have grown our market positions in many of our businesses. During the year we further strengthened our position as the leading distributor of oil products in the UK through the completion of the acquisition of Pace Fuelcare, certain oil distribution assets of Total in Britain and a number of other smaller oil distributors. DCC Energy's strategy is to develop its business in the retail petrol station, marine, aviation and other value added product sectors which along with other initiatives will, over time, reduce the impact of weather on its business.

Our IT distribution businesses have consolidated their number 1 or 2 positions in the Irish and UK markets through strong organic growth and the integration of Advent Data which was acquired just before the end of the prior financial year.

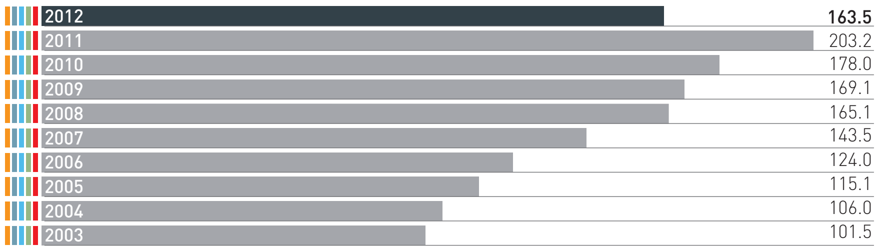
In DCC Healthcare we have reinforced our position as the market leader in the medical device and pharma products sector in Ireland and in the provision of outsourced services to brand owners in the health and beauty sector. Through the acquisition of Neolab and the Forth Medical Group, we have grown our developing market presence in Britain in the generic pharma and medical device markets. Similarly, in DCC Environmental we added to our British waste management business through the acquisitions of Oakwood and Maxi Waste.

We maintained our focus throughout the year on the continuous drive to improve the operating efficiency of our businesses. We aim to be the most efficient business within each of the sectors in which we operate, consistent always with providing optimal value and service to both our customers and suppliers. A most notable achievement during the year was the reduction in working capital days from 4.9 days last year to 2.5 days at 31 March 2012, our lowest ever level.

In the year ended 31 March 2012, 17% of operating profit was derived from businesses in Continental Europe, up from 12% in the prior year and 3% just five years ago. During the year, we acquired our first businesses in Sweden – Swea Energi, the leading oil distributor in Sweden, and Ztorm AB, a small company providing digital media distribution services to global customers. Our development strategy, which resulted in committed acquisition expenditure during the year of €169.1 million, remains focused on not just each of the geographic markets we operate in today, but also new markets where we believe attractive opportunities exist for the Group.

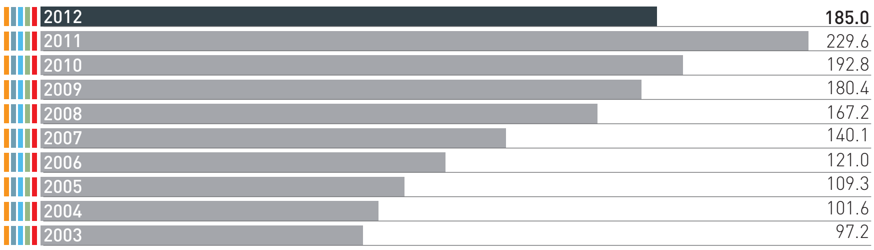
CHIEF EXECUTIVE'S REVIEW (continued)

Adjusted earnings per share (cent)
- years ended 31 March



CAGR 10yrs 5.6%, CAGR 5yrs 2.6%

Group operating profit (€m)
- years ended 31 March



CAGR 10yrs 7.3%, CAGR 5yrs 5.7%

GOOD PROGRESS HAS BEEN MADE IN RAISING OUR AWARENESS AND UNDERSTANDING OF SUSTAINABILITY AND HOW, BY HAVING A WIDER AND DEEPER PERSPECTIVE OF THE ENVIRONMENTAL AND SOCIAL TRENDS THAT IMPACT OUR BUSINESS OVER THE LONGER TERM, WE CAN MORE EFFECTIVELY IDENTIFY BOTH RISKS AND OPPORTUNITIES FOR OUR BUSINESSES.

We are very pleased to have strengthened our senior management teams in a number of areas at Group, divisional and subsidiary levels. A number of these appointments have been made with a view to expanding our management resource to better position the Group for future development opportunities.

Our financial position remains very strong – the Group is well funded and highly liquid. At 31 March 2012, the Group had net debt of €128.2 million and total equity of just over €1.0 billion. The Group net debt to EBITDA ratio was 0.5. The significant majority of our debt has been raised in the US private placement market with relatively long term maturities, at 31 March 2012 an average maturity of 5.5 years.

Sustainability

Good progress has been made in raising our awareness and understanding of sustainability and how, by having a wider and deeper perspective of the environmental and social trends that impact our business over the longer term, we can more effectively identify both risks and opportunities for our businesses. Notwithstanding the challenges to national economies, global social pressures continue to place greater demands on energy availability, natural resources and food production. The business community has a role to play in addressing these challenges by creating more sustainable business models that deliver shared value to our shareholders, society and the environment.

The completion of all divisional sustainability workshops during the year has engaged senior executive management teams in the sustainability agenda and forms a starting point for cascading sustainability into each subsidiary. While engagement with stakeholders (for example investors, employees, customers and suppliers) is ongoing, sustainability has not always been explicitly or systematically addressed. This is a challenge for DCC and we are committed to improving our sustainability engagement processes in the coming year.

The DCC Climate Change Strategy was issued in 2011 and included carbon intensity reduction targets to be met by each subsidiary in 2015 and 2020, using metrics that are appropriate to their operations. The Climate Change Strategy is discussed more fully in the Sustainability Report at page 50.

DCC's overall commitment to reporting carbon emissions data and policies was independently recognised by our inclusion in the Carbon Disclosure Project's (CDP) Irish Climate Leaders Index, based on DCC's response to the CDP's investor questionnaire.

Safety performance improved in terms of the number of lost time injuries sustained by employees but the number of days lost as a result of those injuries increased, i.e. on average more days lost per accident. Our objective is to have no lost time injuries and management systems are in place to identify, control and monitor health and safety risks to employees and others. In those subsidiaries with higher injury rates, additional resource will be focused on preventing incidents in the first instance and, in the event of an accident, fully supporting the recovery of injured parties and their return to work.

This is the second year that we have reported in line with the Global Reporting Initiative (GRI) level C standard. As sustainability reporting standards develop and become increasingly more complex and demanding in terms of disclosure requirements, a review of how we measure and report sustainability will be completed in the coming year to ensure that we focus resources on material issues that add value and contribute to the long term success of our business. We will include international standards such as the Greenhouse Gas Protocol, the GRI and the CDP and the work of the International Integrated Reporting Council as part of this review.

DCC has made a positive start on the sustainability journey but we recognise that we have more to do. Our priority is to develop and embed sustainability concepts into business processes to ensure that our customers, people and investors continue to benefit from their association with DCC.

Outlook

The outlook for the year to 31 March 2013 is set against a continued uncertain economic environment and the important assumption that there will be a return to more normal winter temperatures compared to the extremely mild winter last year, which should give rise to a strong recovery in DCC Energy's operating profit. Consequently, at this very early stage, the Group anticipates that its operating profit and adjusted earnings per share on continuing activities, both on a constant currency basis, will be approximately 15% ahead of the prior year. This would result in approximately a 20% increase in operating profit and in adjusted earnings per share compared to the prior year on a reported basis, assuming an exchange rate of Stg£0.81 = €1.

DCC retains a strong equity base, relatively long term debt maturities and significant cash resources which leave it well placed to take advantage of further acquisition and development opportunities.

Tommy Breen
Chief Executive
14 May 2012

DCC RETAINS A STRONG EQUITY BASE, RELATIVELY LONG TERM DEBT MATURITIES AND SIGNIFICANT CASH RESOURCES WHICH LEAVE IT WELL PLACED TO TAKE ADVANTAGE OF FURTHER ACQUISITION AND DEVELOPMENT OPPORTUNITIES.

MEASURING OUR PROGRESS - GROUP KEY PERFORMANCE INDICATORS

The Group employs financial and non-financial key performance indicators ('KPIs') which signify progress towards the achievement of our strategy. Each division has its own KPIs which are in direct alignment with those of the Group and are included in the divisional operating reviews on pages 14 to 39.

FINANCIAL KPIs

Strategic objective	KPI	KPI definition
Deliver superior shareholder returns	Return on capital employed ('ROCE')	ROCE is defined as the operating profit before amortisation and exceptional items as a percentage of the total average capital employed.
Drive for enhanced operational performance	Operating profit growth on a constant currency basis	Measures the change in operating profit before amortisation and exceptional items achieved in the current year (based on retranslating current year sterling figures at prior year exchange rates) compared to operating profit before amortisation and exceptional items reported in the prior year.
Deliver superior shareholder returns	Adjusted earnings per share ('eps') growth on a constant currency basis	Measures the change in adjusted eps achieved in the current year (based on retranslating current year sterling figures at prior year exchange rates) compared to adjusted eps reported in the prior year.
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	Measures cash generated from operations.
Extend our business and geographic footprint	Committed acquisition expenditure	Measures cash spent and future deferred and contingent consideration amounts for acquisitions completed during the year.

NON-FINANCIAL KPIs

Strategic objective	KPI	KPI definition
Grow a sustainable business	Carbon emissions	Total scope 1 and 2 carbon emissions expressed in tonnes of CO_2e.
Health and safety	Lost time injury rates	Lost Time Injury Frequency Rate ('LTIFR') measures the number of lost time injuries per 200,000 hours worked. Lost Time Injury Severity Rate ('LTISR') measures the number of calendar days lost per 200,000 hours worked.

FY12 performance	FY12 comment	FY13 outlook	Link to other disclosures
2012 14.2% 2011 19.9% 2010 18.4%	Notwithstanding the excellent working capital management in the year, the decline in ROCE primarily reflects the decline in operating profit in DCC Energy.	The Group anticipates an improvement in ROCE, driven by a recovery in operating profits in DCC Energy.	Chief Executive's Review see pages 8 to 11 Financial Review see pages 40 to 46
2012 €187.5m 2011 €229.6m 2012 v 2011: -18.3%	Operating profit was adversely impacted by trading in DCC Energy due to very mild weather, higher oil prices and a continuing difficult economic background. Operating profit in the Group's other four divisions combined increased by 11.3% on a constant currency basis.	The Group anticipates that operating profit on continuing activities, on a constant currency basis, will be approximately 15% ahead of the prior year.	Chief Executive's Review see pages 8 to 11 Financial Review see pages 40 to 46
2012 165.79c 2011 203.15c 2012 v 2011: -18.4%	The decline in adjusted eps was primarily driven by the factors mentioned under the operating profit kpi.	The Group anticipates that adjusted eps on continuing activities, on a constant currency basis, will be approximately 15% ahead of the prior year.	Chief Executive's Review see pages 8 to 11 Financial Review see pages 40 to 46
2012 €277.3m 2011 €269.6m 2010 €297.8m	Despite the challenging trading environment, the Group generated excellent operating cash flow of €277.3m during the year, driven by a reduction in working capital of €46.6 million.	Cash generation and working capital management will remain a key focus of the Group.	Financial Review see pages 40 to 46
2012 €169.1m 2011 €130.7m 2010 €165.3m	Significant acquisition activity across the Group during the year, particularly in DCC Energy (€110.9m), DCC Environmental (€30.8m) and DCC Healthcare (€20.5m).	The Group will continue to pursue attractive opportunities in our traditional markets as well as looking to extend our business into new geographic markets.	Chief Executive's Review see pages 8 to 11

FY12 performance	FY12 comment	FY13 outlook	Link to other disclosures
2012 116.9tns 2011 116.3tns 2010 100.1tns	No significant change from prior year. Increased emissions from acquisitions in DCC Energy and DCC Environmental were offset principally by less transport activity in DCC Energy due to the mild winter and reduced electricity demand in Allied Foods following the business restructuring.	With the introduction of emission reduction targets and an increasing focus on energy efficiency initiatives around the Group, relative carbon emissions are expected to fall. Absolute emissions may increase with a return to more normal winter weather patterns.	Sustainability Report see pages 47 to 55
LTIFR 2012 2.3 2011 2.5 2010 2.8 LTISR 2012 53 days 2011 48 days 2010 42 days	Continued improvement in the frequency of lost time injuries was driven by good performances in DCC Energy and DCC Environmental. The increase in the LTISR was driven by a relatively small number of accidents which resulted in very long periods of absence.	The Group is targeting an improved performance in both KPIs, through a continued focus on prevention and active case management to facilitate the full recovery of injured parties.	Sustainability Report see pages 47 to 55

OPERATING REVIEW – DCC ENERGY

DCC ENERGY IS THE LEADING OIL AND LIQUEFIED PETROLEUM GAS (LPG) SALES, MARKETING AND DISTRIBUTION BUSINESS IN BRITAIN AND IRELAND AND ONE OF THE LEADING OIL DISTRIBUTION BUSINESSES IN AUSTRIA AND DENMARK. IN FEBRUARY 2012, THROUGH THE ACQUISITION OF SWEA, DCC ENERGY BECAME THE MARKET LEADER IN OIL DISTRIBUTION IN SWEDEN. IN THE YEAR ENDED 31 MARCH 2012, DCC SOLD 7.9 BILLION LITRES OF PRODUCT FROM ITS EXTENSIVE NETWORK OF 320 FACILITIES TO ITS CUSTOMER BASE OF APPROXIMATELY ONE MILLION CUSTOMERS.

Markets and Market Position

Oil

DCC Energy's oil distribution business supplies transport fuels, heating oils, and fuel oils to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in Britain, Ireland, Sweden, Denmark and Austria. In Britain, DCC Energy sells oil under a portfolio of brands including Bayford, Butler Fuels, Brogan, Carlton Fuels, CPL Petroleum, Gulf, Pace Fuelcare, Scottish Fuels, Shell and Texaco. Outside of Britain, DCC Energy sells oil under the leading brands of Emo Oil (Ireland), Swea (Sweden), DCC Energi (Denmark), Energie Direct (Austria) and Top Oil (Austria).

DCC Energy is one of the leading sales and marketing businesses for branded fuel cards in Britain. The business sells in excess of 500 million litres of transport fuels annually through its portfolio of fuel cards under the BP, Esso, Shell, Texaco and Diesel Direct brands. Fuel cards are now an essential tool for commercial organisations to manage their transport fuel costs. DCC Energy provides its customers with access to the breadth of the British retail petrol station and bunker network through its portfolio of branded fuel cards, while giving them detailed information on fuel utilisation to assist in minimising their spend on transport fuels.

Britain

DCC Energy has acquired a number of companies in the highly fragmented oil distribution market in Britain having first entered the market in September 2001 with the acquisition of BP's business in Scotland and is now the largest oil distributor in Britain. DCC's addressable market in Britain has been for transport fuels and heating oils to commercial, industrial, domestic, agricultural and the smaller independent petrol stations. This market is a total of circa 32 billion litres and DCC will sell circa 5.3 billion litres of product to this market, giving a market share of approximately 16%. In addition, with the acquisition of the Total assets, which included supply to larger independent dealers, DCC has now entered the market to supply the broader retail petrol station market which comprises approximately 9,000 retail sites selling circa 35 billion litres of fuel. On a combined basis DCC is now supplying circa 1,350 sites throughout the country with a total volume of circa 1.3 billion litres, giving DCC approximately 4% of the overall retail petrol station market.

Ireland

Emo Oil is one of the leading oil distributors in Ireland with a market share of 9%. DCC's addressable oil market in Ireland is estimated at 9 billion litres.

Continental Europe

The newly acquired Swedish oil distribution business (Swea) is the market leader in Sweden with a share of circa 17% of the addressable market which is estimated at 3 billion litres. The addressable oil distribution market in Denmark is estimated at 2 billion litres of which DCC Energi Danmark has a market share of 13% and is the number two oil distributor. The addressable oil distribution market in Austria is estimated at 5 billion litres and DCC's business Energie Direct is the number two in this market with a share of 12%. With the oil majors continuing to divest oil distribution assets, DCC Energy is well placed to continue its growth by acquisition.

LPG

DCC Energy is the second largest LPG sales marketing and distribution business in Britain and Ireland. The LPG business supplies propane and butane in both bulk and cylinders to domestic, commercial, agricultural and industrial customers for heating, cooking, transport and industrial processes. In Britain, the business operates from a nationwide infrastructure comprising 45 facilities, while in Ireland the infrastructure comprises 5 depots throughout the country. The LPG business also distributes a wide range of LPG fuel appliances, such as mobile heaters and barbeques.

Britain represents DCC Energy's largest LPG market at approximately 1.0 million tonnes. Trading under the Flogas brand, DCC Energy is the number two LPG distributor in Britain and Ireland with market shares of approximately 19% and 37% respectively. Unlike the oil distribution market, which remains highly fragmented, the LPG market in both Britain and Ireland is relatively consolidated.

New Energy

DCC Energy made its first step in developing a presence in the renewable energy sector through the acquisition of UFW in November 2011. UFW is a distributor of innovative renewable energy solutions (including solar panels, biomass, geothermal heating and underfloor heating) in Britain with a broad supplier and customer base.

Revenue

€7,823.0m

2011: €6,129.8m
Change on prior year
Reported: +27.6%
Constant currency: +29.5%

Operating profit

€83.5m

2011: €137.3m
Change on prior year
Reported: -39.2%
Constant currency: -38.3%

Return on total capital employed

14.0%

2011: 26.9%

Brands

Oil - Bayford, Brogan*, Butler Fuels*,Carlton Fuels*, CPL Petroleum, Emo Oil*, Gulf, Pace Fuelcare, Scottish Fuels*, Shell, Texaco.
LPG - Flogas*.
Fuel card - BP, Diesel Direct, Esso, Fastfuels, Shell.

* DCC owned brands

OPERATING REVIEW – DCC ENERGY (continued)

IN OIL DISTRIBUTION, DCC ENERGY'S STRATEGY IN BRITAIN IS TO ACHIEVE A 20% MARKET SHARE (CURRENTLY 16%) OF ITS ADDRESSABLE MARKET.

CASE STUDY

GB OILS RETAIL GROWTH

It has been DCC Energy's strategy to expand the business in non heating dependent areas with a specific focus on supply into the retail service station sector in Britain. Through its depot infrastructure across the country, robust supplier portfolio and fleet in excess of 1,000 trucks, GB Oils is exceptionally well positioned to supply the retail sector throughout the country. Over the past year, GB Oils has significantly grown the number of retail sites to which it delivers, both organically and through acquisition, from 804 to 1,350, making GB Oils the largest distributor to dealer owned dealer operated sites in the country. The portfolio of customers now includes almost 300 Gulf branded sites, a similar number of Total branded sites, and, through the acquisition of Pace Fuelcare, 120 Pace branded stations. GB Oils now supplies circa 1.3 billion litres of product to retail stations across Britain.

Strategy and development

DCC Energy's vision is to be the leading oil and LPG sales, marketing and distribution business in Europe:

- with strong local market shares;
- operating under multiple brands;
- generating high levels of ROCE;
- expanding into new geographic regions with attractive market characteristics; and
- continuing the development of its presence in the green/renewable energy sector.

Oil

In oil distribution, DCC Energy's strategy in Britain is to achieve a 20% market share (currently 16%) of its addressable market. Key to achieving this target is growth in non heating dependent segments of the market with a particular focus on retail petrol stations and the marine and aviation sectors. DCC Energy is now the largest supplier to independent dealer owned retail petrol stations in Britain, selling to approximately 1,350 sites across the country. The business has been actively rolling out the Gulf brand across this network and currently has approximately 300 sites under the Gulf brand. Following on from the completion of the acquisition in October 2011 of certain Total distribution assets, the business distributes to a similar number of Total branded sites and also has sites under a range of other brands including Pace, Power, Scottish Fuels, Texaco and Regent.

The business also made good progress in developing its marine and aviation offering during the year, strengthening the management team and increasing its customer base. DCC Energy is also focused on selling differentiated products and cross selling add-on products and services such as lubricants and boiler maintenance services to its extensive customer base.

DCC Energy continued to expand its business in continental Europe during the year through the acquisition of Top Oil and a bio-fuels distribution business in Austria. DCC Energy took a further important step in the development of its business into new geographic areas through the acquisition of Swea (announced in December 2011). The acquisition of Swea significantly strengthens DCC's business in Scandinavia. The scale of Swea has since been increased through the acquisition of two small distribution businesses in Sweden (Lantmannen and Malardalen).

In fuel cards, DCC Energy is continuing to target high levels of organic growth through its extensive telesales team and cross selling fuel cards to its broad oil distribution customer base. The fuel cards business has expanded its customer offering through providing innovative products to customers such as CO_2Count (which is set out in further detail in the Sustainability Report at pages 47 to 55) and Mileage Capture, providing customers with key information on fuel consumption and emissions to allow them to better manage their businesses.

Approximately 50% of DCC Energy's margin is generated from the sale and distribution of heating dependent product. A key element of DCC Energy's strategy is to grow its business in areas outside of the heating dependent sectors to ensure diversification from, and to reduce the reliance on, the margin generated by heating products. Demand for heating volumes, as DCC Energy has experienced with the swing in demand between the years ended 31 March 2011 and 2012, is much more volatile than the demand for other oil products. DCC Energy will aim to increase the flexibility in its cost base by aligning overheads more closely with demand.

LPG

DCC Energy will continue to leverage its strong LPG market positions to drive organic profit growth on a sector by sector basis in both Britain and Ireland. Similar to the oil business, the LPG business is targeting growth in the non heating dependent segments of the market, primarily through organic volume growth with commercial and industrial customers. In April 2012, DCC Energy expanded its cylinder business into the medical gas sector in Britain through the acquisition of Medical Gas Solutions Limited, a distributor of specialist medical gasses to ambulance trusts.

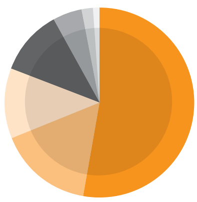
Customers

DCC Energy has a very broad customer base with approximately 1 million customers across the geographies in which the businesses operate. Customers are primarily spread over the commercial, retail, industrial, domestic, agricultural and marine markets.

The volume split by customer type for the year ended 31 March 2012 is as follows.

Customer Split

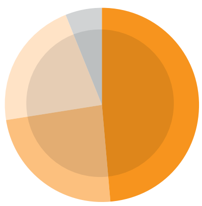
Commercial	53%
Retail	16%
Industrial	12%
Domestic	11%
Agricultural	5%
Marine	2%
Other	1%



The volume split by type of product for the year ended 31 March 2012 is as follows.

Product Split

OIL	
Transport	49%
Heating	24%
Fuel	21%
LPG	6%



Suppliers

As with its customer base, DCC Energy's supplier portfolio is broadly based. The top five suppliers represent 63% of total volumes supplied with no one individual supplier accounting for more than 20% of volumes supplied in the year to 31 March 2012.

Our People

DCC Energy has strong management teams with an in depth knowledge and years of experience in the markets in which the businesses operate. As our businesses have grown we have looked to augment the existing management teams with strong personnel in senior roles. Most recently we appointed a Managing Director for DCC Energy's oil businesses, a Chief Operating Officer in GB Oils, a Managing Director for DCC Energy's oil business in Ireland and a Compliance Manager for DCC Energy. We will continue to develop the management teams as the businesses grow.

DCC Energy currently employs 4,174 people.

Key Risks

DCC Energy, like all the businesses within the Group, faces a number of strategic, operational, compliance and financial risks. While the division has a broad customer base across a number of geographies, further economic downturn and its impact on demand and consumer confidence is a key risk faced by the division.

A significant proportion of DCC Energy's volumes are generated through the sale of heating dependent product and, accordingly, the division can be impacted by extreme movements in weather conditions. As discussed earlier in this report, there have been significant developments in the non-heating segments of the business and a continuation of this development and growth underpins the strategy to reduce the dependence on heating products.

OPERATING REVIEW – DCC ENERGY (continued)

DCC Energy distributed 7.9 billion litres of oil products during the year ended 31 March 2012 and the businesses operate with inherent risks to the environment and people. Ensuring that our businesses maintain rigorous health, safety and environmental standards is one of our core business principles.

DCC Energy has been highly acquisitive over the last number of years and ensuring the smooth integration of these acquisitions is critical to the success of the division. This is achieved through close monitoring of the acquired businesses and ongoing management development.

Sustainability

Climate change presents challenges in physical (extreme weather events), regulatory (carbon levies and taxes) and commercial (changing demand from customers) terms. The business strategy for DCC Energy recognises that it is important to our long term success that we diversify by growing the non-heating dependent sectors of the business, including the development of renewables business through DCC New Energy.

From an operational perspective it is pleasing to record that GB Oils achieved the Carbon Trust Standard during the year and Flogas UK was re-certified to the same standard for another two years. This independently verified standard confirms the reduction in relative emissions by the businesses and the efforts which they are making to reduce carbon emissions through greater efficiencies and optimisation. We are confident that this standard will provide our customers with assurance of our commitment to address the challenge of climate change.

Health, safety and environmental ('HSE') performance is a key priority and responsibility for all line managers and directors who are supported by experienced HSE functions in each business. Occupational safety and process safety (relating to the larger terminals which have the potential for a major accident) is managed through HSE systems and processes which identify, control and monitor HSE risks. Monthly KPIs are reviewed by the DCC Energy Board which sets annual objectives to drive improvements in near miss reporting, safety awareness, competence and overall safety culture.

The potential for oil spills to impact on the environment is a risk that is managed on a daily basis. From domestic deliveries to large storage facilities in coastal locations, a range of controls are in place to minimise this potential becoming a reality. Controls include the design and maintenance of vehicles and depots, the implementation of effective HSE procedures and, critically, the engagement of competent, trained employees who are moving product every day.

While no significant spills occurred in the period, detailed investigations following all spill events have identified areas where we can and will improve our performance. In the event of any spill occurring, immediate action is taken to contain and recover the product to minimise impact to the surrounding environment.

Performance for the Year Ended 31 March 2012

DCC Energy had a very difficult year with operating profit declining by 38.3% on a constant currency basis, as a result of the very mild weather, higher oil prices and the continuing difficult economic background particularly in the UK, its largest market.

THE BUSINESS STRATEGY FOR DCC ENERGY RECOGNISES THAT IT IS IMPORTANT TO OUR LONG TERM SUCCESS THAT WE DIVERSIFY BY GROWING THE NON-HEATING DEPENDENT SECTORS OF THE BUSINESS, INCLUDING THE DEVELOPMENT OF RENEWABLES BUSINESS THROUGH DCC NEW ENERGY.

DCC ENERGY: KEY FINANCIAL PERFORMANCE INDICATORS

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth (constant currency)	2012: €7,940.4m; 2011: €6,129.8m; 2012 v 2011: +29.5%
Drive for enhanced operational performance	Operating profit growth (constant currency)	2012: €84.8m; 2011: €137.3m; 2012 v 2011: -38.3%
Deliver superior shareholder returns	Return on capital employed ('ROCE')	2012: 14.0%; 2011: 26.9%; 2010: 26.5%
Drive increase in sales volumes	Volumes	2012: 7.9bn litres; 2011: 7.1bn litres; 2010: 6.2bn litres
Grow operating profit per litre	Operating profit per litre (constant currency)	2012: 1.08 cent; 2011: 1.86 cent
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2012: €216.5m; 2011: €147.1m; 2010: €178.8m
Deliver superior shareholder returns	10 year operating profit CAGR	2012: 9.8%; 2011: 19.9%; 2010: 19.3%

The average temperature in the UK in the quarter to 31 December 2011 was the mildest on record. In contrast the same quarter in the prior year was the coldest on record. The average temperature in the other important heating quarter to 31 March 2012 was also significantly milder than the prior year. The substantially weaker demand for heating oil products created excess capacity across a very competitive market which resulted in reduced gross margins on all product grades. This reduction in gross margins, combined with the effect of a predominantly fixed operating cost base, had a significant impact on DCC Energy's operating profit for the year.

Overall DCC Energy sold 7.9 billion litres of product during the year, an increase of 10.8% over the prior year. Like for like volumes declined by 5.9% on the prior year with heating related volumes declining by approximately 15% and non heating related volumes declining by approximately 2%.

The performance of the oil distribution business in Britain and Ireland was significantly impacted by the factors outlined above and while the business in Continental Europe was also affected by the weather, it benefited from its substantially outsourced infrastructure and from the first time contribution of Swea.

The LPG business in Britain and Ireland was also impacted by the weak demand for heating products and the difficult economic environment with overall volumes down 10.5%.

Outlook

The outlook for DCC Energy for the year to 31 March 2013 is set against the important assumption that there will be a return to more normal winter temperatures compared to the extremely mild winter last year which should give rise to a strong recovery in DCC Energy's operating profit.

OPERATING REVIEW – DCC SERCOM

DCC SERCOM COMPRISES SERCOM DISTRIBUTION, WHICH IS A LEADING DISTRIBUTOR OF IT, COMMUNICATIONS AND HOME ENTERTAINMENT PRODUCTS IN BRITAIN, IRELAND AND FRANCE, AND SERCOM SOLUTIONS, WHICH PROVIDES OUTSOURCED PROCUREMENT AND SUPPLY CHAIN MANAGEMENT SERVICES IN IRELAND, POLAND, CHINA, MEXICO AND THE USA. ON 3 APRIL 2012, DCC ANNOUNCED THAT IT HAD REACHED AGREEMENT TO DISPOSE OF ITS ENTERPRISE IT DISTRIBUTION BUSINESS.

Markets and Market Position

SerCom Distribution

SerCom Distribution sells a broad range of IT and communications products into both the SME and retail markets, to a very wide customer base of IT and mobile resellers, dealers, retailers and e-tailers in Britain and Ireland. The products distributed include PCs, printers, smartphones, peripherals, consumables and networking products. The business is a distribution partner of many of the leading brands in the IT and communications market, such as Acer, Asus, Cisco, Dell, Huawei, IBM, Lenovo, Microsoft, Netgear, Nokia, Plantronics, Samsung, Sony, Toshiba and Western Digital.

SerCom Distribution also sells a range of home entertainment and consumer products including games consoles and software, DVDs, consumer electronics, AV accessories and peripherals which are sold into the retail channel, including large e-tailers, grocers, catalogue retailers, specialist retailers and small independent retailers. SerCom Distribution represents many of the leading brands in the computer games, home entertainment and consumer electronics markets such as Altec Lansing, Belkin, Devolo, D-Link, Electronic Arts, iHome, Logitech, Microsoft, Netgear, Nintendo, Paramount, Seagate, Take-Two, TomTom and Warner Brothers.

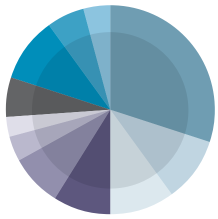
SerCom Distribution provides its partners with an exceptionally broad customer reach and proactively markets its vendors' products through product and customer focused sales teams. SerCom Distribution provides a range of value-added services to the retail and reseller channels, to both its customers and suppliers, including end-user fulfillment, digital distribution, third party logistics, web site development and management, category management and merchandising, kitting, product customization, security tagging and cross vendor bundling.

During the year, the business extended its range of customer services in the home entertainment and gaming markets through the acquisition of Ztorm AB, a provider of digital media distribution services to retail customers throughout Europe, which is based in Sweden. In addition, the business in Britain has significantly expanded its market position in the mobile communications market in the past year and has developed its product offering to take advantage of the growing convergence of the IT and mobile communications markets and channels.

In the UK, SerCom Distribution is number 1 in home entertainment products, number 2 in IT products and number 4 in communications products. In Ireland, it is number 1 in home entertainment products and number 2 in IT products. In France, it is number 7 in IT products. SerCom Distribution is now the fifth largest distributor of IT and home entertainment products in Europe.

SerCom Distribution's revenue* for the year ended 31 March 2012 by product type is as follows:

IT Products	
PCs & servers	30%
Consumables	10%
Consumer electronics	10%
Printers & IT peripherals	9%
Networking	8%
Storage	4%
Business software	3%
Communications	6%
Home entertainment	
Games consoles & peripherals	10%
Games software	6%
DVD	4%



based on continuing activities, excluding Altimate

SerCom Distribution's principal markets are the distribution of IT products and home entertainment products in the UK, France and Ireland. The value of the IT distribution market in those three territories is estimated to be €20 billion, and we estimate that this market grew by 3% in the twelve months to 31 December 2011. The home entertainment market in the UK and Ireland is valued at €7 billion of which we estimate €1.5 billion is supplied through the distribution channel and we further estimate that this market declined by 6% in the year to 31 December 2011, including a decline of 11% in the video games market.

On 3 April 2012, DCC announced that it had reached agreement to dispose of its enterprise distribution business, subject to European Commission competition approval. The enterprise distribution segment of the market in Europe has undergone significant consolidation in recent years, with the result that it would have been difficult to achieve a leading position in this market over the medium term. The decision to sell the business is consistent with DCC's strategy and will allow SerCom Distribution to focus on its IT, communications and home entertainment products businesses.

Revenue

€2,181.2m

2011: €1,868.9m
Change on prior year
Reported: +16.7%
Constant currency: +18.0%

Operating profit

€53.2m

2011: €46.0m
Change on prior year
Reported: +15.7%
Constant currency: +17.0%

Return on total capital employed

15.7%

2011: 16.2%

Brands

SerCom Distribution - Acer, Asus, Cisco, Dell, Huawei, IBM, Lenovo, Microsoft, Netgear, Nokia, Plantronics, Samsung, Sony, Toshiba, Western Digital, Altec Lansing, Belkin, Devolo, D-Link, Electronic Arts, iHome, Logitech, Microsoft, Netgear, Nintendo, Paramount, Seagate, Take-Two, TomTom, Warner Brothers.
SCM - SerCom Solutions*

* DCC owned brands

OPERATING REVIEW – DCC SERCOM (continued)

SerCom Solutions
SerCom Solutions, DCC SerCom's supply chain management business, provides a range of specialist procurement and sourcing services from its operations in Ireland, Poland, China, the United States and Mexico, employing state of the art IT systems and procurement processes. The business is a strategic supply chain partner for some of the world's leading technology and telecommunications companies.

SerCom Solutions delivers global supply chain solutions encompassing vendor hubbing, consignment stock programmes, supplier identification and qualification, quality assurance and compliance and supplier and customer fulfillment to effectively reduce its partners' cost of production and reduce obsolescence and wastage. SerCom Solutions has developed partnerships with leading logistics firms to enable the business to deliver its services in a flexible, cost effective manner in its core markets in Europe, North America and the Far East.

SerCom Solutions operates in the market for global outsourced supply chain management services, excluding the provision of logistics services.

Strategy and Development

DCC SerCom's strategy is to deliver consistent long-term profit growth and industry leading returns on capital employed by building strong commercial and market positions in each of its focused business units.

SerCom Distribution's principal medium term objectives are:

- to establish its consumer facing distribution business as the leading specialist service provider to the European retail sector, with a particular focus on online, catalogue and supermarket channels, by extending its market and service coverage; and
- to become the leading SME facing IT and communications distribution business in the UK and Ireland, and a growing player in Europe, through the continued expansion of its product and customer base, including expansion into complementary sectors such as audio visual, communications and mobile.

SerCom Solution's primary strategic objectives are to expand its customer base in East Asia, Europe and North America through strategic partnership arrangements and the extension of its procurement and sourcing services and capability.

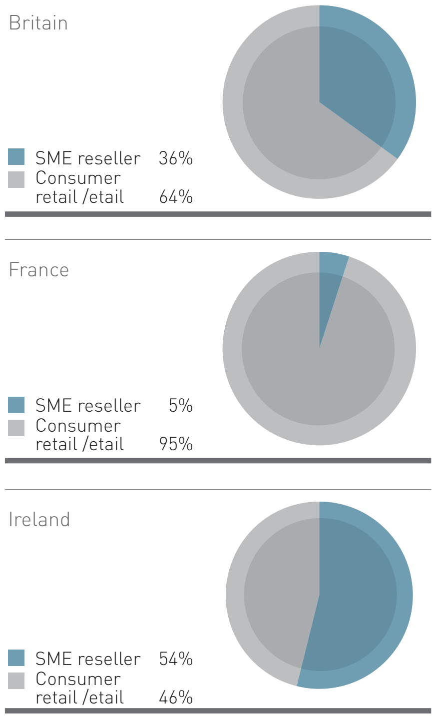
Customers

SerCom Distribution has a very broad customer base, dealing with in excess of 15,000 customers each year. The largest customer accounted for approximately 10% of revenues in the year ended 31 March 2012 and the ten largest customers accounted for 30% of total revenues in that year.

SerCom Distribution seeks to provide the highest possible standard of customer service combining an unrivalled range of services with a commitment to identify the most cost effective and flexible solutions to our customers' requirements. We also seek to provide our suppliers with access to the broadest possible customer base for their products.

SerCom Solutions deals with approximately ten customers, including IT equipment manufacturers, outsourced equipment manufacturers, consumer electronics companies and telecommunications equipment manufacturers. Customer relationships tend to be long term in nature and several of our customers have been dealing with the company for over ten years.

SerCom Distribution
Analysis of revenue by customer type*



* *based on continuing activities, excluding Altimate*

Suppliers

SerCom Distribution has a diverse supplier base and deals with hundreds of vendors including the leading global suppliers of IT, communications and home entertainment products such as Acer, Altec Lansing, Asus, Belkin, Cisco, Dell, Devolo, D-Link, Electronic Arts, Huawei, IBM, iHome, Lenovo, Logitech, Microsoft, Netgear, Nintendo, Nokia, Paramount, Plantronics, Samsung, Seagate, Sony, Take-Two, TomTom, Toshiba, Warner Brothers and Western Digital. The largest supplier accounted for 11% of total purchases in the year to 31 March 2012 and the top ten suppliers represented 46% of total purchases.

SerCom Distribution adopts a proactive approach to the identification and recruitment of new suppliers and technologies and seeks to position itself as the obvious choice for growing vendors to access the retail and reseller channels in the markets it services. In addition, it seeks to ensure that it has a position of strategic relevance with its principal suppliers.

SerCom Solutions deals with a broad range of suppliers including manufacturers of electronic components, print suppliers, original design equipment manufacturers and IT distributors. A core element of the services provided by SerCom Solutions is the identification of appropriate supply chain partners for its customers and carrying out the quality assurance on those suppliers to ensure that they conform to necessary quality, regulatory and ethical standards.

Our People

DCC SerCom employs 1,743 people in 10 countries and recognises that they are fundamental to the ongoing success of the business. At all levels employees are encouraged to adopt a flexible service orientated approach to meeting the demands of suppliers and customers.

CASE STUDY

SERCOM DISTRIBUTION CONTINUES TO EXPAND ITS SERVICE OFFERING

SerCom Distribution recognises that to maintain the leadership position it holds in its principal markets demands constant evolution in the suite of services it offers to both its customers and suppliers. A number of new services were launched recently which will ensure that we continue to be viewed as a best in class participant in the industry. Following the acquisition of Ztorm AB, SerCom Distribution can now offer to customers a suite of tailor-made digital media distribution services which can include the full outsourcing of a web based offering or a solution which is fully integrated into the customer's existing retail web offering. This ensures that the business can offer all retailers (including etailers and catalogues) a full service offering for both physical and digital products. During the year SerCom Distribution also significantly expanded its capability within the mobile communications distribution area and the launch of a number of mobile vendors during last year was facilitated by the addition of a range of new services, including the ability to kit and flash individual mobile devices for customers, the recruitment of a number of specialist mobile technical and sales professionals and bringing the flexibility and ambition shown in our IT and home entertainment distribution activities to the mobile distribution marketplace.

At senior management level, our operating businesses are run by some of the strongest management teams in the industry. DCC SerCom seeks to foster and maintain an entrepreneurial culture, coupled with a commitment to ensuring that the highest ethical standards in business conduct are maintained.

DCC SerCom fully supports the DCC Graduate Programme and operates a variety of employee training programmes within individual businesses to promote the ongoing development of staff.

DCC SERCOM EMPLOYS 1,743 PEOPLE IN 10 COUNTRIES AND RECOGNISES THAT THEY ARE FUNDAMENTAL TO THE ONGOING SUCCESS OF THE BUSINESS.

OPERATING REVIEW – DCC SERCOM (continued)

DCC SERCOM IS COMMITTED TO CONDUCTING ITS BUSINESS IN A SUSTAINABLE MANNER AND THIS COMMITMENT IS REFLECTED IN HOW IT INTERACTS WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND THE COMMUNITIES IN WHICH IT OPERATES.

Key Risks

DCC SerCom faces a number of strategic, operational, compliance and financial risks. The business supplies end users in the business and consumer markets in Western Europe and further economic downturn and disruption in these markets is a key risk for the business.

In addition, the business would be significantly impacted by the loss of a small number of key suppliers and customers.

Sustainability

DCC SerCom is committed to conducting its business in a sustainable manner and this commitment is reflected in how it interacts with customers, suppliers, employees and the communities in which it operates. In common with the rest of the DCC Group, the business has processes to assess and control health and safety risks, reduce carbon emissions and uphold the highest standards of business ethics.

DCC SerCom is also focused on enabling our ultimate customers to behave in a more sustainable manner by reducing energy usage and inefficiency, through, for example, the use of video conferencing or home working opportunities.

Performance for the Year Ended 31 March 2012

DCC SerCom increased operating profit by 17.0% on a constant currency basis, reflecting another excellent performance in SerCom Distribution, which accounted for 94% of operating profit in the division and achieved constant currency operating profit growth of 20.0%. Good organic growth in SerCom Distribution of 10.9% was complemented by the contribution from acquisitions completed in the prior year.

On 3 April 2012, DCC announced that it had reached agreement to dispose of Altimate Group SA, SerCom Distribution's Enterprise business, subject to competition clearance from the European Commission. The decision to dispose of Altimate (which accounted for approximately 10% of DCC SerCom's profits during the year) reflects the strategy to focus SerCom Distribution on the supply of IT, communications and home entertainment products to retail and reseller customers who in turn service consumers and small and medium sized businesses. This is a business where DCC has strong market positions in Britain, France and Ireland and the potential for expansion, both within these markets and further afield.

SerCom Distribution (excluding Altimate) achieved excellent constant currency profit growth in the year of 17.5%. This was driven by good organic growth of 8.4% and by the full year contributions from the acquisitions in the prior year of Comtrade in France and Advent Data in Britain.

The business in Britain, which accounted for 79%* of revenues, achieved very strong growth driven by significant new vendor additions in PC and mobile communications products complemented by excellent growth in consumables. In addition, the business achieved good growth in its networking, components and tablet product categories as it continued to grow its market share in these areas.

The market for home entertainment products in Britain was weak and the games market was particularly affected by the games console market being at a mature stage in its current product cycle, disruption in high street retail and the rise of mobile gaming. Recognising the changing nature of the games market, SerCom Distribution acquired Ztorm AB, a leading provider of digital media distribution services, in December 2011 to complement its existing service offering.

** based on continuing activities, excluding Altimate.*

DCC SERCOM: KEY FINANCIAL PERFORMANCE INDICATORS

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth (constant currency)	2012 €2,205.0m 2011 €1,868.9m 2012 v 2011: +18.0%
Drive for enhanced operational performance	Operating profit growth (constant currency)	2012 €53.9m 2011 €46.0m 2012 v 2011: +17.0%
Grow operating margin	Operating margin	2012 2.4% 2011 2.5% 2010 2.5%
Deliver superior shareholder returns	Return on capital employed ('ROCE')	2012 15.7% 2011 16.2% 2010 16.1%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2012 €15.0m 2011 €60.7m 2010 €51.8m
Deliver superior shareholder returns	10 year operating profit CAGR	2012 5.7% 2011 3.1% 2010 5.4%

In France, which accounted for 15%* of revenues, excellent operating profit growth was achieved, reflecting very good organic growth and a full year contribution from Comtrade. The French business was successful in broadening its vendor portfolio in accessories and peripherals and also benefited from increased sales of higher margin products and good cost control.

In Ireland, which accounted for 6%* of revenues, SerCom Distribution achieved strong growth in both IT and home entertainment products and has continued to broaden its customer base.

Operating profit in SerCom Solutions, the supply chain management business, declined during the year reflecting a very weak first half, although the second half benefited from a new contract with an OEM customer.

Outlook

The breadth of DCC SerCom's supplier and customer relationships across a wide range of products and markets leaves it well placed to continue to develop its business in the year to 31 March 2013, notwithstanding an anticipated further decline in demand for certain home entertainment products.

DCC SERCOM IS ALSO FOCUSED ON ENABLING OUR ULTIMATE CUSTOMERS TO BEHAVE IN A MORE SUSTAINABLE MANNER BY REDUCING ENERGY USAGE AND INEFFICIENCY, THROUGH, FOR EXAMPLE, THE USE OF VIDEO CONFERENCING OR HOME WORKING OPPORTUNITIES.

** based on continuing activities, excluding Altimate.*

OPERATING REVIEW – DCC HEALTHCARE

DCC HEALTHCARE COMPRISES HOSPITAL SUPPLIES & SERVICES, WHICH PROVIDES SALES, MARKETING, DISTRIBUTION AND OTHER SERVICES TO MEDICAL DEVICE AND PHARMA COMPANIES IN THE IRISH AND BRITISH HOSPITAL AND HOMECARE MARKETS, AND HEALTH & BEAUTY SOLUTIONS, WHICH PROVIDES OUTSOURCED PRODUCT DEVELOPMENT, MANUFACTURING, PACKING AND OTHER SERVICES TO HEALTH AND BEAUTY BRAND OWNERS, PRINCIPALLY IN THE AREAS OF NUTRITION AND BEAUTY PRODUCTS.

Markets and Market Position

Hospital Supplies & Services

DCC Healthcare has a market leading position in the sales, marketing and distribution of medical devices into Irish hospitals with an extensive, highly trained field sales force and strong relationships with senior management, clinicians and procurement professionals. The business has a developing position in the medical devices sector in Britain which was significantly enhanced during the year by the acquisition of the Forth Medical Group.

DCC Healthcare sells and markets a broad range of medical devices and consumables in areas such as woundcare, urology, procedure packs, critical care (anaesthesia, endovascular, cardiology, IV access), diagnostics, orthopaedics and neurology. Products are typically single use/consumable in nature. Capital equipment represents a small element of total sales and typically relates to generating sales of consumable products, for example the sale (or placing) of diagnostic testing equipment in order to drive sales of the consumable test kits used in the equipment.

DCC Healthcare sells, markets and distributes innovative and generic pharma products in Ireland and Britain through the hospital, pharmacy and homecare channels. DCC Healthcare's portfolio of pharmaceuticals encompasses a range of therapy areas including oncology, antibiotics, anaesthesia, pain management, haematology, respiratory, addiction and emergency medicine. The business is now developing its product portfolio and sales network in the retail pharmacy channel and this process was accelerated during year through the acquisition of the trade and assets of Neolab Limited, a supplier of generic pharmaceuticals to the British retail pharmacy channel, with its own local market authorisations (product licences). DCC's current modest market share in this channel in both Britain and Ireland provides the business with significant scope for continued growth.

DCC Healthcare also provides outsourced pharma compounding services to hospitals in Ireland, through its licensed compounding facility in Dublin, which is involved in the aseptic filling of oncology, pain management, antibiotic and paediatric nutrition products into patient ready dosage forms i.e. syringes or IV bags. The compounding facility services the national contract for paediatric nutrition in Ireland in partnership with Fresenius Kabi. DCC Healthcare has leveraged its compounding capability to expand its service offering into the provision of pharma homecare services, an underdeveloped area in Ireland. During the year DCC launched a home antibiotics service for cystic fibrosis patients on behalf of one of Dublin's major teaching hospitals.

DCC Healthcare is also a leading provider of value added logistics services in Britain, providing innovative stock management and distribution services to hospitals and healthcare brand owners/manufacturers focused principally on theatre products.

DCC Healthcare operates in the medical device and pharma markets which are primarily government funded. Fiscal budgets in Ireland and Britain have tightened and, in common with the majority of developed economies, the burden of care, particularly to support ageing populations, is growing. As a result healthcare providers are increasing their focus on cost saving opportunities and value for money. Public and private healthcare payers and providers are leveraging procurement scale through increased use of tendering, framework agreements, reference pricing and pharma formularies. They are switching to equivalent quality, lower cost medical and pharma products as well as outsourcing activities deemed to be non-core. DCC Healthcare is well placed to benefit from these trends.

Health & Beauty Solutions

DCC Healthcare is the leading British based outsourced service provider to the health and beauty sector, including operating the only soft gel encapsulation facility in Britain. Its range of outsourced services is focused principally in the areas of nutrition (vitamin and health supplements) and beauty products (skin care and bath and body care). The service offering encompasses contract manufacturing in a wide range of product formats (tablets, soft gel and hard shell capsules, creams and liquids), packing and other services from its three MHRA licensed manufacturing facilities in Britain. The business is building its reputation and market share in continental Europe especially in Benelux and Scandinavia.

Revenue

€330.0m

2011: €311.1m*

Change on prior year
Reported: +6.1%
Constant currency: +7.5%

Operating profit

€23.4m

2011: €22.5m*

Change on prior year
Reported: +4.1%
Constant currency: +5.3%

Return on total capital employed

15.4%

2011: 16.3%*

* based on continuing activities excluding Mobility and Rehabilitation

Brands

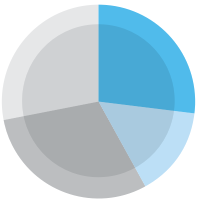
Hospital Supplies & Services - Biorad, Boston Scientific, Cipla, Diagnostica Stago, Fannin**, Fresenius Kabi, Grifols, Hikma, ICU Medical, Martindale Pharma, Molnlycke, Neolab**, Oxoid, Sandoz, Smiths Medical.

Health & Beauty Solutions' Customers - The Body Shop, Elder Pharmaceuticals, Forest Labs, GSK, Healthspan, Merck (Seven Seas, Natures Best, Lamberts), Omega Pharma, Reckitt Benckiser, Space NK, Unilever, Vitabiotics.

** DCC owned brands

OPERATING REVIEW – DCC HEALTHCARE (continued)

Revenue for the year ended 31 March 2012 by product/service area



Devices	27%
Pharma	15%
Distribution Services	30%
Health & Beauty	28%

Consumer demand for nutrition and beauty products has been robust through the current economic downturn with continued demand for product innovation. The trend for health and beauty brand owners to outsource non-sales and marketing activities (including product development) and to streamline their supply chains is a more important factor in driving demand in the contract manufacturing sector. There is also a trend towards increased regulation and higher manufacturing standards in the health and beauty sector. These trends will favour well funded contract manufacturers like DCC Healthcare which has the resources to invest in regulatory expertise and high quality facilities.

Strategy and Development

DCC Healthcare's strategy is to build a substantial healthcare business principally focused on the provision of value added services to the medical device, pharma and health and beauty sectors.

In medical devices, DCC Healthcare is continually seeking to strengthen its market positions and expand its product portfolio organically and through bolt on acquisitions. The medical market is increasingly polarising between high tech products in specialist therapy areas and commodity products. DCC Healthcare seeks to attract quality specialist agencies while also selectively launching commodity products under its own brand. DCC Healthcare's increased sales and marketing capability in Britain following the Forth Medical acquisition will provide an enhanced platform for development of our medical device portfolio in this territory.

In pharma, DCC is also seeking to strengthen its market positions and expand its product portfolio and service offering organically and through bolt on acquisitions. DCC Healthcare has a strong regulatory capability in the pharma area including product in-licensing, quality control and assurance and pharmacovigilance. This capability, together with strength in sourcing and the uniformity of European Union product licensing regulations, will open up opportunities for the business to extend its pharma activities into new geographic markets over the coming years.

In Britain, DCC Healthcare is also building a growth platform in the provision of stock management and distribution services. During the year DCC Healthcare strengthened its management team in this area and invested in a new state of the art distribution centre in Derbyshire which has created significant scope for growth and operating efficiencies. This is a potentially interesting growth sector as British acute care hospitals seek cost savings and operating efficiencies from customised just-in-time distribution solutions which reduce stock obsolescence and improve product availability.

In Health & Beauty, the high quality of DCC's facilities, together with the strength and depth of DCC's related business development, product development and technical resources, has enabled DCC to build a reputation for providing a highly responsive and flexible service to its customers and for assisting customers in rapidly bringing new products from marketing concept through to finished, shelf-ready products. This service typically involves product development, formulation, stability and other testing and regulatory compliance, as well as manufacturing and packing. DCC will continue to leverage this capability across a broader customer base by expanding its European customer base both organically and by acquisition. DCC will also seek to expand its service offering into related areas such as sports nutrition and OTC pharma. During the year DCC enhanced its manufacturing capability in the creams and liquids area through an investment in a small pharma suite and has already secured new business on the strength of this.

Customers

DCC Healthcare has deep market coverage in the sales and marketing of medical devices into the hospital sector in Ireland and Britain.

In pharma, DCC Healthcare's market coverage extends beyond the hospital sector and into retail pharmacy, pharma wholesalers and the homecare channel. Following the Neolab acquisition in May 2012, DCC now has key account relationships with major retail and wholesale pharmacy groups including Alliance Boots, Lloyds, Phoenix and The Co-op.

DCC's British value added distribution services business services a broad customer base of brand owners and hospitals including Guys & St Thomas's Hospital in London and the Sheffield Hospital Trust.

DCC Health & Beauty Solutions principally focuses on brand owners in the areas of nutrition (vitamin and health supplements) and beauty products (skin care and bath and body care). In addition to leading premium brand owners, DCC's customers include mail order companies, specialist health and beauty retailers and private label suppliers in Britain, continental Europe and other markets - in fact the ultimate consumers of approximately half of the output from DCC's facilities are in international markets. As the lines between pharma and consumer healthcare become increasingly blurred in the market place, DCC Health & Beauty Solutions is strengthening its relationships within blue chip companies such as Merck, GSK, Unilever and L'Oreal.

DCC Healthcare has a broad customer base with its ten largest customers accounting for approximately 16% of revenue in the year ended 31 March 2012.

CASE STUDY

MAKING AN IMPACT ON LIFE

DCC's subsidiary Fannin Pharma is making a very real and positive impact on people lives, for example in their role with Cystic Fibrosis (CF) patients. CF is a critical disease affecting patients' respiratory tract and digestive system from a very young age. Patients need specialist treatment and infection is always a serious risk. Often patients are required to attend hospital just to receive IV antibiotics when they would be safer at home avoiding hospital acquired infections.

Fannin Pharma's compounding and home delivery service means that patients do not need to travel to hospital to receive therapy. Individual prescriptions of IV antibiotics are compounded by Fannin in its state-of-the-art aseptic filling unit in Dublin and sent to patients' homes where they are administered by a local district nurse. This avoids patients' exposure to other potential infections as well as allowing more time with family and friends.

Fannin produces thousands of such prescriptions for patients all over the country for CF and other illnesses so that patients can get their treatment safely in their own homes and without filling hospital beds, which is good for both the patient and for the overall healthcare system.

Suppliers

DCC Healthcare represents leading medical, surgical and scientific device brands including BioRad, Boston Scientific, Diagnostica Stago, ICU Medical, Molnlycke, Oxoidand Smiths Medical.

DCC Healthcare works with leading innovative and generic pharma companies like Cipla, Fresenius Kabi, Grifols, Hikma, Martindale Pharma, Medac, Rosemont and Sandoz.

DCC Healthcare's British value added distribution services business services has a very broad supplier base including Baxter, Covidien, Gambro, J&J and Molnlycke.

In Health & Beauty, DCC Healthcare sources from high quality raw materials and ingredient suppliers across the globe in order to provide its customers with high quality and cost effective solutions and is increasingly focused on sourcing sustainability-certified raw materials, such as fish oils.

The supplier portfolio is broadly based with the top ten suppliers representing approximately 14% of revenue in the year ended 31 March 2012.

OPERATING REVIEW – DCC HEALTHCARE (continued)

Our People

DCC Healthcare employs 1,169 people principally based in Britain and Ireland, led by strong, entrepreneurial management teams. In pharma, DCC Healthcare strengthened its senior management team during the year reflecting the increased scale of its activities in this sector and the range of growth opportunities available to it. Training and education is critical in the healthcare sector and DCC Healthcare continually invests in ensuring that its people are experts in their respective product or service areas and are fully conversant with the relevant regulatory frameworks within which the business operates. DCC Healthcare's businesses are actively participating in the DCC Graduate Programme.

Key Risks

DCC Healthcare operates in geographic markets where healthcare spending is predominantly funded (directly or indirectly) by governments. The economic downturn is clearly influencing governments' healthcare budgets. DCC Healthcare's competitive product portfolio and outsourced service offering mitigates this risk and indeed is providing DCC Healthcare with new growth opportunities in the current environment.

DCC Healthcare trades with a very broad supplier and customer base and a constant focus on providing a value added service ensures excellent commercial relationships. In the case of a very small number of key suppliers/ principals and customers, their loss could have a serious operational and financial impact on the business.

Product quality and regulatory compliance are critical matters for DCC Healthcare - poor product quality could have consequences for customer or public safety. DCC Healthcare continually invests in its technical and regulatory resources, quality systems, staff training and facilities to ensure quality standards are consistently maintained and the requirements of the relevant regulatory authorities are met or surpassed.

Sustainability

DCC Healthcare strives to improve sustainability for the benefit of all stakeholders. By minimising waste, reducing water consumption, optimising energy efficiency and procuring sustainable ingredients such as fish oils certified by the Marine Stewardship Council, DCC Healthcare is reducing the environmental impacts from its operations.

DCC Healthcare's customers are increasingly interested in understanding its approach to sustainability and many request information on DCC Healthcare's sustainability policies and procedures. We are focused on exceeding customers expectations in this regard, including the provision of carbon metrics to our NHS customers, as highlighted in the Squadron Medical case study in the Sustainability Report on pages 47 to 55. DCC Healthcare is also engaging with the Carbon Disclosure Project Supply Chain programme to report carbon emissions data and carbon management initiatives to participating customers.

Performance for the Year Ended 31 March 2012

DCC Healthcare achieved growth in operating profit from continuing activities of 5.3% on a constant currency basis despite a challenging market background, particularly in Ireland.

DCC Hospital Supplies & Services which operates in medical devices, pharma and value added logistics, had a good year.

In medical devices, modest revenue growth was achieved and the scale of activities in Britain was significantly increased through the acquisition in February 2012 of the Forth Medical Group. Forth is a specialist distributor of neurology, orthopaedic and niche surgical devices and has strong relationships with clinicians in the British hospital sector.

DCC HEALTHCARE EMPLOYS 1,169 PEOPLE PRINCIPALLY BASED IN BRITAIN AND IRELAND, LED BY STRONG, ENTREPRENEURIAL MANAGEMENT TEAMS.

DCC HEALTHCARE : KEY FINANCIAL PERFORMANCE INDICATORS

Strategic objective	KPI	Performance*
Drive for enhanced operational performance	Revenue growth (constant currency)	2012 €334.5m 2011 €311.1m 2012 v 2011: +7.5%
Drive for enhanced operational performance	Operating profit growth (constant currency)	2012 €23.7m 2011 €22.5m 2012 v 2011: +5.3%
Grow operating margin	Operating margin	2012 7.1% 2011 7.2% 2010 7.1%
Deliver superior shareholder returns	Return on capital employed ('ROCE')	2012 15.4% 2011 16.3% 2010 14.6%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2012 €19.1m 2011 €30.5m 2010 €23.3m
Deliver superior shareholder returns	10 year operating profit CAGR	2012 7.5% 2011 8.5% 2010 11.6%

** based on continuing activities excluding Mobility & Rehabilitation*

In pharma, strong revenue growth was achieved and good progress was made in the development of the product portfolio, regulatory capability and market coverage in Britain and Ireland. Important in this regard was the acquisition in May 2011 of the business and certain assets of Neolab Limited, a British generic pharma business. The Neolab product range, where DCC Healthcare is the product licence holder, has opened up valuable new customer and supplier relationships. DCC Healthcare also achieved strong pharma sales growth in the British hospital sector driven by a number of NHS contract wins.

Good progress was made in value added logistics services in Britain and the business has recently moved into a newly built state of the art distribution centre in Derbyshire.

DCC Health & Beauty Solutions which provides outsourced solutions to nutrition and beauty brand owners, generated strong revenue and profit growth in nutrition driven by continued strong development with existing customers and the expansion of its European customer base. Overall profit in DCC Health & Beauty Solutions was held back by the impact on its beauty operations of a reduction in contribution from one of its important customers due to destocking and an unfavourable change in sales mix.

Outlook

DCC Healthcare is well placed for the year to 31 March 2013, which will have the full year benefit of recent development activity in pharma and medical devices and an expected recovery in the performance of its beauty operations.

BY MINIMISING WASTE, REDUCING WATER CONSUMPTION, OPTIMISING ENERGY EFFICIENCY AND PROCURING SUSTAINABLE INGREDIENTS SUCH AS FISH OILS CERTIFIED BY THE MARINE STEWARDSHIP COUNCIL, DCC HEALTHCARE IS REDUCING ENVIRONMENTAL IMPACTS FROM ITS OPERATIONS.

OPERATING REVIEW – DCC ENVIRONMENTAL

DCC ENVIRONMENTAL IS A LEADING BRITISH AND IRISH PROVIDER OF RECYCLING, WASTE MANAGEMENT AND RESOURCE RECOVERY SERVICES TO THE INDUSTRIAL, COMMERCIAL, CONSTRUCTION AND PUBLIC SECTORS, OPERATING IN BOTH THE NON-HAZARDOUS AND HAZARDOUS SEGMENTS OF THE MARKET. IN THE LAST YEAR DCC ENVIRONMENTAL HANDLED APPROXIMATELY 1.5 MILLION TONNES OF WASTE THROUGH ITS TWENTY ONE FACILITIES IN BRITAIN AND IRELAND.

Markets and Market Position

Britain

DCC Environmental collects and processes a broad range of non-hazardous and hazardous waste.

Its market leading Scottish business owns one of the most comprehensive waste infrastructures in Scotland, which includes material recycling facilities across the central belt of Scotland. These facilities seek to divert as much waste as possible away from landfill through the extraction of valuable commodities from waste streams which are sold to paper mills, steel mills and plastic and glass reprocessors as raw materials. Wood chip is also produced from waste wood which can be used by either the panel board or biomass industries or for animal bedding, arena surfacing and ground cover. Finally, construction aggregate is produced from waste demolition material which can be used as a substitute for virgin quarry aggregate.

DCC Environmental owns the largest material recycling facility in the East Midlands at Nottingham. In addition to providing a similar range of services to that offered by the Scottish facilities, this facility produces refuse derived fuel, a substitute to fossil fuels utilised by the cement industry. During the year, DCC Environmental expanded its geographic footprint in the East Midlands region with the acquisition of Maxi Waste, which operates two material recycling facilities in Leicester.

At its three hazardous facilities in Scotland and the North East of England, DCC Environmental provides innovative solutions to customers for a broad range of both solid and liquid hazardous waste.

During the year, DCC Environmental significantly expanded its hazardous waste management activities with the acquisition of Oakwood Fuels Limited ('Oakwood'), a national waste oil and hazardous waste collection, processing and recycling business. Oakwood collects waste lubricant oil and hazardous waste from businesses in a variety of sectors (the largest of which is the automotive services sector) and converts the waste oil to processed fuel oil, which is sold to customers for use in a variety of applications including road surfacing operations, aggregate drying, industrial and agricultural drying, power stations, large boilers and furnaces.

Overall, the British business handles 1.5 million tonnes of material, the majority of which is collected by its own fleet of 261 vehicles, and 74% of all waste volumes are diverted from landfill.

The UK Government has valued the British waste management market at Stg£7.5 billion. The six largest British waste management companies account for approximately 50% of this market but below this level the market is relatively fragmented.

The British business, with its comprehensive non-hazardous recycling infrastructure (the business does not operate any active waste landfill sites), is ideally positioned to benefit from society's drive to reduce waste and to conserve natural resources. Strong legislative backing is being provided to support the shift to resource recovery from waste products, the most significant of which is the commitment by the UK Government to increase landfill tax from Stg£64 per tonne to Stg£80 per tonne over the next two years. Other examples of the movement towards a more efficient management of scarce resources was the publication by the UK Government in June 2011 of its Waste Review which includes plans to consult on material-specific landfill bans and the Scottish Government's own plans for a 'Zero Waste' Scotland, which aims to reach a 70% recycling rate (currently circa 40%) for all waste by 2025.

Ireland

Enva is Ireland's largest hazardous waste treatment company, providing technically innovative solutions to a wide range of customers in the commercial and industrial sectors. Operating from six EPA/EA licensed sites throughout Ireland, Enva has an unrivalled national presence. The six Enva facilities process a broad range of hazardous wastes including waste oil, contaminated soils, bulk chemicals and contaminated packaging. Enva also continues to invest in new and innovative solutions for hazardous waste. In addition to treating a broad range of hazardous waste at its own facilities in Ireland, Enva also works with a network of European based companies to provide a comprehensive range of solutions for hazardous waste.

Enva's water treatment division provides specialty chemicals, equipment and professional services to the drinking, industrial and waste water sectors. The water treatment division operates an in-house manufacturing facility as well as an INAB accredited laboratory to support these services.

Revenue

€132.7m
2011: €106.4m
Change on prior year
Reported: +24.7%
Constant currency: +26.7%

Operating profit

€14.2m
2011: €11.6m
Change on prior year
Reported: +22.6%
Constant currency: +24.9%

Return on total capital employed

10.2%
2011: 10.0%

Brands

Enva*, Wastecycle*, Tracey*, Oakwood*.

* DCC owned brand

OPERATING REVIEW – DCC ENVIRONMENTAL (continued)

CASE STUDY

OAKWOOD FUELS ACQUISITION

The acquisition of Oakwood Fuels Limited ('Oakwood') was immediately synergistic both with DCC Environmental companies and with the wider DCC Group. Oakwood was planning the creation of a satellite depot in Scotland but rather than invest in a new greenfield site, Oakwood were able to locate vehicles at existing Tracey facilities. Similarly, prior to the investment, Wastecycle planned to develop a new facility to manage hazardous waste but the acquisition allowed them to utilise Oakwood's existing infrastructure. Finally, DCC Energy sells significant volumes of lubricant oil in Britain and is now in a position to offer Oakwood's oil collection services to its customers.

The Irish waste market is valued at approximately €1 billion. The recession, and the collapse in activity in the construction sector, has seen significant contraction particularly in the non-hazardous market but DCC Environmental's Irish business has been protected through its focus on the niche hazardous sector and through developing innovative solutions for hazardous waste.

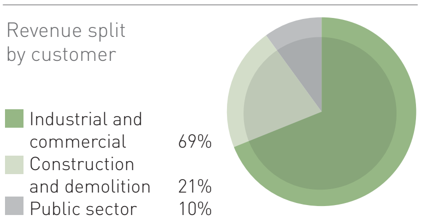
Strategy and Development

DCC Environmental's strategy continues to be to grow its position as a leading broadly based waste management and recycling business in Britain and Ireland by positioning the business to take advantage of the trend towards more sustainable waste management, with a particular emphasis on resource recovery and recycling. The strategy includes delivering superior value adding services to all its customers by way of a deep understanding of its customers' requirements and the development of innovative solutions to their problems. Furthermore, DCC Environmental is aligning its business to support the transition to a low carbon economy through a focus on resource rather than waste, developing internal climate change expertise and continually improving its recycling capability.

Customers

DCC Environmental provides recycling, waste management and resource recovery services to the industrial and commercial, construction and public sectors.

Revenue split by customer



The customer base is quite fragmented, with the ten largest customers accounting for approximately 16% of total revenue in the year ended 31 March 2012. Many of the customers have been with DCC Environmental for a long time and the business has developed a deep understanding of their requirements.

Our People

DCC Environmental is proud of the fact that its management teams have deep industry knowledge, combined with strong operational capability. In particular, the former owners of William Tracey, Wastecycle and Oakwood all occupy senior executive positions within DCC Environmental. DCC Environmental seeks to develop its own employees by promoting from within the organisation and each business seeks to develop a challenging but enjoyable working environment. Each company has a dedicated human resources department.

DCC Environmental currently employs 896 people.

Key Risks

DCC Environmental, like all businesses within the Group, faces a number of strategic, operational, compliance and financial risks.

The construction sector is an important market for DCC Environmental and this sector is particularly sensitive to changes in the economic backdrop.

DCC Environmental has an exposure to movements in both recyclate and oil commodity prices.

The interaction of heavy plant and people, in particular employees, at the facilities gives rise to the risk of accidents.

Sustainability

The environmental sector is at the centre of society's move to a more sustainable future by ensuring that the life of material is extended by either reusing it or recycling into a

DCC ENVIRONMENTAL: KEY FINANCIAL PERFORMANCE INDICATORS

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth (constant currency)	2012 **€134.9m** 2011 €106.4m 2012 v 2011: +26.7%
Drive for enhanced operational performance	Operating profit growth (constant currency)	2012 **€14.5m** 2011 €11.6m 2012 v 2011: +24.9%
Grow operating margin	Operating margin	2012 **10.7%** 2011 10.9% 2010 12.0%
Deliver superior shareholder returns	Return on capital employed ('ROCE')	2012 **10.2%** 2011 10.0% 2010 9.7%
Drive for enhanced margins	Recycling %	2012 **74%** 2011 69% 2010 71%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2012 **€21.7m** 2011 €19.8m 2010 €15.8m
Deliver superior shareholder returns	10 year operating profit CAGR	2012 **22.3%** 2011 26.1% 2010 30.6%

new product. Significant developments during the year included the production of processed fuel oil, which is used as a substitute for virgin fuel oil, in both Britain and Ireland and the commencement of the full upgrade of the recyclable processing line at the Nottingham facility.

In November 2011, Wastecycle was awarded the Carbon Trust Standard ('CTS'), a rigorous independent verification of the business's efforts to reduce carbon emissions from both its own operations and on behalf of customers. The CTS confirms Wastecycle's commitment to meeting increasing demand for businesses to address the challenges arising from climate change.

All DCC Environmental sites are regulated by either the EA in England, SEPA in Scotland, the EPA in the Republic of Ireland or the Northern Ireland Environment Agency in Northern Ireland. During the year there were 44 inspections. No major non compliances were identified and all minor non conformances or observations were addressed in full.

Performance For The Year Ended 31 March 2012

DCC Environmental generated an increase in operating profit of 24.9% on a constant currency basis, benefitting from the first time contribution of Oakwood, which has performed strongly since its acquisition in June 2011. Oakwood is a British waste oil and hazardous waste collection, processing and recycling business based in Nottinghamshire.

While operating profit grew strongly in Britain driven by the acquisition of Oakwood, trading conditions in the non hazardous waste management and recycling business were impacted by a decline in waste volumes in the market and a reduction in recyclate commodity prices in the second half of the financial year. The business consolidated its strong position in the East Midlands through the acquisition of Maxi Waste which operates two material recycling facilities in Leicester. The hazardous waste management and recycling business performed satisfactorily and the scale and range of its activities was significantly increased by the acquisition of Oakwood.

The business in Ireland performed well driven by the development of new innovative solutions for hazardous waste and the continued tight control of costs.

Outlook

DCC Environmental is well placed for the year to 31 March 2013 to benefit from the full year contribution of acquisitions completed in the prior year.

OPERATING REVIEW – DCC FOOD & BEVERAGE

DCC FOOD & BEVERAGE IS PRINCIPALLY FOCUSED ON THE DISTRIBUTION OF FOOD AND BEVERAGE PRODUCTS IN IRELAND AND ON RETAIL AND OUTSOURCED CATERING THROUGH A JOINT VENTURE COMPANY.

Markets and Market Position

DCC Food & Beverage's Irish distribution business markets, sells and distributes a range of its own and third party agency brands and provides category management and merchandising services to a broad range of customers including grocery multiples, symbol and independent retailers including pharmacies, off-licenses, hotels, restaurants and cafes.

In Britain, the business markets and sells wines to multiple retailers, wholesale and cash and carry customers.

The majority of DCC Food & Beverage's operations are focused on the Irish grocery market which has shown some contraction over the last number of years due to price deflation and the general economic downturn. As economic conditions remain challenging, consumers continue to search for value and to reduce their discretionary spending both in grocery and out of home. Recent market data has shown that while the average spend per household has remained broadly flat, consumers are engaging in more frequent shopping trips while spending slightly less on each trip they make.

While private label now accounts for approximately 35% of all sales by value, brands continue to be important to the Irish consumer. DCC Food & Beverage continues to develop its own branded offering and company owned brands now account for approximately 36% of total revenue.

DCC Food & Beverage's businesses enjoy a number of leading market positions in the categories in which they operate.

In Ireland, the business is the leading and most comprehensive supplier of healthy foods and beverages, fine foods and vitamins, minerals and supplements ('VMS'), selling owned and agency brands directly to both the grocery and pharmacy sectors. DCC Food & Beverage's healthfood brand, Kelkin, is recognised as the leading brand in the ambient health/'better for you' food sector and offers a healthy choice in many food categories. The Kelkin brand is also a strong and developing brand in the VMS sector.

Also in Ireland, the business is a leading value added distributor of indulgence products in the grocery, impulse and food service sectors with a strong, complementary range of company owned and agency brands, specialising in wine, snacks, hot beverages, home cooking (herbs, spices and colourings), confectionery and soft drinks.

DCC Food & Beverage is a leading distributor of wine in Ireland to both the on and off-trade, providing an extensive portfolio of international wine brands, and is focused on further developing its spirits portfolio and offers its principals the largest on-trade reach in the Irish marketplace.

In Britain, the business is a leading supplier of branded (both company owned and agency) and exclusive retail solutions to the multiple off-trade sector of the UK wine market.

DCC Food & Beverage is also a leading temperature controlled distributor in Ireland. It offers a full range of temperature controlled supply chain solutions (procurement, brand management and selling, warehousing and distribution) to major retailers, manufacturers and food service customers.

Kylemore Services Group (50% owned by DCC) is a leading operator of retail restaurants and contract catering services in Ireland, serving approximately 8 million customer meals annually throughout Ireland.

Strategy and Development

The Group's strategy is to develop DCC Food & Beverage into a leading added value sales, marketing and distribution business, building number 1 or number 2 branded positions in focused segments and delivering an above average return on capital. This will be achieved by building on current positions in the healthfood, indulgence and logistics markets, both organically and through acquisition.

The business will continue to increase its focus on brands, building on the progress that has been made to date with the company owned brands of Kelkin healthy foods and beverages, Robert Roberts coffee and speciality teas and Lemon's confectionery, as well as developing the Goodall's and YR brands. The business will also continue to actively develop its extensive range of third party agency brands across its healthfoods and indulgence categories.

Our wine and spirits business in Ireland will continue to develop its range and grow its market share, particularly in the on-trade sector. The UK wine business remains focused on developing its own range of brands, in particular French Connection and Andrew Peace, along with selected agency brands.

Revenue

€223.4m
2011: €252.2m
Change on prior year
Reported: -11.4%
Constant currency: -11.0%

Operating profit

€10.7m
2011: €11.5m
Change on prior year
Reported: -7.2%
Constant currency: -7.0%

Return on total capital employed

13.7%
2011: 14.9%

Brands

Healthfood - Alpro, Biofreeze, Celtic Chocolates, Filippo Berio, Fry Light, Hipp, Jakemans, Kallo, Kalms, Kelkin*, Nairns, Nanny Care, Ocean Spray, Olbas, Ortis, Pomegreat, Popz, St Dalfour, Vitabiotics, Whole Earth.
Indulgence - Andrew Peace, Antinori, Bollinger, Chapoutier, Cono Sur, Elizabeth Shaw, French Connection*, Freixenet, Glenfiddich, Goodalls*, Hula Hoops, KP, Lemons*, Lindemans, Louis Jadot, McCoys, Masi, Mateus, Meanies, Moreau, Oatfield, Rancheros, Ritter, Robert Roberts*, Sacla, Sea Dog*, Skips, Stolichnaya, Sutter Home, Topps, Torres, Tullamore Dew, Wakefield, Wilton Candy*, YR*.
Logistics - Allied Foods*, Mr. Food*.
Other - Kylemore.

* DCC owned brand

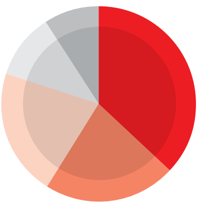
OPERATING REVIEW – DCC FOOD & BEVERAGE (continued)

CASE STUDY

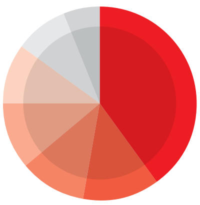
INNOVATION

Innovation in products, packaging and branding provide growth opportunity for the Kelkin brand. Following the very successful development and launch of the Kelkin Granola range of wholesome cereals, Kelkin has extended this offering into a convenient 'on the go' breakfast and snacking format of Granola bars that is now widely available throughout the Irish grocery trade. Granola is high in fibre, which is important for both heart and digestive health. A range of various formulations were tested before the final products were agreed and throughout the development process the Kelkin values of 'good for you' and 'nutrition' were maintained. A key focus was also placed on the choice of packaging where quality of presentation and ease of consumer use were the priority elements as part of our mission 'to make the healthy choice the easy choice for consumers'. All these products are produced in Ireland using only the finest quality ingredients, giving Kelkin consumers in Ireland another reason to feel good about themselves.

Revenue split by customer type 2012



Revenue split by category 2012



Customers

DCC Food & Beverages' business is primarily based in Ireland, with a modest wine business in Britain which is focused on selling wines to the multiple off-trade and growing a presence in the on trade sector. The ten largest customers accounted for approximately 56% of total revenue in the year ended 31 March 2012.

DCC Food & Beverage's different operating companies each have their own focused sales teams that regularly interact with our customers on developing joint business plans that focus on sales, marketing, category management, advertising, promotions, new product development and product quality.

Suppliers

DCC Food & Beverage deals with a broad base of approximately 1,800 suppliers. The supply base is quite fragmented and the top ten suppliers account for only approximately 28% of total revenues. A key to success in our businesses is remaining close to new trends and developments in the categories in which we operate, and as a result, DCC Food & Beverage remains in constant contact with its supply base to ensure that it brings the best of what is new to its customers.

Our People

DCC Food & Beverage employs management teams with deep category and industry knowledge, combined with strong operational capability. This depth of knowledge is continually enhanced by a focus on product training particularly in wine, hot beverages (coffee and tea) and healthfoods/VMS.

DCC Food & Beverage currently employs 886 people.

Key Risks

DCC Food & Beverage, like all the businesses within the Group faces a number of strategic, operational, compliance and financial risks. The division is made up of a number of consumer focused businesses and further economic downturn and its impact on consumer spending remains a key risk faced by the division. Product quality is central to our success and remains under constant review with focused quality assurance undertaken within each of our businesses.

Sustainability

Sustainability within DCC Food & Beverage is aimed at creating long term shareholder value by generating economic, environmental and social value. During the year the division broadened its sustainability agenda from health and safety and climate change to include product stewardship (local sourcing, packaging, responsible advertising and trends such as fair trade), business ethics and improved communication with employees across the businesses. The welfare of our

DCC FOOD & BEVERAGE: KEY FINANCIAL PERFORMANCE INDICATORS

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth (constant currency)	2012: €224.5m 2011: €252.2m 2012 v 2011: -11.0%
Drive for enhanced operational performance	Operating profit growth (constant currency)	2012: €10.7m 2011: €11.5m 2012 v 2011: -7.0%
Grow operating margin	Operating margin	2012: 4.8% 2011: 4.6% 2010: 3.1%
Deliver superior shareholder returns	Return on capital employed ('ROCE')	2012: 13.7% 2011: 14.9% 2010: 10.2%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2012: €5.0m 2011: €12.6m 2010: €21.9m
Deliver superior shareholder returns	10 year operating profit CAGR	2012: 0.4% 2011: 4.3% 2010: 0.3%

employees remains very important to DCC Food & Beverage. Unfortunately, there has been an increase in the number of lost time accidents across the division. Management focus has identified areas of weakness in our systems and steps have been taken which we are confident will improve our performance in this area.

Performance for the Year Ended 31 March 2012

DCC Food & Beverage experienced a decline in revenue and operating profit primarily due to the loss of a major contract in the frozen and chilled logistics business in the second half of the year.

The branded distribution activities delivered good growth in operating profit driven by strong growth in company owned brands. The business benefited from the development of its Goodall's and YR brands as well as growth in its Robert Roberts coffee and tea brands. DCC Food & Beverage's healthfood brand, Kelkin, continued to grow, particularly in the areas of cereals and gluten free products, although this was offset by a decline in sales of third party agency brands.

The frozen and chilled logistics business was negatively impacted by the loss of a major contract resulting in a significant decline in operating profit. A major restructuring has been undertaken and this will lead to improvements in competitiveness as the business seeks to win new customers over time.

The Group's joint venture, Kylemore Services Group, delivered a very good result due to a very strong performance in its contract services business. A number of large new customer contracts were won during the year.

Outlook

It is anticipated that operating profit in the year to 31 March 2013 will decline due to the full year impact of the contract loss in the frozen and chilled logistics business.

SUSTAINABILITY WITHIN DCC FOOD & BEVERAGE IS AIMED AT CREATING LONG TERM SHAREHOLDER VALUE BY GENERATING ECONOMIC, ENVIRONMENTAL AND SOCIAL VALUE.

FINANCIAL REVIEW

WHILST OVERALL IT WAS A DIFFICULT YEAR FOR THE GROUP WITH OPERATING PROFITS DECREASING BY 18.3% ON A CONSTANT CURRENCY BASIS, OPERATING CASH FLOW INCREASED TO €277.3 MILLION, FREE CASH FLOW INCREASED TO €146.0 MILLION AND WE DEPLOYED AN INCREMENTAL €234.7 MILLION ON ACQUISITIONS AND NET CAPITAL EXPENDITURE.

As the key financial performance indicators set out in Table 1 show, whilst the performance of DCC Energy impacted the overall Group profit and return on capital employed performance in 2012, working capital management, cash flow and the deployment of capital was good and the Group still retains a strong, well funded and highly liquid balance sheet.

Accounting Policies

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and their interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), applicable Irish law and the Listing Rules of the Irish and London Stock Exchanges. Details of the basis of preparation and the significant accounting policies of the Group are included on pages 95 to 105

Revenue

Group revenue increased by 24.9% on a constant currency basis to €10.7 billion primarily as a result of acquisitions, the impact of higher oil prices and strong organic growth in DCC SerCom. DCC Energy increased its sales volumes by 10.8%, however, like for like volumes declined by 5.9%. Average selling prices in DCC Energy increased by 16.9% due to the higher oil prices. Excluding DCC Energy, Group revenue was 13.6% ahead of the prior year on a constant currency basis; approximately half of this growth was organic.

Table 1: Key Financial Performance Indicators

	2012	2011
Revenue growth - constant currency	**24.9%**	25.4%
Operating profit* (decrease)/increase - constant currency	**(18.3%)**	15.5%
EBIT: net interest (times)	**10.4**	15.8
EBITDA: net interest (times)	**13.5**	19.3
Net debt as a percentage of total equity	**12.6%**	4.9%
Net debt/EBITDA (times)	**0.5**	0.2
Working capital as a percentage of total revenue	**0.9%**	1.6%
Working capital - days	**2.5**	4.9
Debtors - days	**34.6**	36.8
Operating cash flow (€'m)	**277.3**	269.6
Free cash flow after interest and tax (€'m)	**146.0**	123.6
Return on total capital employed	**14.2%**	19.9%
Acquisition capital deployed (€'m)	**169.1**	130.7

* excluding exceptionals and amortisation of intangible assets.

Overview of Results

	2012 €'m	2011 €'m	Change on prior year Reported	Change on prior year Constant currency
Revenue	**10,690.3**	8,680.6	**+23.2%**	**+24.9%**
Operating profit				
DCC Energy	**83.5**	137.3	-39.2%	-38.3%
DCC SerCom	**53.2**	46.0	+15.7%	+17.0%
DCC Healthcare	**23.4**	23.2	+4.1%*	+5.3%*
DCC Environmental	**14.2**	11.6	+22.6%	+24.9%
DCC Food & Beverage	**10.7**	11.5	-7.2%	-7.0%
Group operating profit	**185.0**	229.6	**-19.4%**	**-18.3%**
Share of associates' loss after tax	**-**	(0.2)		
Finance costs (net)	**(17.9)**	(14.6)		
Profit before exceptional items, amortisation of intangible assets and tax	**167.1**	214.8	**-22.2%**	**-21.1%**
Amortisation of intangible assets	**(11.3)**	(10.9)		
Exceptional charge (net)	**(22.8)**	(14.3)		
Profit before tax	**133.0**	189.6	**-29.8%**	**-28.6%**
Taxation	**(30.0)**	(43.8)		
Non-controlling interests	**(0.6)**	(0.7)		
Net earnings	**102.4**	145.1	**-29.4%**	**-28.1%**
Adjusted earnings per share (cent)	**163.51**	203.15	**-19.5%**	**-18.4%**

* continuing activities excluding Mobility & Rehabilitation

Operating Profit

As signalled during the year, the results for the Group were adversely impacted by trading in DCC Energy, which suffered from the effects of the very mild weather, higher oil prices and the continuing difficult economic background, particularly in the UK, DCC Energy's largest market. Operating profit in DCC Energy declined by 38.3% on a constant currency basis as the impact of the sustained period of extremely mild temperatures on both volumes and margins was exacerbated by its comparison to the extremely cold weather conditions of the prior year. The average temperature in the UK in the very important quarter to 31 December 2011 was the mildest on record, in contrast to the same quarter in the prior year which was the coldest on record. The other key quarter to 31 March 2012 was also significantly milder than the prior year.

DCC Energy's total heating related volumes declined by approximately 15% on a like for like basis compared to the prior year. The substantially weaker demand for heating oil products gave rise to considerable excess capacity, even during the normally busy winter months, which in a very competitive market resulted in reduced gross margins across all product grades. This reduction in gross margins, combined with the effect of a predominantly fixed operating cost base, had a significant impact on DCC Energy's operating profit for the year.

Operating profit in the Group's other four divisions combined increased by 11.3% on a constant currency basis. DCC SerCom, DCC's second largest division, increased operating profit by 17.0%, also on a constant currency basis. This reflected another excellent performance in SerCom Distribution, where revenue and operating profit, on a constant currency basis, were 16.5% and 20.0% ahead of the prior year respectively.

DCC Healthcare increased its operating profit on continuing activities by 5.3% on a constant currency basis, while DCC Environmental's operating profit advanced by 24.9%, also on a constant currency basis, driven primarily by acquisition activity during the year. Operating profit declined by 7.0% on a constant currency basis in DCC's smallest division, DCC Food & Beverage.

FINANCIAL REVIEW (continued)

Overall operating profit in the Group declined by 18.3% on a constant currency basis. Approximately 70% of the Group's operating profit in the year was denominated in sterling. The average exchange rate at which sterling profits were translated during the year was Stg£0.8684 = €1, compared to an average translation rate of Stg£0.8522 = €1 for the prior year, a weakening of 2% which resulted in a modest negative translation impact on Group operating profit of €2.5 million. Consequently on a reported basis operating profit decreased by 19.4%.

Although DCC's operating margin (excluding exceptionals) was 1.7% (2.6% in 2011), it is important to note that this measurement of the overall Group margin is of limited relevance due to the influence of changes in oil product costs on the percentage. While changes in oil product costs will change percentage operating margins, this has little relevance in the downstream energy market in which DCC Energy operates, where profitability is driven by absolute contribution per litre (or tonne) of product sold and not by a percentage margin. Excluding DCC Energy, the operating margin (excluding exceptionals) for the Group's other divisions was 3.5% (3.6% in 2011).

Increasingly Difficult Trading Conditions in DCC Energy

Overall, trading conditions, driven by the factors in DCC Energy referred to above, became increasingly difficult during the year. An analysis of the performance on a constant currency basis for the first half, the second half and the full year ended 31 March 2012 is set out in Tables 2 and 3.

A detailed review of the operating performance of each of DCC's divisions is set out on pages 14 to 39.

Finance Costs (net)

Net finance costs increased to €17.9 million (2011: €14.6 million) primarily due to higher average net debt of €248 million during the year, compared to €167 million during the prior year. Interest was covered 10.4 times by Group operating profit before amortisation of intangible assets (15.8 times in 2011).

Profit Before Net Exceptional Items, Amortisation of Intangible Assets and Tax

Profit before net exceptional items, amortisation of intangible assets and tax of €167.1 million decreased by 21.1% on a constant currency basis (by 22.2% on a reported basis).

Net Exceptional Charge and Amortisation of Intangible Assets

The Group incurred a net exceptional charge before tax of €22.8 million as follows:

	2012 €'m
Taiwanese legal claim	14.0
Restructuring of pension arrangements	3.6
Reorganisation and other costs	(19.4)
Asset impairments	(14.4)
Acquisition costs	(6.6)
Total	(22.8)

The cash effect of the net exceptional charge was €2.8 million.

Table 2: Revenue - Constant Currency

	2012 H1 €'m	2012 H2 €'m	2012 FY €'m	2011 H1 €'m	2011 H2 €'m	2011 FY €'m	Change H1 %	Change H2 %	Change FY %
DCC Energy	3,242.2	4,698.2	7,940.4	2,808.6	3,321.2	6,129.8	+15.4%	+41.5%	+29.5%
DCC SerCom	933.9	1,271.1	2,205.0	799.2	1,069.7	1,868.9	+16.9%	+18.8%	+18.0%
DCC Healthcare	158.6	175.9	334.5	166.3	157.0	323.3	-4.6%	+12.1%	+3.5%
DCC Environmental	67.8	67.1	134.9	53.4	53.0	106.4	+27.1%	+26.3%	+26.7%
DCC Food & Beverage	133.4	91.1	224.5	138.3	113.9	252.2	-3.5%	-20.0%	-11.0%
Total	4,535.9	6,303.4	10,839.3	3,965.8	4,714.8	8,680.6	+14.4%	+33.7%	+24.9%
Weighting %	41.8%	58.2%	100.0%	45.7%	54.3%	100.0%			

In January 2004 the London High Court awarded Stg£10.2 million in damages and interim costs of Stg£2.0 million (in both cases together with interest) to DCC's British based mobility and rehabilitation subsidiary for breach of an exclusive supply agreement by a Taiwanese supplier. Further amounts in respect of costs of Stg£2.9 million were subsequently determined by the London High Court to be payable. In order to enforce the London High Court judgements, it has been necessary to pursue the collection of all outstanding amounts through the Taiwanese courts. In March 2012, DCC received the initial Stg£12.2 million referred to above. The recovery of accumulated interest on this amount and the additional costs referred to above continue to be pursued through the Taiwanese courts. DCC has not accrued the amount of the outstanding claim.

Restructuring of certain of the Group's pension arrangements during the year gave rise to an exceptional gain of €3.6 million.

The Group incurred an exceptional charge of €19.4 million primarily in relation to restructuring costs and the cost of integrating recently acquired businesses.

There was a non-cash charge of €14.4 million relating to the impairment of subsidiary goodwill and an associate company investment and the write-down of certain property assets. Included in this charge is an impairment charge in relation to the carrying value of a company within the DCC Food & Beverage division, Allied Foods, following the loss of a major distribution contract during the year. In addition, on 3 April 2012 the Group announced that it had agreed to dispose of Altimate Group SA, DCC SerCom's Enterprise distribution business, which is expected to give rise to a loss of approximately €8.0 million, primarily resulting from the non-recovery of a portion of the goodwill arising since the acquisition of Altimate in 2000.

IFRS 3 requires that professional fees and tax costs (such as stamp duty) relating to the evaluation and completion of acquisitions are expensed in the Income Statement and these costs amounted to €6.6 million.

The charge for the amortisation of intangible assets was €11.3 million (2011: €10.9 million)

Profit Before Tax
Profit before tax of €133.0 million decreased by 28.6% on a constant currency basis (by 29.8% on a reported basis).

Taxation
The effective tax rate for the Group decreased to 18% compared to 21% in the previous year, the reduction being primarily due to a lower proportion of UK taxable profits and a reduction in the UK corporation tax rate.

Adjusted Earnings Per Share
Adjusted earnings per share of 163.51 cent decreased by 18.4% on a constant currency basis (a decrease of 19.5% on a reported basis). The decrease was 14.7% in the first half and 19.9% in the seasonally more important second half.

Table 3: Operating Profit - Constant Currency

	2012 H1 €'m	2012 H2 €'m	2012 FY €'m	2011 H1 €'m	2011 H2 €'m	2011 FY €'m	Change H1 %	Change H2 %	Change FY %
DCC Energy	19.5	65.3	84.8	30.1	107.2	137.3	-35.1%	-39.1%	-38.3%
DCC SerCom	15.8	38.1	53.9	14.3	31.7	46.0	+10.3%	+20.0%	+17.0%
DCC Healthcare	10.7	13.0	23.7	11.1	12.1	23.2	-3.9%	+7.7 %	+2.1%
DCC Environmental	8.2	6.2	14.4	7.0	4.6	11.6	+17.0%	+36.8%	+24.9%
DCC Food & Beverage	6.0	4.7	10.7	5.4	6.1	11.5	+11.5%	-23.3%	-7.0%
Total	60.2	127.3	187.5	67.9	161.7	229.6	-11.4%	-21.3%	-18.3%
Weighting %	32.1%	67.9%	100.0%	29.6%	70.4%	100.0%			

FINANCIAL REVIEW (continued)

The compound annual growth rate in DCC's adjusted earnings per share over the last 20, 15, 10 and 5 years is as follows:

	CAGR %
20 years (i.e. since 1992)	12.1%
15 years (i.e. since 1997)	10.3%
10 years (i.e. since 2002)	5.6%
5 years (i.e. since 2007)	2.6%

Dividend

The total dividend for the year of 77.89 cent per share represents an increase of 5.0% over the previous year. The dividend is covered 2.1 times (2.7 times in 2011) by adjusted earnings per share. Over the last 18 years (i.e. since DCC's flotation on the Irish and London stock exchanges), DCC's dividend has grown at a compound annual rate of 14.9%.

Return on Capital Employed

The creation of shareholder value through the delivery of consistent, long term returns well in excess of the cost of capital is one of DCC's core strengths. Notwithstanding the excellent working capital management, the Group's return on total capital employed reduced from 19.9% to 14.2% primarily reflecting the decline in operating profit in DCC Energy (as detailed in Table 4).

Table 4: Return on Total Capital Employed

	2012 ROCE	2011 ROCE
DCC Energy	**14.0%**	26.9%
DCC SerCom	**15.7%**	16.2%
DCC Healthcare*	**15.4%**	16.3%
DCC Environmental	**10.2%**	10.0%
DCC Food & Beverage	**13.7%**	14.9%
Group	**14.2%**	19.9%

* continuing activities

Cash Flow

Despite the challenging trading environment, the Group generated excellent operating and free cash flow during the year, as summarised in Table 5.

Operating cash flow in 2012 was €277.3 million compared to €269.6 million in 2011. Working capital days reduced from 4.9 days at 31 March 2011 to 2.5 days at 31 March 2012 and this gave rise to a net reduction in working capital of €46.6 million, despite a €2.0 billion increase in revenue, with debtor days reducing to 34.6 days from 36.8 days in the prior year.

This excellent operating cash flow performance generated increased free cash flow for the Group which, after interest and tax payments and net capital expenditure, amounted to €146.0 million compared to €123.6 million in the prior year.

Net capital expenditure in the year of €65.6 million (2011: €77.2 million) compares to a depreciation charge of €55.4 million (2011: €52.9 million).

With a cash impact of acquisitions in the year of €168.1 million and dividend payments to shareholders of €63.2 million, overall there was a net outflow of €83.0 million in the year leaving net debt at 31 March 2012 at a modest €128.2 million.

Table 5: Summary of Cash Flows

	2012 €'m	2011 €'m
Operating profit	**185.0**	229.6
Decrease/(increase) in working capital	**46.6**	(10.8)
Depreciation and other	**45.7**	50.8
Operating cash flow	**277.3**	269.6
Capital expenditure (net)	**(65.6)**	(77.2)
Interest and tax paid	**(65.7)**	(68.8)
Free cash flow	**146.0**	123.6
Acquisitions	**(168.1)**	(78.3)
Disposals	**(1.3)**	28.4
Dividends	**(63.2)**	(58.3)
Exceptional items	**(2.8)**	(8.9)
Share issues	**2.4**	3.8
Net (outflow)/ inflow	**(87.0)**	10.3
Opening net debt	**(45.2)**	(53.5)
Translation	**4.0**	(2.0)
Closing net debt	**(128.2)**	(45.2)

Balance Sheet and Group Financing

DCC's financial position remains very strong, well funded and highly liquid. At 31 March 2012 the Group had net debt of €128.2 million (2011: €45.2 million) and total equity of just over €1.0 billion (2011: €931.9 million). DCC has significant cash resources and relatively long term debt maturities. Substantially all of the Group's debt has been raised in the US private placement market with an average credit margin of 1.23% over floating Euribor/Libor and an average maturity of 5.5 years from 31 March 2012.

Table 6: Funding and Liquidity Position

	2012 €'m	2011 €'m
Cash and short term bank deposits	**670.8**	700.3
Overdrafts	**(70.7)**	(34.2)
Cash and cash equivalents	**600.1**	666.1
Bank debt repayable within 1 year	**(0.5)**	(0.5)
US Private Placement debt repayable*:		
Y/e 31/3/2012	**-**	(5.3)
Y/e 31/3/2014	**(66.9)**	(62.9)
Y/e 31/3/2015	**(219.2)**	(216.2)
Y/e 31/3/2016	**(15.4)**	(14.4)
Y/e 31/3/2017	**(113.2)**	(112.5)
Y/e 31/3/2018	**(56.2)**	(52.9)
Y/e 31/3/2020	**(215.4)**	(205.2)
Y/e 31/3/2022	**(44.9)**	(43.1)
Other	**3.4**	1.7
Debt	**(728.3)**	(711.3)
Net debt	**(128.2)**	(45.2)

* inclusive of related swap derivatives

Table 7: Analysis of Net Debt

	2012 €'m	2011 €'m
Non-current assets:		
Derivative financial instruments	**134.5**	84.4
Current assets:		
Derivative financial instruments	**4.3**	3.5
Cash and short term deposits	**630.0**	700.3
	634.3	703.8
Non-current liabilities:		
Borrowings	**(0.3)**	(0.7)
Derivative financial instruments	**(17.5)**	(30.1)
Unsecured Notes due 2013 to 2022	**(848.0)**	(761.5)
	(865.8)	(792.3)
Current liabilities:		
Borrowings	**(71.0)**	(35.3)
Derivative financial instruments	**(1.0)**	(0.5)
Unsecured Notes due 2011	**-**	(5.3)
	(72.0)	(41.1)
Net debt	**(169.0)**	(45.2)
Cash and short term deposits attributable to asset held for sale	**40.8**	-
Net debt including asset held for sale	**(128.2)**	(45.2)

The Group's strong funding and liquidity position at 31 March 2012 is summarised in Table 6.

Key financial ratios (at 31 March 2012), including those covenants included in the Group's various lending agreement are as follows:

	2012 Actual	2011 Actual	Covenant
Net debt: EBITDA	**0.5**	0.2	n/a*
EBITDA: net interest	**13.5**	19.3	3.0
EBITA: net interest	**10.4**	15.8	3.0
Total equity (€'m)	**1,014.0**	931.9	300.0

*the Group does not have any net debt: EBITDA lending covenants

The Group retains significant financial capacity to support its future growth plans.

The composition of net debt at 31 March 2012 and 2011 is analysed in Table 7. Further analysis of DCC's cash, debt and financial instrument balances at 31 March 2012 is set out in notes 28 to 31 in the financial statements.

Financial Risk Management

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors. These policies and guidelines primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions. 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 exchange and commodity price exposures within approved policies and guidelines. Further detail in relation to the Group's financial risk management and its derivative financial instrument position is contained in Note 47 to the financial statements.

Foreign Exchange Risk Management

DCC's reporting currency and that in which its share capital is denominated is the euro. Exposures to other currencies, principally sterling and the US dollar, arise in the course of ordinary trading.

A significant proportion of the Group's profits and net assets are denominated in sterling. The sterling:euro exchange rate strengthened by 5.6% from 0.8837 at 31 March 2011 to 0.8339 at 31 March 2012. The average rate at which the Group translates its UK operating profits weakened by 1.9% from 0.8522 in 2011 to 0.8684 in 2012.

FINANCIAL REVIEW (continued)

Approximately 70% of the Group's operating profit for the year ended 31 March 2012 was denominated in sterling and this is offset to a limited degree by certain natural economic hedges that exist within the Group, for example, a proportion of the purchases by certain of its Irish businesses are sterling denominated. DCC does not hedge the remaining translation exposure on the profits of foreign currency subsidiaries on the basis and to the extent that they are not intended to be repatriated. The 1.9% weakening in the average translation rate of sterling, referred to above, negatively impacted the Group's reported operating profit by €2.5 million in the year ended 31 March 2012.

DCC has investments in sterling operations which are highly cash generative and cash generated from these operations is reinvested in sterling denominated development activities rather than being repatriated into euro. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in or swapped (utilising currency swaps or cross currency interest rate swaps) into sterling, although this hedge is offset by the strong ongoing cash flow generated from the Group's sterling operations leaving DCC with a net investment in sterling assets. The 5.6% strengthening in the value of sterling against the euro during the year ended 31 March 2012, referred to above, gave rise to a translation gain of €46.7 million on the translation of DCC's sterling denominated net asset position at 31 March 2012 as set out in the Group Statement of Changes in Equity in the financial statements.

Where sales or purchases are invoiced in other than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months.

Commodity Price Risk Management

The Group is exposed to commodity cost price risk in its oil distribution and LPG businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period, in LPG commodity sales prices. Fixed price oil supply contracts are occasionally provided to certain customers for periods of less than one year. To manage this exposure, the Group enters into matching forward commodity contracts, not designated as hedges under IAS 39. While LPG price changes are being implemented, the Group hedges a proportion of its anticipated LPG commodity exposure, with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes. In addition, to cover certain customer segments for which it is commercially beneficial to avoid price increases, a proportion of LPG commodity price and related foreign exchange exposure is hedged. All commodity hedging counterparties are approved by the Board.

Credit Risk Management

DCC transacts with a variety of high credit rated financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty to ensure compliance with limits approved by the Board.

Interest Rate Risk and Debt/ Liquidity Management

DCC maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to three months. In addition, the Group maintains both committed and uncommitted credit lines with its relationship banks. DCC borrows at both fixed and floating rates of interest. It has swapped its fixed rate borrowings to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. The Group mitigates interest rate risk on its borrowings by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

Investor Relations

DCC's senior management team are committed to interacting with the international financial community to ensure a full understanding of DCC's strategic plans and current trading performance. During the year, the executive management team hosted a Capital Markets Day in London, presented at 9 capital market conferences and met over 150 institutional investors at one-on-one and group meetings.

Share Price and Market Capitalisation

The Company's shares traded in the range €16.70 to €23.07 during the year. The share price at 30 March 2012 was €18.56 (31 March 2011: €22.47) giving a market capitalisation of €1.55 billion (2011: €1.87 billion). Based on the Company's share price at 31 March 2012, Total Shareholder Return since the Group's flotation in May 1994 was 855.4%.

SUSTAINABILITY REPORT

FOLLOWING THE INTRODUCTION BY THE CHIEF EXECUTIVE ON PAGE 10, DETAILS OF OUR SUSTAINABILITY APPROACH AND ACTIVITIES ARE SET OUT IN THIS REPORT.

Profile, Boundary and Scope of Sustainability Reporting

This Sustainability Report follows the same reporting cycle and fiscal year as the Annual Report, i.e. to 31 March 2012, and includes all Group subsidiaries. Joint ventures are not included in the carbon emissions or LTI data, except where they are under the operational control of a DCC subsidiary. There are no significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. There is no restatement of data from the 2011 Sustainability Report.

The content of the report is the same as the prior year, with the material aspects having been initially identified by the Corporate Sustainability Working Group and developed to include additional areas relevant to investors and other stakeholders. Engagement with senior executives at sustainability workshops held during the year confirmed the importance of the material aspects included in this Report.

There is an increasing trend towards integrating sustainability information and analysis into mainstream annual reports to provide stakeholders with a clear and concise representation of how a company creates and sustains value over the long term. The issues highlighted in the sections below are reflected in the operating reviews as appropriate to those businesses and we expect to continue this process until, ultimately, a fully integrated report becomes our practice.

This report meets the requirements of the Global Reporting Initiative level C+ standard, as identified in the content table on page 54. Feedback on this report is welcome and should be addressed to John Barcroft, Head of Group Sustainability or David Byrne, Deputy Chairman and Senior Independent Director.

Governance, Structures and Processes

Good progress has been made in introducing sustainability into existing business processes. Sustainability is now a formal agenda item at subsidiary and divisional board meetings and a number of subsidiaries are formally reporting on the sustainability issues that are material to their businesses. Internal sustainability reporting is evolving and will become a standard process in the short term.

In November 2011, the Corporate Sustainability Working Group (CSWG), established in 2009, was replaced by a new high level Sustainability Committee which meets quarterly. It is chaired by the Chief Executive and includes divisional and subsidiary managing directors and senior Group executives. The Committee's purpose is to provide strategic oversight and direction to sustainability initiatives. It is focused on ensuring that sustainability delivers tangible value to the businesses and continues to be integrated into existing management processes, rather than being a stand alone function. The Committee has begun the process of developing a medium term sustainability strategy for DCC, setting out clear objectives at both Group and subsidiary level.

Stakeholder Engagement

Investor input is important to our sustainability strategy and we welcome all opportunities to engage with investors. We have responded positively to feedback received and implemented actions to improve our communication and reporting.

One of our key stakeholder groups are the senior executives who lead and develop our businesses. As part of our engagement with this group, over 100 senior executives from all divisions participated in a series of one day sustainability workshops, each tailored to their specific business sectors. The purpose of these workshops was to establish a clear understanding of sustainability and determine actions that could realise value from social and environmental trends. The workshops greatly benefited from the experience and insights of speakers from companies who are sustainability leaders in their respective sectors, including Marks & Spencers, Carillion, BT and Bodyshop International.

Employee issues are reported up through DCC's devolved structure by continuous interaction between subsidiary, divisional and Group management. Employee forums and communications channels within our subsidiaries already include sustainability issues, including health & safety, energy efficiency and community involvement. One of the outcomes from the workshops is a recognition that employee engagement on sustainability could be more systematic.

SUSTAINABILITY REPORT (continued)

Material Aspects

Four aspects of sustainability – our people, direct economic value, environment and health & safety - are considered to be material at Group level. These were determined in 2010 by the CSWG, following consultations with senior executives around the Group. A materiality matrix, with levels of importance to stakeholders and to DCC forming the two axes, was used to rate a wide spectrum of sustainability issues, allowing those issues that ranked highly on both axes to be prioritised for reporting. Over time these aspects will develop, for example climate change is now included in a wider commentary on the environment, and we will review them to take account of feedback from investors, customers, employees and other stakeholders.

Individual subsidiaries and divisions have additional aspects that are of particular relevance to them, for example customer engagement, supply chains, employee training and development, waste reduction, water conservation and resource scarcity, which were identified and explored in more detail at the sustainability workshops.

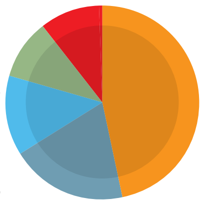
Our People

At 31 March 2012, DCC employed 8,868 people across the Group, approximately 90% of whom are in permanent employment. This figure has increased by approximately 10% from the prior year due to a number of recent acquisitions, in particular the acquisitions by DCC Energy of Maxol Direct, Pace and Butler Fuels in the UK and Swea Energi in Sweden and the acquisition by DCC Environmental of Oakwood Fuels in the UK.

An analysis of DCC employment by division and by geography is as follows:

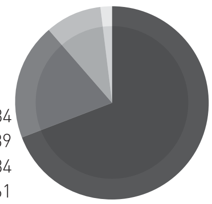
Employee numbers by division

DCC Energy	4,174
DCC SerCom	1,743
DCC Healthcare	1,169
DCC Environmental	896
DCC Food & Beverage	886



Employee numbers by geography

UK	6,134
Ireland	1,739
Continental Europe	834
Other	161



Graduate Recruitment Programme

The DCC Graduate Programme was put in place to support the development of a pipeline of senior executives who can grow and develop into international business leaders in the future. This two year programme commenced in September 2011 with the first intake of graduates. The 2011 graduates are currently progressing through the rotations within the programme which are designed to expose them to diverse sectors and businesses. To date feedback on the 2011 programme has been very positive, from the perspective of both the participating companies and the graduates. Projects which the graduates have been involved in include:

- research and review of a warehouse picking technology product to evaluate its potential business value and benefits, including the ease and viability of implementation;
- marketing and sales support activities, including depot and stakeholder engagement and creation of marketing materials and campaigns;
- management of 15 networking vendors by creating and executing marketing plans based on specific budgets.

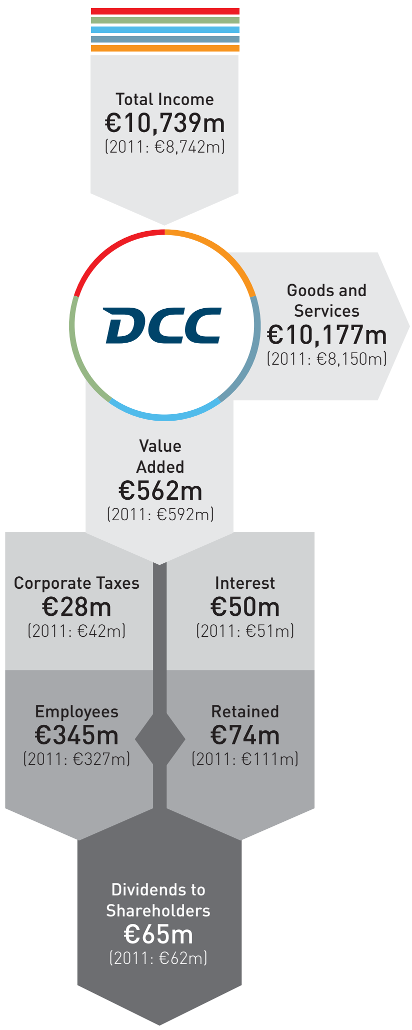
Given the success of the 2011 programme we have hired another tranche of graduates for commencement in September 2012, also on a two year rotational programme.

Business Ethics

DCC published Business Conduct Guidelines in 2011. These record the values of openness, honesty, trust, respect and accountability that are vital to the success of any organisation and provide more detailed guidelines for our employees on specific aspects of business ethics. The Guidelines have been circulated to employees across the Group and are available on our website. We will be taking further steps during the current year, including as part of our Group compliance programme, to ensure that awareness and use of the Guidelines remains strong across the Group.

The DCC Whistleblowing Policy provides a clear mechanism for employee reporting of malpractice or misconduct within the organisation.

Following the enactment of the Bribery Act 2010 in the UK, training workshops were held in August and September 2011 for all UK subsidiaries. Subsequently all Group subsidiaries completed a standard risk assessment to provide information on existing bribery policies and procedures, which were used to finalise anti bribery and corruption policies for each subsidiary. Gifts and hospitality registers were also put in place at both subsidiary and corporate level. The DCC Group Anti Bribery and Corruption Policy was approved by the Board in November 2011 and is on our website.



Direct Economic Value Added

A key measure of our sustainability is the economic value generated from our activities over the long term. Other sections of the Annual Report present detailed financial information, which is summarised in the graphic to represent the principal value added to stakeholders.

In the year ended 31 March 2012, €562 million of added value was created, taking account of the cost of inputs from suppliers of €10,177 million and total income of €10,739 million (€10,690 million revenue as per the Group Income Statement, €32 million finance income and €17 million other operating income). This value added is distributed in the form of remuneration to employees of €345 million, corporate taxes of €28 million, interest to lenders of €50 million and dividends[1] to shareholders of €65 million. €74 million is retained in the business to fund further growth.

Community Support

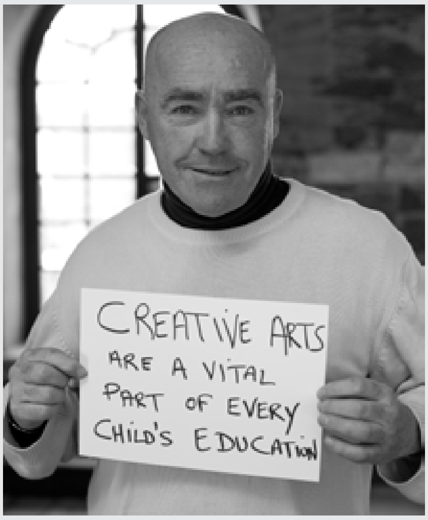
Across the DCC Group, subsidiaries are involved in activities to support local communities and local and national charities. Employees are actively involved in fund raising and giving their time and effort to these campaigns, supported by direct financial contributions from subsidiaries. These financial contributions are managed at local level and are not collated at Group level.

Naomi House

IN EARLY 2011, MICRO P, A SUBSIDIARY OF DCC SERCOM, TOOK THE DECISION TO FOCUS ITS SUPPORT FOR WORTHWHILE CAUSES ON SPECIFIC CHARITIES BASED WITHIN THE LOCAL COMMUNITY. EMPLOYEES WERE ASKED TO NOMINATE A CHARITY AND THEY CHOSE NAOMI HOUSE, A HAMPSHIRE BASED HOSPICE FOR CHILDREN. OVER THE NEXT YEAR MICRO P EMPLOYEES ACTIVELY UNDERTOOK A HOST OF INITIATIVES RANGING FROM PHYSICAL UNDERTAKINGS, SUCH AS SCALING THREE UK PEAKS, HOLDING AUCTIONS AND GIVING UP THEIR TIME TO UNDERTAKE GARDENING AND MAINTENANCE PROJECTS, BOTH IN WORK AND PERSONAL TIME.

The relationship with this specific charity has developed in a genuine and mutually beneficial way where Micro P has been able to share its most valuable asset, time, and in return feel that it is adding value to the communities in which it operates. An additional benefit has been Micro P's ability to involve key suppliers and customers in the various activities to create a sense of purpose and community.

SUSTAINABILITY REPORT (continued)



FIGHTING WORDS IS A CREATIVE WRITING CENTRE THAT IS THE BRAINCHILD OF SEÁN LOVE, FORMER DIRECTOR OF AMNESTY IRELAND, AND WRITER RODDY DOYLE. STAFFED MAINLY BY VOLUNTEERS, FIGHTING WORDS RUNS FREE CREATIVE WRITING AND STORYTELLING WORKSHOPS FOR STUDENTS OF ALL AGES TO ENHANCE THEIR CREATIVE WRITING SKILLS AND BUILD THEIR CONFIDENCE IN WRITING ABILITY AND SELF-EXPRESSION.

In just three years the centre has hosted over 32,000 students of all ages in workshops in fiction writing, film-making, song writing and graphic novels. The centre is booked out a year in advance and Social Entrepreneurs Ireland is working with Seán Love to examine models to scale Fighting Words to enable much greater numbers of people to benefit from these workshops.

social entrepreneurs IRELAND

Social Entrepreneurs Ireland
Following a review in 2010, DCC is focusing its corporate giving resources more strategically and consistently. 2011 was the first year of a three year partnership with Social Entrepreneurs Ireland, an organisation that enables high potential social entrepreneurs to maximise their potential impact. In 2011, DCC contributed management time and direct funding of €120,000 to support the awardee selection process which culminated in an awards ceremony last October, addressed by An Taoiseach, Enda Kenny.

Seán Love, profiled above, is an example of an awardee who is creating real social change using an entrepreneurial business model.

Environment

Climate Change Strategy
Climate change continues to remain high on our agenda. In 2011 we substantially reviewed and updated the DCC Carbon Management Plan to a new DCC Climate Change Strategy designed to identify and prepare for the risks and opportunities arising from climate change. The strategy also introduces a requirement for all subsidiaries to develop a business specific carbon intensity metric (for example kg of CO_2e emissions per 1,000 units delivered or manufactured) and establish a target to reduce intensity by 15% in 2015 and 20% in 2020 against performance in the base year to 31 March 2011. We will report on progress towards these targets in subsequent reports. Initiatives to reduce carbon emissions focus on transport emissions and include the continuing roll out of engine monitoring systems, routing software and fuel efficient driver training. Projects such as the installation of heating controls and energy efficient lighting reduce emissions arising from the use of heating fuels and electricity.

Carbon Reduction Commitment Energy Efficiency Scheme
DCC's UK subsidiaries fall within the scope of the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and a subset of our UK carbon emissions (emissions from transport fuels are not included) for the year ended 31 March 2011 was reported to the Environment Agency in July 2011.

In the second year (to 31 March 2012), a levy of Stg£12 per tonne of relevant carbon emissions generated will be charged resulting in a cost to DCC of approximately Stg£250,000. Following announcements by the UK Chancellor in April 2012, the CRC will be substantially reformed to reduce administrative costs for businesses or will be replaced by an alternative environmental tax by 2014. In either case the incentive remains for our businesses to minimise carbon emissions through energy efficiency measures across all operational areas.

SQUADRON MEDICAL WORKS WITH NUMEROUS HEALTHCARE SUPPLIERS TO PROVIDE NHS HOSPITALS AROUND THE UK WITH A CONSOLIDATED LOGISTICAL SERVICE, DIRECT FROM A CENTRAL LOCATION IN CHESTERFIELD.

As part of their commitment to reducing carbon emissions and providing customers with credible supply chain carbon metrics, Squadron achieved Carbon Trust Standard certification in 2011. As Terry Barnett, Transport Manager explains, **"Efficiency measures save energy, cut costs and reduce carbon emissions, delivering real benefits to our business, our customers and the environment. Current initiatives include vehicle telemetry, fuel efficient driver training, introduction of routing software, backhauling and the completion of our new warehouse facility built to a BREEAM[2] rating of Very Good."**

FUEL CARD SERVICES (FCS), A DCC ENERGY SUBSIDIARY, IS ONE OF THE LARGEST INDEPENDENT AGENTS OF FUEL CARDS IN THE UK, WORKING ON BEHALF OF MOST OF THE MAJOR OIL COMPANIES.

Anticipating an increasing demand for carbon emissions data associated with fuel use, FCS developed an innovative new service for their customers. CO_2Count provides a comprehensive greenhouse gas emissions report with each invoice, detailing emissions data per vehicle and fuel type. At a glance, the user can see their entire fleet's production of greenhouse gases, use the online reporting tool and, month by month, evaluate their emission reduction initiatives.

UK fleet managers have welcomed CO_2Count's accurate emissions reporting. **"Absolutely sold on the idea, think it's great, will be a real benefit to our company as we need to know this information for when we tender, and when we deal with other companies."** Heather Stone, Keith Walton Brickwork Ltd.

Steve Clarke, Fuel Card Services head of marketing, says: **"Whether running vans, cars or trucks, customers all face growing pressure to reduce carbon footprints. That has to start with measuring emissions."**

Carbon Trust Standard

The Carbon Trust Standard (CTS) is a leading certifier of organisational carbon footprint reductions, providing stakeholders with credible and independent validation of an organisation's performance. Three subsidiaries were newly certified to the CTS in the past year - Wastecycle, GB Oils and Squadron Medical - and Flogas UK successfully passed the CTS recertification process for a further two year period.

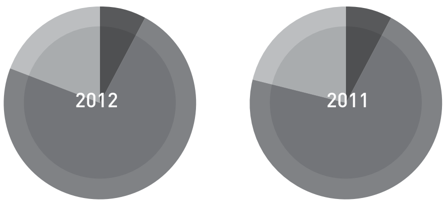
Greenhouse Gas Emissions

Details of our energy use and greenhouse gas emissions are set out in the tables on page 52. The DCC Energy and Carbon Reporting Guidelines, based on the Greenhouse Gas Protocol, set out in detail the scope and sources included in the DCC Group carbon footprint[3]. Total carbon emissions were flat compared to the prior year. Within the total, however, there were a number of significant movements in carbon emissions as follows:

- Reduced transport emissions in the Energy division as a result of lower activity due to the mild winter.
- The acquisitions of Butler Fuels (DCC Energy) and Oakwood Fuels (DCC Environmental) increased emissions by 2,713 and 2,558 tonnes CO_2e respectively and bolt on acquisitions by GB Oils (Pace, Severn Fuels) and Wastecycle (Maxi Waste) further increased emissions.
- Reduced warehouse and office heating demand as a result of the mild winter.
- Reduced emissions (4,218 tonnes CO_2e) in the Food & Beverage subsidiary Allied Foods, driven by the loss of a significant contract in the logistics business which reduced demand for transport fuels and for electricity to maintain cold storage units.

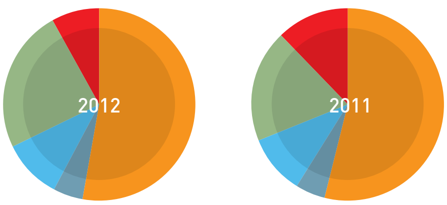
SUSTAINABILITY REPORT (continued)

CO_2e emissions (tonnes) by source



Scope 1	2012*	%	2011	%
On site fuel use	9,020	8%	9,070	8%
Company transport	85,187	73%	82,968	71%
Scope 2				
Electricity	22,657	19%	24,268	21%
Total	**116,864**		**116,306**	

CO_2e emissions (tonnes) by division



	2012*	%	2011	%
DCC Energy	62,334	53%	62,427	54%
DCC SerCom[4]	6,227	5%	6,313	5%
DCC Healthcare	11,220	10%	11,340	10%
DCC Environmental	27,700	24%	22,502	19%
DCC Food & Beverage	9,383	8%	13,724	12%
Total	**116,864**		**116,306**	

There were no internal structural changes, for example outsourcing of emitting activities, site openings or closures or new business developments, which had significant impact on the Group's carbon emissions.

Transport and heating fuels from non renewable sources make up the direct sources of primary energy purchased within the Group. In total they represented 1,127,780 Gigajoules (GJ) of energy. Indirect energy consumption amounted to 159,855 GJ from electricity purchased. Green tariff electricity accounts for less than 1% of indirect energy purchased.

Scope 3 emissions are indirect emissions outside of our immediate control, for example business travel, extraction of raw materials, supplier emissions, consumption of products and waste disposal. While we have not systematically quantified Scope 3 emissions, the use of products sold within the Energy division is a significant source of carbon emissions. The use of oil, LPG and natural gas sold by DCC Energy subsidiaries accounted for approximately 21 Mtonnes of CO_2e emissions, an increase from 19 Mtonnes in the prior year. Acquisitions by GB Oils lead to an increase in sales of forecourt diesel and petrol, offset by a decrease in the sale of kerosene heating oil.

Carbon Disclosure Project

In 2011, DCC's response to the investor led Carbon Disclosure Project achieved a score of 83%, placing DCC in the Ireland Carbon Leaders index and in 4th place out of 33 responding companies. The CDP is a global initiative, funded by the investment community, to encourage companies to measure carbon emissions and disclose information on carbon management. We will work to maintain our excellent position on disclosure rankings and, furthermore, demonstrate progress against our carbon reduction targets. In addition to responding to the CDP investor questionnaire, there are early signs that a number of our subsidiaries will be impacted by the CDP Supply Chain Programme as customers increasingly look for carbon data from their suppliers.

Compliance and Spills

No fines or non-monetary sanctions for non-compliance with environmental laws and regulations (for example in relation to waste packaging, waste electronic and electrical equipment, pollution, or environmental licencing) have been incurred in the reporting period and no environmental cases have been brought through dispute resolution mechanisms.

Potential for significant environmental impact from loss of containment of products arises principally in our oil businesses, specifically from sea fed oil terminals. These terminals are regulated under COMAH[5] legislation in the UK and subject to regular inspection by the regulatory authorities. Physical control measures, such as bunding and tank gauges/alarms, operational controls, such as tank integrity testing, training and detailed procedures are in place to prevent loss of containment of products. No significant spills were recorded in the reporting period[6].

Ozone Depleting Substances

Allied Foods, a DCC Food & Beverage subsidiary, operates chilled and frozen storage warehouses and as such is the most significant user of refrigerant gases, including R22/HCFC22, an ozone depleting substance (ODS)[7], within the DCC Group. Smaller quantities of R22 are also used for cooling in Sharptext and Thompson & Capper.

In 2011 a release of 0.208 tonnes of R22 occurred in Allied Foods' Cork facility. This is equivalent to 0.0114 tonnes of CFC-11. Following the release, the remaining R22 was recovered and the unit was refilled with R404A, in advance of the ultimate ban on R22 in 2015. No releases of R22 occurred in Sharptext or Thompson & Capper.

The Allied Foods' Dublin facility uses ammonia as the plant refrigerant gas and small quantities of R404A are used in vehicle chilling units. These gases have an ozone depletion potential of zero.

Health & Safety

Health and safety is a key priority for all divisional and subsidiary managing directors, in particular in the Energy and Environmental divisions where the potential impacts are significant given the nature of the businesses and the products handled. Line managers are responsible for health and safety performance, supported by experienced health and safety professionals.

Near Miss Reporting

A near miss is any situation, behaviour or condition that has the potential to cause an actual incident. As part of our effort to reduce accidents or other losses, employees are actively encouraged to recognise and report near misses. In the past year over 8,000 near misses were reported, including unsafe work practices, substandard housekeeping, defective equipment and unsafe deliveries. Near miss reports are appropriately reviewed and actioned as every report is an opportunity to improve standards and prevent an incident occurring. Over time we believe that this focus, in addition to other health and safety risk management processes, will reduce injury rates, minimise losses and contribute positively to the overall performance of our businesses.

Health and Safety Performance

Health and safety performance is reported monthly to divisional boards and quarterly to the DCC plc Board. Individual subsidiaries use a range of indicators to measure health and safety performance, including both lagging indicators, which measure failures of management systems, for example lost time injury rates, and leading indicators, which monitor the successful implementation of safety management processes, for example performance of safety critical equipment when tested.

Lost time injury rates are recorded at Group level for the operations within the scope of this report. In the reporting period, the lost time injury frequency rate (LTIFR) decreased from 2.5 per 200,000 hours worked to 2.3[9]. At the same time the lost time injury severity rate (LTISR) increased from 48 to 53 days lost per 200,000 hours worked reflecting, on average, more days lost per accident. The improvement in the LTIFR was primarily driven by good performance from the Energy and Environmental divisions. The increase in the LTISR is driven by a relatively small number of accidents resulting in very long periods of time off. In the current year, active case management to facilitate the full recovery of injured parties and their timely return to work will be a focus at a number of subsidiaries, in addition to a renewed focus on the prevention of accidents in the first instance.

Process Safety

Process safety focuses on preventing unintentional releases of products resulting in fire and/or explosion causing a major accident. The provision of an effective process safety management system is a key requirement to minimise the likelihood of a major incident and to meet the safety and environmental standards for fuel storage sites as determined by the Process Safety Leadership Group, which was established to complete the implementation of the Buncefield Major Incident Investigation Board's recommendations. GB Oils is implementing a competence improvement plan for its staff involved with major hazards. In addition, a programme of upgrades has been agreed with the regulator to further reduce the risk and /or consequence of the major hazards at oil terminals, in particular by improving bunding and overspill protection.

Safety Auditing

The International Safety Rating System (ISRS) tool, developed by DNV, a leading risk management company, is used in the EHS audits carried out at our Energy and Environmental subsidiaries, which present a higher EHS risk profile than other subsidiaries. ISRS addresses a range of management processes, driving continuous review of current policies and procedures to develop efficient and effective management systems. The ISRS audit identifies opportunities to further improve processes and quantitatively measures progress over time. With an increased emphasis on leadership, communication and employee involvement, our expectation is that our safety culture will improve and deliver tangible business benefits.

The Safety Climate Tool, developed by the Health and Safety Laboratory[10], has been used at a number of subsidiaries to objectively assess employees views on safety culture. These surveys provide a measure of the degree to which company management has been successful in raising safety awareness and communicating their commitment to high safety standards. Opportunities for improvement have been identified from the feedback received.

KPI - LTIFR

Number of lost time injuries[8] per 200,000 hours worked

KPI - LTISR

Number of calendar days lost per 200,000 hours worked

1 Paid and proposed for the year ended 31 March 2012
2 BREEAM is one of the most comprehensive and widely recognised measure of a building's environmental performance and sets a standard for best practice in sustainable building design, construction and operation.
3 Carbon dioxide emissions make up over 98% of the Groups greenhouse gas emissions. Other greenhouses gases emissions include fugitive refrigerant gases (e.g. R404A and R407C) from our chilled foods logistics business (860 tonnes CO_2e) and fugitive landfill gas emissions from a closed landfill in Scotland where 80% of the methane is captured to generate renewable energy (872 tonnes CO_2e).
4 Including DCC head office emissions (<100 tonnes CO_2e)
5 Control of Major Accident Hazards
6 Significant is defined as a major environmental event which exceed EC reporting thresholds under COMAH regulations.
7 R22/HCFC22 is a Class II ozone-depleting substances regulated under the Montreal Protocol on Substances that Deplete the Ozone Layer and has an ozone depleting potential of 0.055 compared to CFC11, the standard reference.
8 A Lost Time Injury is defined as any injury that results in at least one day off work following the day of the accident.
9 Company employees only, contractors are not included in lost time injury rates.
10 The Health and Safety Laboratory is an in-house agency of the UK Health and Safety Executive with a mission to directly help organisations become healthier, safer and therefore, more productive places in which to work.

SUSTAINABILITY REPORT (continued)

Standard Disclosures / Report Application Level		C	C+	B	B+	A	A+
G3 Profile Disclosures	OUTPUT	Report on: 1.1 2.1 - 2.10 3.1- 3.8,3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assessed	Report on all criteria lsted for level C plus: 1.2 3.9, 3.13 4.5 -4.13, 4.16 - 4.17	Report Externally Assessed	Same as requirement for Level B	Report Externally Assessed
G3 Management Approach Disclosures	OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
G3 Performance Indicators & Sector Supplement Performance Indicators	OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of Economic, Social and Environmental		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a)reporting on the Indicator or b) explaining the reason its omission	

*Sector supplement in final version

CONTENT TABLE FOR GRI LEVEL C

GRI Section No.	Standard Disclosure	Reported	Page(s)
1.1	Statement from Chief Executive	Fully	10-11
2.1 – 2.10	Organisational Profile	Fully	2-5
3.1 – 3.8	Profile, Boundary and Scope	Fully	47
3.10 – 3.12	Restatement	Fully	47
4.1 – 4.4	Governance	Fully	64-73
4.14 – 4.15	Stakeholder Engagement	Fully	47
EC1	Direct Economic Value	Fully	49
EN3	Direct Energy Consumption	Fully	52
EN4	Indirect Energy Consumption	Fully	52
EN16	Greenhouse Gases	Fully	52
EN17	Other Indirect Sources	Fully	52
EN19	Ozone Depleting Substances	Fully	52
EN23	Spillage	Fully	52
EN28	Non-Compliance	Fully	52
LA1	Workforce	Partially	53
LA7	Rates of Injury	Partially	53
SO2	Corruption	Fully	48
SO6	Political Contributions	Fully	61

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF DCC PLC

WE HAVE BEEN ENGAGED BY THE DIRECTORS OF DCC PLC (DCC) TO PERFORM AN INDEPENDENT ASSURANCE ENGAGEMENT IN RESPECT OF SELECTED ASPECTS OF DCC'S SUSTAINABILITY PERFORMANCE, DISCLOSED IN ITS SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 MARCH 2012 ('THE REPORT').

What we did and our conclusions

We planned and performed our work, summarised below, to obtain the evidence we considered necessary to reach our assurance conclusions on the Selected Sustainability Data.

What we are assuring (Selected Sustainability Information)

- The selected sustainability data for the year ended 31 March 2012 marked with the symbol * presented in the Report (the Selected Sustainability Data).
- DCC's declared Global Reporting Initiative (GRI) application level of C+ of the GRI "G3" Guidelines as stated on page 47 of the Report.

The scope of our work was restricted to the Selected Sustainability Information for the year ended 31 March 2012 and does not extend to information in respect of earlier periods or to any other information in the Report.

How the information is assessed (Reporting Criteria)

DCC's Reporting Criteria at http://www.dcc.ie/~/media/Files/D/DCC-Group-Plc/pdfs/carbon-LTI-reporting-criteria.pdf and the GRI G3 Guidelines at https://www.globalreporting.org/reporting/guidelines-online/G3Online/Pages/default.aspx set out how the Selected Sustainability Data is measured, recorded and reported.

Assurance standard applied[1]
ISAE 3000.

Level of assurance[2]
Limited Assurance.

Understanding DCC's reporting and measurement methodology
There is not yet an established practice for evaluating and measuring sustainability performance information. The range of different, but acceptable, techniques used can result in materially different reporting outcomes which may affect comparability with other organisations. It is therefore important to read and understand the Reporting Criteria at http://www.dcc.ie/~/media/Files/D/DCC-Group-Plc/pdfs/carbon-LTI-reporting-criteria.pdf and the GRI G3 Guidelines at https://www.globalreporting.org/reporting/guidelines-online/G3Online/Pages/default.aspx that DCC has used to evaluate and measure the Selected Sustainability Data.

Limited assurance work performed on the Selected Sustainability Information
We performed the following activities:

- Evaluated the design and implementation of key processes and controls over the Selected Sustainability Data;
- Assessed the source data used to prepare the Selected Sustainability Data for the period 1 April 2011 to 31 March 2012, including re-performing a sample of calculations;
- Carried out analytical procedures over the Selected Sustainability Data;
- Examined on a sample basis the preparation and collation of the Selected Sustainability Data, as well as making inquiries of management and others;
- Performed site visits to ten sites to review systems and processes in place for managing and reporting on sustainability activities, and examined source documentation on a sample basis;
- With respect to the carbon figures disclosed and marked with the symbol * on page 52 of the Report, we evaluated the methodology and basis of converting the original reported unit into carbon emission equivalent tonnes. We agreed a sample of emission factors back to the stated source (as detailed in the Reporting Criteria);
- Reviewed the Selected Sustainability Data disclosures; and
- Assessed the GRI Index on page 54 of the Report for compliance with the GRI application level requirements for C+. This consisted of examining supporting documentation, on a sample basis, where relevant.

Our conclusions
As a result of our procedures nothing has come to our attention that indicates:

- The Selected Sustainability Data for the year ended 31 March 2012 is not prepared in all material respects with the Reporting Criteria; and
- DCC's declared GRI application level of C+ on page 47 of the Report is not fairly stated in all material respects.

DCC's responsibilities
The directors of DCC are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the Selected Sustainability Information;
- establishing objective assessment and Reporting Criteria for preparing the Selected Sustainability Data;
- measuring DCC's performance based on the Reporting Criteria; and
- the content of the Annual Report.

Our responsibilities
We are responsible for:

- forming independent conclusions, based on our limited assurance procedures;
- reporting our conclusions to the directors of DCC; and
- reading the other information included in the Report as well as the Chief Executive's Review, Group at a Glance, Business Model and Strategy, Corporate Governance Statement and Report of the Directors of the DCC plc Annual Report, and considering the consistency of that other information with the understanding gained from our work, and considering the implications for our report if we become aware of any material inconsistencies. Our responsibilities do not extend to any information other than the Selected Sustainability Information in the Report.

This report, including our conclusions, has been prepared solely for the directors of DCC as a body in accordance with the agreement between us, to assist the directors in reporting DCC's sustainability performance and activities. We permit this report to be disclosed in the Annual Report for the year ended 31 March 2012, to enable the directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and DCC plc for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers
Chartered Accountants
Dublin, Ireland
14 May 2012

Notes
1. International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB.

2. Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter ("Sustainability Information") assessed against the Reporting Criteria. Reasonable assurance gives more confidence than limited assurance. The evidence gathered to support a reasonable assurance conclusion is greater than that gathered to support a limited assurance conclusion.

3. We comply with the applicable independence and competency requirements of the Chartered Accountancy Regulatory Board (CARB) Code of Ethics.

BOARD OF DIRECTORS






Michael Buckley MA, LPh, MCSI

(age 67) Non-executive Chairman; Chairman, Nomination and Governance Committee; Member, Remuneration Committee

Joined Board: Mr. Buckley joined the Board in September 2005 and was appointed non-executive Chairman in May 2008.

Key strengths: Mr. Buckley has senior management and board level experience over 25 years in stockbroking, mergers and acquisitions, banking, enterprise software, internationally traded services and healthcare businesses, in Ireland and internationally.

Previous board and management experience: He was Group Chief Executive of Allied Irish Banks plc from 2001 to 2005 having served as Managing Director of AIB Capital Markets and AIB Poland. Previously, he was Managing Director of NCB Group and a senior public servant in Ireland and the EU. He was previously a non-executive director of M and T Bank Corporation, listed on the New York Stock Exchange, and of Enterprise Ireland.

Current external commitments/relevant qualifications: He is a non-executive director of UK Asset Resolution Limited and Senior Advisor to a number of privately owned companies. He is an adjunct professor and chairs the Advisory Board at the Department of Economics in the National University of Ireland, University College Cork, and chairs the Board of the Irish Chamber Orchestra.

Tommy Breen B Sc (Econ), FCA

(age 53) Chief Executive

Joined Board: Mr. Breen joined the Board in February 2000.

Key strengths: He joined DCC in 1985, having previously worked with KPMG, and has held a number of senior management positions within the Group, including Managing Director of the Energy, SerCom and Environmental divisions. He was appointed Chief Operating Officer of DCC in March 2006 and subsequently became Group Managing Director in July 2007. He was appointed Chief Executive in May 2008.

Previous management experience: As detailed above, Mr. Breen has gained broad experience and knowledge of the DCC Group, during his 26 years with DCC.

Relevant qualifications: He is an economics graduate of Queens University Belfast and a chartered accountant.

Róisín Brennan BCL, FCA

(age 47) Non-executive Director; Member, Nomination and Governance Committee; Member, Remuneration Committee

Joined Board: Ms. Brennan joined the Board in September 2005.

Key strengths: Ms. Brennan has over 20 years experience advising companies on mergers and acquisitions, takeovers, disposals, fundraisings and initial public offerings.

Previous board and management experience: She is a former Chief Executive of IBI Corporate Finance where she worked from 1990 until 2011. She is a former non-executive director of The Irish Takeover Panel.

Current external commitments/relevant qualifications: She sits on the Finance, Remuneration and Asset Management Committee of University College Dublin. She qualified as a chartered accountant with Arthur Andersen.

David Byrne SC

(age 65) Non-executive Deputy Chairman and Senior Independent Director; Member, Nomination and Governance Committee; Member, Remuneration Committee

Joined Board: Mr. Byrne joined the Board and was appointed Deputy Chairman and Senior Independent Director in January 2009.

Key strengths: Mr. Byrne has practised at the top of the legal profession. Following 27 years of practice as a barrister, he was Attorney General of Ireland from 1997 to 1999. Mr. Byrne served as the first EU Commissioner for Health and Consumer Protection from 1999 to 2004. Following this, he served as Special Envoy of the Director-General of the World Health Organisation. His international commercial experience at board and advisory level ranges across the food, healthcare and construction materials sectors.

Previous board and management experience: He has previously been a member of the boards of public and private companies, including The National Concert Hall (chairman), Irish Life & Permanent plc and Alltech (Ireland) Limited.

Current external commitments/relevant qualifications: He is a non-executive director and chairman of the remuneration committee of Kingspan Group plc and serves on a number of commercial international advisory boards. Mr. Byrne also chairs the National Treasury Management Agency Advisory Committee.

Kevin Melia FCMA, JDipMA

(age 64) Non-executive Director; Member, Audit Committee

Joined Board: Mr. Melia joined the Board in December 2008.

Key strengths: Mr. Melia has long experience across the IT sector, including hardware manufacturing and distribution and software development, as a corporate executive, an entrepreneur and as a non-executive director in listed companies. Additionally, he has experience as a principal in the private equity sector, and as a non-executive director in the financial services sector.

Previous board and management experience: He is a former non-executive Chairman of Vette Corp, Iona Technologies and Authorize.Net and was the Co-founder, Chairman and Chief Executive Officer of Manufacturers Services Ltd. Previous positions held include Chief Financial Officer and Executive Vice President of Operations of Sun Microsystems and President of its computer hardware division. Mr. Melia also held a number of senior management positions at Digital Equipment Corporation.

Current external commitments/relevant qualifications: He is a Joint Managing Director of Boulder Brook Partners, a private investment company and is non-executive director of Merrion Capital, Newtide Acquisitions, Analogic Corporation, Greatbatch Inc, RadiSys Corp and a member of the advisory Board of C&S Wholesale Grocers and Distributors.

John Moloney B.Agr.Sc., MBA

(age 57) Non-executive Director; Member, Audit Committee

Joined Board: Mr. Moloney joined the Board in February 2009.

Key strengths: Mr. Moloney has extensive top management and board level experience internationally and domestically in the dairy, meat and nutritionals sectors, covering processing, manufacturing and distribution.

Previous board and management experience: He worked with the Department of Agriculture, Food and Forestry as well as in the meat industry in Ireland.

Current external commitments/relevant qualifications: He is Group Managing Director of Glanbia plc where he has been a board member since 1997. He is a director of the Irish Dairy Board Co-operative Limited and a council member of the Irish Business and Employers Confederation.

Donal Murphy B Comm, BFS, MBA

(age 46) Executive Director

Joined Board: Mr. Murphy joined the Board in December 2008.

Key strengths: Mr. Murphy has been Managing Director of DCC Energy since 2006. He was previously Managing Director of DCC SerCom having been appointed in 2004. He joined DCC plc as Head of Group IT in 1998.

Mr. Murphy has extensive experience in managing businesses in diverse industry sectors and in leading the acquisition and integration of numerous businesses, particularly in the Energy sector.

Previous management experience: He previously worked with Allied Irish Banks plc.

Relevant qualifications: He is a commerce graduate and a BFS graduate of University College Dublin and has also completed an MBA with the Smurfit Business School, Dublin.

Fergal O'Dwyer FCA

(age 52) Executive Director

Joined Board: Mr. O'Dwyer joined the Board in February 2000.

Key strengths: Mr. O'Dwyer joined DCC in 1989 and was appointed Chief Financial Officer in 1994, having worked in that role in the lead up to DCC's flotation in that year.

He has worked in DCC in senior management positions for over 22 years and during that time he has worked closely with all of the Group's material operating companies on a range of financial management, treasury and strategic and development matters.

Previous management experience: Prior to joining DCC in 1989, he previously worked with KPMG and Price Waterhouse in audit and corporate finance.

Relevant qualifications: He qualified as a chartered accountant in 1982.

Bernard Somers B Comm, FCA

(age 63) Non-executive Director; Chairman, Audit Committee

Joined Board: Mr. Somers joined the Board in September 2003.

Key strengths: Mr. Somers has long experience both as a principal and as an advisor in corporate advisory and restructuring projects. He has been for many years an investor in and advisor to start-up companies. He also brings extensive experience as a non-executive director in listed companies in the transport and financial sectors.

Previous board and management experience: He is a former director of public and private companies in Ireland and the USA and is former executive chairman of eTel group Limited.

Current external commitments/relevant qualifications: He is founder of Somers & Associates, which specialises in debt and corporate restructuring. He is a non-executive director of eircom Limited, Irish Continental Group plc and is non-executive chairman of Escher Group Holdings plc.

Leslie Van De Walle

(age 56) Non-executive Director; Chairman, Remuneration Committee; Member, Nomination and Governance Committee

Joined Board: Mr. Van de Walle joined the Board in November 2010.

Key strengths: Mr. Van de Walle has a very wide range of international senior management business experience, as well as experience as a non-executive director, in the oil and gas sector, in the food and drinks industry, in manufacturing, in building materials and in the insurance sector.

Previous board and management experience: He is a former non-executive director of Aviva plc and former Chief Executive Officer of Rexam plc. He previously held a number of senior executive roles in Royal Dutch Shell plc, including Executive Vice President of Retail for Oil Products and Head of Oil Products, Shell Europe. He has also held a number of senior management positions with Cadbury Schweppes plc and United Biscuits plc where he was CEO. He was also a non-executive director of Aegis Group plc from 2003 to 2009.

Current external commitments/relevant qualifications: He is non-executive Chairman of SIG plc and is a non-executive director of La Seda de Barcelona S.A.

Board

Name	Length of service on Board
Michael Buckley (Non-executive Chairman)	6 years
Tommy Breen (Chief Executive)	12 years
Róisín Brennan (Non-executive Director)	6 years
David Byrne (Non-executive Deputy Chairman and Senior Independent Director)	3 years
Kevin Melia (Non-executive Director)	3 years
John Moloney (Non-executive Director)	3 years
Donal Murphy (Executive Director)	3 years
Fergal O'Dwyer (Executive Director)	12 years
Bernard Somers (Non-executive Director)	8 years
Leslie Van de Walle (Non-executive Director)	1.5 years

Audit Committee

Name	Length of service on Committee
Bernard Somers (Chairman)	6 years
Kevin Melia	3 years
John Moloney	3 years

Nomination and Governance Committee

Name	Length of service on Committee
Michael Buckley (Chairman)	6 years
Róisín Brennan	1 year
David Byrne	3 years
Leslie Van De Walle	1 year

Remuneration Committee

Name	Length of service on Committee
Leslie Van De Walle (Chairman)	1.5 years
Róisín Brennan	6 years
Michael Buckley	6 years
David Byrne	3 years

SENIOR MANAGEMENT

GROUP AND DIVISIONAL

Chief Executive	Tommy Breen
Chief Financial Officer	Fergal O'Dwyer

DCC Energy

Managing Director	Donal Murphy
Managing Director - Oil	Eddie O'Brien
Finance Director	Conor Murphy
Development Director	Clive Fitzharris

DCC SerCom

Managing Director	Niall Ennis
Finance & Development Director	Kevin Lucey

DCC Healthcare

Managing Director	Conor Costigan
Finance & Development Director	Ian O'Donovan

DCC Environmental

Finance & Development Director	Thomas Davy

DCC Food & Beverage

Managing Director	Frank Fenn
Finance & Development Director	Redmond McEvoy

Group Secretary & Head of Enterprise Risk Management	Ger Whyte
Managing Director, DCC Corporate Finance	Michael Scholefield
Head of Group Accounting	Gavin O'Hara
Head of Group Compliance	Darragh Byrne
Head of Group HR	Ann Keenan
Head of Internal Audit	Stephen Johnston
Head of Group IT	Cormac Watters
Head of Group Sustainability	John Barcroft
Head of Group Tax	Yvonne Divilly
Head of Group Treasury	Daphne Tease

PRINCIPAL BUSINESSES AND JOINT VENTURE

DCC ENERGY

Oil	GB Oils	Managing Director	Paul Vian
	Oil Ireland	Managing Director	Tom Walsh
	DCC Energi Danmark	Managing Director	Christian Heise
	Energie Direct - Austria	Managing Director	Hans-Peter Hintermayer
	Swea	Group CEO	Lennart Hannson
	Fuel Card Services	Chief Operations Officer	Ben Jordan
LPG	Flogas UK	Managing Director	Henry Cubbon
	Flogas Ireland	Managing Director	Richard Martin

DCC SERCOM

SerCom Distribution	Advent Data	Managing Director	Raj Advani
	Altimate	Directeur Général	Patrice Arzillier
	Banque Magnetique	Directeur Général	Claude Dupont
	Comtrade	President	Stefan Riesser
	Gem Distribution	Managing Director	Chris Peacock
	Micro P	Managing Director	Gerry O'Keeffe
	MSE	Managing Director	Jim Morgan
	Sharptext	Managing Director	John Dunne
SCM	SerCom Solutions	Chief Executive Officer	Kevin Henry

DCC HEALTHCARE

	Hospital Supplies & Services and Fannin	Managing Director	Andrew O'Connell
	Health & Beauty Solutions and Thompson & Capper	Managing Director	Stephen O'Connor
	EuroCaps	Managing Director	Adrian Williams
	Laleham Healthcare	Managing Director	Tim O'Connor

DCC ENVIRONMENTAL

	DCC Environmental Britain and William Tracey	Managing Director	Michael Tracey
	Enva Ireland	Managing Director	Declan Ryan
	Oakwood	Managing Director	Steve Tooley
	Wastecycle	Managing Director	Paul Needham

DCC FOOD & BEVERAGE

	Kelkin	Managing Director	Frank Fenn
	Robert Roberts	Managing Director	Tom Gray
	Bottle Green	Managing Director	Jon Eagle
	Allied Foods	Managing Director	John Raleigh
	Kylemore Foods Group*	Chief Executive Officer	Brian Hogan

* Joint venture

REPORT OF THE DIRECTORS

The Directors of DCC plc present their report and the audited financial statements for the year ended 31 March 2012.

Results and Review of Activities

Revenue for the year amounted to €10,690.3 million (2011: €8,680.6 million). The profit for the year attributable to owners of the Parent amounted to €102.4 million (2011: €145.1 million). Adjusted earnings per share amounted to 163.51 cent (2011: 203.15 cent). Further details of the results for the year are set out in the Group Income Statement on page 87.

The Chairman's Statement on pages 6 to 7, the Chief Executive's Review on pages 8 to 11, the Operating Reviews on pages 14 to 39 and the Financial Review on pages 40 to 46 contain a review of the development and performance of the Group's business during the year, of the state of affairs of the business at 31 March 2012, of recent events and of likely future developments. Information in respect of events since the year end as required by the Companies (Amendment) Act, 1986 is included in these sections and in note 49 on page 157.

Dividends

An interim dividend of 27.42 cent per share, amounting to €22.90 million, was paid on 2 December 2011. The Directors recommend the payment of a final dividend of 50.47 cent per share, amounting to €42.16 million. Subject to shareholders' approval at the Annual General Meeting on 20 July 2012, this dividend will be paid on 26 July 2012 to shareholders on the register on 25 May 2012. The total dividend for the year ended 31 March 2012 amounts to 77.89 cent per share, a total of €65.06 million. This represents an increase of 5% on the prior year's total dividend per share.

The profit attributable to owners of the Parent, which has been transferred to reserves, and the dividends paid during the year ended 31 March 2012 are shown in note 40 on page 145.

Share Capital and Treasury Shares

DCC's authorised share capital is 152,368,568 ordinary shares of €0.25 each, of which 83,528,497 shares (excluding treasury shares) and 4,700,907 treasury shares were in issue at 31 March 2012. All of these shares are of the same class. With the exception of treasury shares which have no voting rights and no entitlement to dividends, they all carry equal voting rights and rank for dividends.

The number of shares held as treasury shares at the beginning of the year (and the maximum number held during the year) was 4,911,407 (5.57% of the issued share capital) with a nominal value of €1.228 million.

A total of 210,500 shares (0.24% of the issued share capital) with a nominal value of €0.053 million were re-issued during the year at prices ranging from €10.25 to €19.50 consequent to the exercise of share options under the DCC plc 1998 Employee Share Option Scheme, leaving a balance held as treasury shares at 31 March 2012 of 4,700,907 shares (5.33% of the issued share capital) with a nominal value of €1.175 million.

At the Annual General Meeting held on 15 July 2011, the Company was granted authority to purchase up to 8,822,940 of its own shares (10% of the issued share capital) with a nominal value of €2.206 million. This authority has not been exercised and will expire on 20 July 2012, the date of the next Annual General Meeting of the Company. A special resolution will be proposed at the Annual General Meeting to renew this authority.

At each Annual General Meeting, in addition to the authority to buy back shares referred to above, the Directors seek authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €7,352,400, representing approximately one third of the issued share capital of the Company.

The Directors also seek authority to allot shares for cash, other than strictly pro-rata to existing shareholdings. This proposed authority is limited to the allotment of shares in specific circumstances relating to rights issues and other issues up to approximately 5% of the issued share capital of the Company.

Principal Risks and Uncertainties

Under Irish Company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended), DCC is required to give a description of the principal risks and uncertainties facing the Group. These are addressed in the Principal Risks and Uncertainties report on pages 62 to 63.

Directors

The names of the Directors and a short biographical note on each Director appear on pages 56 to 57.

The Board has adopted the practice that all Directors will submit to re-election at each Annual General Meeting.

With the exception of Tommy Breen, who has a service agreement with a notice period of twelve months, none of the other Directors has a service contract with the Company or with any member of the Group.

Details of the Directors' interests in the share capital of the Company are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83.

Corporate Governance

DCC has complied, throughout the year ended 31 March 2012, with the provisions set out in the UK Corporate Governance Code (issued in May 2010) and in the Irish Corporate Governance Annex (issued in December 2010), which applied to the Company for the year ended 31 March 2012.

The Corporate Governance statement on pages 64 to 73 sets out the Company's appliance of the principles and compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex, the Group's system of risk management and internal control and the adoption of the going concern basis in preparing the financial statements. The Corporate Governance statement shall be treated as forming part of the Report of the Directors.

For the purposes of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, details concerning the appointment and the re-election of Directors and the amendment of the Company's Articles of Association are set out in the Corporate Governance statement.

Transparency Rules

As required by the Transparency Rules published by the Central Bank of Ireland under Section 22 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006, the following sections of the Annual Report shall be treated as forming part of this report: the Chairman's Statement on pages 6 to 7, the Chief Executive's Review on pages 8 to 11, the Operating Reviews on pages 14 to 39, the Financial Review on pages 40 to 46, the Principal Risks and Uncertainties on pages 62 to 63, the earnings per ordinary share in note 18 on page 123, the key performance indicators on page 12 and the derivative financial instruments in note 29 on page 132.

Substantial Shareholdings

The Company has been notified of the following shareholdings of 3% or more in the issued share capital (excluding treasury shares) of the Company as at 14 May 2012:

	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)
FMR LLC and FIL Limited on behalf of certain of its direct and indirect subsidiaries*	10,454,119	12.52%
Prudential plc group of companies*	7,147,938	8.56%
Invesco*	6,083,677	7.28%
UBS Investment Bank*	4,919,707	5.89%
Bestinver Gestión SGIIC *	3,760,890	4.50%
Setanta Asset Management*	3,002,226	3.59%
Franklin Templeton Investment*	2,796,831	3.35%
T. Rowe Price Associates Inc.*	2,742,356	3.28%
Jim Flavin	2,532,850	3.03%

* notified as non-beneficial interests

Principal Subsidiaries and Joint Ventures

Details of the Company's principal operating subsidiaries and joint ventures are set out on pages 158 to 162.

Research and Development

Certain Group companies are involved in ongoing development work aimed at improving the quality, competitiveness, technology and range of their products.

Political Contributions

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

Accounting Records

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at the Company's registered office, DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland.

Takeover Regulations

The Company has certain banking facilities which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's long term incentive plans contain change of control provisions which can allow for the acceleration of the exercisability of share options or awards in the event that a change of control occurs with respect to the Company.

Auditors

Following the conclusion of a formal audit tender process during the year, the Board approved the re-appointment of PricewaterhouseCoopers as auditors to the Company.

PricewaterhouseCoopers will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963. A resolution authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Michael Buckley, Tommy Breen
Directors
14 May 2012

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of DCC is responsible for the Group's risk management systems and the approval of the Risk Management Policy, Risk Appetite and the Group Risk Register which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. The Group's risk management process was subject to a comprehensive review during the current financial year, including a benchmark review by Ernst & Young. Details of the Group's

Risk and Impact		Change in likelihood
Strategic risks and uncertainties		
Economic downturn	Economic recovery remains fragile and the effect on customer demand can be difficult to predict. Prolonged economic downturn, particularly in Britain, could impact on: • Demand for the Group's goods and services; • Counterparty failure; and • The Group's ability to access capital markets.	
Acquisitions	Growth through acquisition is an integral part of DCC's strategy. A failure to identify, execute and properly integrate acquisitions could lead to operational and financial issues.	
Operational risks and uncertainties		
Extreme weather impacts on trading	Significant variations in temperatures have been experienced in the UK over the last two winters significantly impacting demand for energy products.	
Managing talent	The Group's devolved management structure has been fundamental to the Group's success. A failure to attract, retain or develop high quality entrepreneurial management throughout the Group will impede its strategic objectives.	
Key supplier	The loss of a key supplier could have a serious operational and financial impact on the Group's business.	
Major health & safety or environmental incident	A major fire, explosion, multiple vehicle accident or environmental incident could result in multiple fatalities, breach of regulatory compliance and significant disruption to operations. Failure to react appropriately to an incident or the publicity generated by such incidents may negatively impact on the Group's reputation.	
Compliance risks and uncertainties		
Regulation and compliance	DCC has operations in 15 countries. Failure to comply with statutory obligations or react appropriately where non-compliance is identified could result in regulatory action, legal liability and damage to the Group's reputation.	
Product quality	The Group has certain subsidiaries which operate manufacturing or processing facilities. Poor product quality could have significant consequences for customer or public safety and lead to financial, operational and reputational difficulties for the Group.	
Fraud	Technological advances and austerity measures have increased the risk of cybercrime fraud in particular.	
Financial risks and uncertainties		
Commodity price fluctuations	The Group is exposed to commodity cost price risk in its oil distribution and LPG business.	

Details of the internal controls in place for the financial risks facing the Group are addressed in detail under 'Financial Risk Management' in the Financial Review on pages 40 to 46.

risk management systems and internal controls are set out under 'Risk Management and Internal Control' in the Corporate Governance statement on pages 64 to 73.

The top 10 risks facing the Group in the short to medium term are set out below. Longer term risks, such as climate change, are discussed in the Sustainability Report on pages 47 to 55.

Risk mitigation

Sensitivity analysis is applied to our planning and budgeting models to prepare for further economic changes. There is a continued focus on working capital management, cash generation and ROCE.

The Group transacts with a variety of high credit rated functional institutions for the purpose of placing deposits and entering into derivative contracts. The credit exposure to counterparties is actively monitored to ensure compliance with limits approved by the Board.

The Group's financial position remains strong with significant cash resources and relatively long term debt maturities.

Acquisitions are subject to an assessment of their ability to generate ROCE in excess of the cost of capital and their strategic fit within the Group. The Group conducts a stringent internal evaluation process and external due diligence prior to completing an acquisition. Group and subsidiary management have significant expertise in and experience of integrating acquisitions.

The Group continues to expand into new geographical regions with attractive market characteristics and continues to focus on the retail petrol station, marine, aviation and other value added product sectors.

The Group maintains a constant focus on succession planning, remuneration programmes, including long and short term incentive initiatives, and management development. This is implemented through a structured review process in which Group Human Resources supports the Board, the Chief Executive and divisional management. A graduate recruitment programme is in place.

The Group trades with a broad supplier base. Excellent commercial relationships exist with suppliers and there is a constant focus on providing a value added service.

All Group subsidiaries operate EHS management systems appropriate to the nature and scale of their EHS risk profile.

Internal and external monitoring, measurement and review of the control measures ensure a continuous improvement cycle is maintained. Insurance cover is in place for all significant insurable risks and major catastrophes.

Business Continuity Plans are in place to reduce the potential impact of any significant incidents.

The Group compliance function has recently been enhanced following a Group wide review of compliance structures and resources. Compliance with all legal and statutory requirements is primarily managed by subsidiary management and is subject to formal review by the Head of Group Compliance.

All manufacturing and processing facilities operate quality management systems, which are subject to regulatory review and licence requirements. Quality assurance processes are in place to ensure finished products are produced in accordance with specifications.

IT and banking system security measures are subject to both external and internal review and are continuously updated and improved.

Commodity cost price movements are immediately reflected in oil commodity sales prices and within a short period in LPG commodity sales prices. Approved matching forward contracts and hedges are used where price movement exposures exist.

CORPORATE GOVERNANCE

The Board and management of DCC is committed to maintaining the highest standards of corporate governance. This statement describes DCC's governance principles and practices and details the Group's risk management, internal control and compliance systems.

This statement also describes how DCC has applied the principles set out in the 2010 UK Corporate Governance Code ('the 2010 Code'), which was issued by the UK's Financial Reporting Council ('FRC') in June 2010 and a new Irish code of practice, the Irish Corporate Governance Annex ('the Irish Annex'), which was issued by the Irish Stock Exchange in December 2010. A copy of the 2010 Code can be obtained from the Financial Reporting Council's website, www.frc.org.uk. The Irish Annex is available on the Irish Stock Exchange's website, www.ise.ie.

The Board of Directors

Role

The Board of DCC is collectively responsible for the long term success of the Group. Its role is essentially threefold - to provide leadership, to oversee management and to ensure that the Company provides its stakeholders with a balanced and understandable assessment of the Group's current position and prospects.

The Board's leadership responsibilities involve working with management to set corporate values and to develop strategy, including deciding which risks it is prepared to take in pursuing its strategic objectives. Its oversight responsibilities involve it in providing constructive challenge to the management team in relation to operational aspects of the business, including approval of budgets, and probing whether risk management and internal controls are sound. Its responsibility to ensure that accurate, timely and understandable information is provided about the Group is not only focused on the contents of the Annual Report, the Interim Report at the half year and other statements, for instance in the context of the Annual General Meeting, but also in deciding whether it is appropriate at any given time to make a statement to the market, as well as in communications with regulators or in respect of other statutory obligations.

The Board has delegated responsibility for management of the Group to the Chief Executive and his executive management team. The main areas where decisions remain with the Board include approval of the annual strategy statement, the financial statements, budgets (including capital expenditure), acquisitions and dividends. The Board is also responsible for setting the Group's risk management policy and risk appetite.

The Board has delegated some of its responsibilities to Committees of the Board, whose activities are described under 'Board Committees' on page 67. The Board receives reports at its meetings from the chairmen of each of the Committees on their current activities.

A clear division of responsibility exists between the Chairman, who is non-executive, and the Chief Executive. It is set out in writing and has been approved by the Board.

There is an established procedure for Directors to take independent professional advice in the furtherance of their duties, if they consider this necessary.

Chairman

The Chairman's primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual Director level and that it upholds and promotes high standards of integrity, probity and corporate governance.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders. The latter responsibility was given increased emphasis in the 2010 Code.

Before the beginning of the financial year, having consulted with the other Directors and the Company Secretary, the Chairman sets a schedule of Board and Committee meetings to be held in the following twelve months, which includes the key agenda items for each meeting. Further details on these agenda items are outlined under "Board Meetings" on page 66.

Deputy Chairman and Senior Independent Director

The duties of the Deputy Chairman (who is also the Senior Independent Director) are set out in writing and formally approved by the Board. The Deputy Chairman chairs meetings of the Board if the Chairman is unavailable or is conflicted in relation to any agenda item. He also leads the annual Board review of the performance of the Chairman.

The Senior Independent Director is available to shareholders who may have concerns that cannot be addressed through the Chairman or Chief Executive.

Company Secretary
The Company Secretary's responsibilities include ensuring that Board procedures are followed, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with its legal and regulatory requirements.

Membership and Composition
The Board currently consists of three executive and seven non-executive Directors. The composition of the Board and the principal Board Committees and brief biographies of the Directors, which highlight the range of experience they bring to the Board table, are set out on pages 56 to 57.

The Board, with the assistance of the Nomination and Governance Committee, keeps Board composition under review to ensure that it includes the necessary mix of relevant skills and experience required to perform its role.

The Board is satisfied that it has the appropriate mix of skills, knowledge and experience, from a wide range of industries, regions and backgrounds, necessary to address the major challenges for the Company. In that regard, significant new and relevant experience has been added in the period since the end of 2008.

The Board is satisfied that its size is right. There is a clear majority of non-executive Directors and of independent non-executive Directors. The Chairman devotes a significant amount of time to ensuring that, when the retirement date for an existing non-executive Director is approaching, suitable replacement candidates are available.

Diversity
A key criterion in appointing new Board members is to increase diversity in the DCC boardroom and in particular to increase the number of female Directors. As there is not a case for increasing the overall size of the Board, the aim is to achieve this by prioritising the appointment of suitable female candidates whenever a Board vacancy arises. This is the approach being adopted at present as the current Chairman of the Audit Committee is due to retire during the year to 31 March 2013. At the same time, the Board's renewal agenda also includes the continuing objective of increasing the number of Directors with substantial direct senior experience in U.K. and/or Continental European businesses, in line with the fact that over 85% of DCC's profits come from these geographies. The combination of these criteria poses a significant challenge as many FTSE 100 and FTSE 250 companies are also seeking to appoint similar candidates.

Appointment
The process for making new appointments to the Board, which is detailed below, has been in place since 2009.

The Nomination and Governance Committee formally agrees criteria for new non-executive director appointments, including experience of the industry sectors and geographies in which the Group operates, professional background, nationality and gender. An international professional search firm is employed to carry out a wide ranging, international search. At least two members of the Nomination and Governance Committee formally interview prospective candidates to arrive at a short list, which is reviewed by the Committee. Before any preferred candidate is proposed to the Board, he/she will have been met by each Director individually. If any Director has reservations about a candidate, the matter is reviewed again by the Committee with a view to deciding if an alternative should be found. When an agreed candidate is identified, a formal proposal is put to the Board.

In relation to the appointment of executive directors, following discussion and agreement between the Chairman and Chief Executive, a proposal from the Chief Executive is put to the Nomination and Governance Committee, which may decide formally to interview the proposed candidate, before making a recommendation to the Board.

Following appointment by the Board, all Directors are, in accordance with the Articles of Association, subject to re-election at the next Annual General Meeting. Since 2008, the Board has adopted the practice that all Directors will submit to re-election at each Annual General Meeting.

The expectation is that non-executive Directors would serve for a term of six years and may also be invited to serve an additional period thereafter, generally not extending beyond nine years in total. After three years' service, and again after six years' service, each non-executive Director's performance is reviewed by the Nomination and Governance Committee, with a view to recommending to the Board whether a further period of service is recommended, subject to the usual annual approval by shareholders at the Annual General Meeting.

CORPORATE GOVERNANCE (continued)

The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

Training and Development
New Directors undertake a rigorous induction process which includes a series of meetings with Group and divisional management, detailed divisional presentations and visits to key subsidiary locations.

The Chairman invites external experts to attend certain Board meetings to address the Board on developments in corporate governance, risk management and executive remuneration and on relevant industry and sectoral matters.

The Chairman and Company Secretary review Directors' training needs, in conjunction with individual Directors, and match those needs with appropriate external seminars. The Chairman also discusses individual training and development requirements for each Director as part of the annual evaluation process.

Non-executive Directors are expected to meet individually during the year, outside of Board meetings, with members of senior management throughout the Group and to visit a number of subsidiaries to familiarise themselves with the business in more detail than is possible during Board meetings.

All Directors are encouraged to avail of opportunities to hear the views of and meet with the Group's shareholders and analysts. The section on "Relations with Shareholders" on page 72 gives further information on opportunities for Directors to meet with the Group's shareholders.

Independence
The Board has carried out its annual evaluation of the independence of each of its non-executive Directors, taking account of the relevant provisions of the 2010 Code, namely whether the Directors are independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgment. Each of the current non-executive Directors fulfilled the independence requirements of the 2010 Code.

Michael Buckley has been Chairman of the Company since May 2008. On his appointment as Chairman, Mr Buckley met the independence criteria as set out in the Code. Thereafter, as noted in the Code, the test of independence is not appropriate in relation to the Chairman.

While Mr Buckley holds several other directorships outside of the DCC Group, the Board considers that these do not interfere with the discharge of his duties to DCC.

Board Meetings
The Board holds eight scheduled meetings each year and additional meetings are held on specific issues as necessary. There is regular contact as required between meetings in order to progress the Group's business. Before the beginning of the financial year, having consulted with the other Directors and the Company Secretary, the Chairman sets a schedule of Board and Committee meetings to be held in the following calendar year, which includes the key agenda items for each meeting.

The key recurrent Board agenda themes are divided into normal business (which includes budgets, financial statements, acquisitions, investor relations, human resources and governance, risk and compliance) and developmental issues, (which include strategy, sectoral and divisional reviews, succession planning and Directors' education). Strategy and three-year planning are the subject of a two-day Board meeting each December.

The Board schedule includes a significant succession planning item once a year. Against a template agreed by the Chief Executive and the Nomination and Governance Committee, the Chief Executive brings a detailed plan for review by that Committee. At an immediately subsequent Board meeting the plan is presented to the Board, discussed and approved.

Each year, a number of the Board meetings are held at subsidiary locations, particularly in the UK, which allows Directors to meet with the subsidiary management teams.

The non-executive Directors meet a number of times each year without executives being present.

During the year ended 31 March 2012, the Board held ten meetings. Individual attendance at these meetings is set out in the table on page 70.

Remuneration

Details of remuneration paid to the Directors are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83. It has been the Company's practice since 2009 to put the Report to an advisory, non-binding shareholder vote at the Annual General Meeting.

Share Ownership and Dealing

Details of the Directors' interests in DCC shares are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83.

During the year, the Board adopted a revised DCC Share Dealing Policy which applies to dealings in DCC shares by the Directors and Company Secretary of DCC, directors of all Group companies and all DCC Head Office employees. The revised Policy incorporated the Company's existing rules on share dealing and is based on the Model Code, as set out in the Listing Rules of the Irish Stock Exchange and the UK Listing Authority. Under the Policy, directors and relevant executives are required to obtain clearance from the Chairman or Chief Executive before dealing in DCC shares and are prohibited from dealing in the shares during prohibited periods as defined by the Listing Rules.

The revised Policy introduces the concept of 'preferred periods' for share dealing by Directors and relevant executives, being the four 21 day periods following the updating of the market on the Group's trading position through the preliminary results announcement in May, the Interim Management Statement in July (at the Annual General Meeting), the interim results announcement in November and the Interim Management Statement in January/February.

Board Committees

The principal Committees of the Board are the Audit Committee, the Nomination and Governance Committee and the Remuneration Committee.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, Bernard Somers (Chairman), Kevin Melia and John Moloney. All of the Committee's members have recent and relevant financial and business experience arising from the senior positions they hold or held in other organisations as can be seen from the Directors' biographical details on pages 56 to 57.

The Committee met seven times during the year ended 31 March 2012. Individual attendance at these meetings is set out in the table on page 70. The Chief Executive, Chief Financial Officer, Head of Enterprise Risk Management, Head of Internal Audit, other Directors and executives and representatives of the external auditors may be invited to attend all or part of any meeting. The Committee also meets separately a number of times each year with the external auditors and with the Head of Internal Audit, without other executive management being present.

The role and responsibilities of the Audit Committee are set out in its written terms of reference, which are reviewed annually and are available on the Company's website www.dcc.ie. They include:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgments contained in them;
- reviewing the half-year and annual financial statements before submission to the Board;
- considering and making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditors;
- approving the terms of engagement of the external auditors;
- approving the remuneration of the external auditors, whether fees for audit or non-audit services, and ensuring that the level of fees is appropriate to enable an adequate audit to be conducted;
- assessing annually the independence and objectivity of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non-audit services;
- reviewing the operation and the effectiveness of the Group Internal Audit function;
- reviewing the Group's risk management and internal control systems and making recommendations to the Board thereon;
- reporting to the Board on its annual assessment of the operation of the Group's system of risk management and internal control and reviewing the Company's statements on risk management and internal control prior to endorsement by the Board; and
- reviewing the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

CORPORATE GOVERNANCE (continued)

These responsibilities of the Committee are discharged as detailed below.

The Committee reviews the interim and annual reports as well as any formal announcements relating to the financial statements before submission to the Board. The review focuses in particular on any changes in accounting policy and practices, major judgmental areas and compliance with stock exchange, legal and regulatory requirements. The Committee reviews the external audit plan in advance of the audit and meets with the external auditors to review the findings from the audit of the financial statements.

The Committee has a process in place to ensure that the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by the external auditors through its annual review of fees paid to the external auditors for audit and non-audit work, seeking confirmation from the external auditors that in their professional judgment they are independent from the Group and providing that the Chief Executive will consult with the Chairman of the Audit Committee prior to the appointment to a senior financial reporting position, to a senior management role or to a Company officer role of any employee or former employee of the external auditor, where such a person was a member of the external audit team in the previous two years.

The Committee has approved a policy on the engagement of the external auditors to provide non-audit services, which provides that the external auditor is permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence, providing they have the skill, competence and integrity to carry out the work and are considered to be the most appropriate to undertake such work in the best interests of the DCC Group. The policy also provides that the aggregate of non-audit fees paid to the external auditor must not exceed 50% of annual audit fees.

Details of the amounts paid to the external auditors during the year for audit and other services are set out in note 6 on page 113.

The Committee makes recommendations to the Board in relation to the appointment of the external auditor. During the year, the Committee engaged in a formal tender process for the external audit of the Group's financial statements with effect from the year ended 31 March 2012. Following the conclusion of this process, the Board approved the re-appointment of PricewaterhouseCoopers as auditors to the Company.

The Committee receives regular reports from the Group Internal Audit, Group Environmental, Health and Safety and Group Compliance functions, which include summaries of the key findings of each audit in the period and the planned work programme. On an ongoing basis the Committee ensures that these functions are adequately resourced and have appropriate standing within the Group. The Committee ensures co-ordination between Group Internal Audit and the external auditors.

The Committee conducts, on behalf of the Board, an annual assessment of the operation of the Group's system of risk management and internal control based on a detailed review carried out by Group Internal Audit. The results of this assessment are reviewed by the Committee and are reported to the Board. Further details in relation to the Committee's work in this area are set out under 'Risk Management and Internal Control' below.

Risk Management and Internal Control

The Board is responsible for the Group's system of risk management and internal control and has delegated responsibility for the ongoing monitoring of its effectiveness to the Audit Committee. 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 revised FRC guidance for directors on internal control published in October 2005, 'Internal Control: Revised Guidance for Directors on the Combined Code', the Board confirms that there is an ongoing process for identifying, evaluating and managing any 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:

- skilled and experienced Group and divisional management;
- an organisation structure with clearly defined lines of authority and accountability;
- a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis;
- the operation of approved risk management policies (including treasury and IT);
- a Risk Committee, comprising senior Group management, whose main role is to keep under review and report to the Audit Committee on the principal risks facing the Group, the controls in place to manage those risks and the monitoring procedures;
- independent Group Internal Audit, Group Environmental, Health and Safety and Group Compliance functions; and
- a formally constituted Audit Committee.

The consolidated financial statements are prepared subject to the oversight and control of the Group Chief Financial Officer, ensuring correct data is captured from Group locations and all required information for disclosure in the consolidated financial statements is provided. A control framework has been put in place around the recording of appropriate eliminations and other adjustments. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board of Directors.

The Board has reviewed the results of an annual assessment, conducted by the Audit Committee, of the operation of the Group's system of risk management and internal control up to and including the date of approval of the financial statements. This assessment was based on a detailed review carried out by Group Internal Audit. Where areas for improvement have been identified the necessary actions in respect of the relevant control procedures have been or are being taken. This review took account of the principal business risks facing the Group, the controls in place to manage those risks (including financial, operational and compliance controls) and the procedures in place to monitor them.

Review of Risk Management Structures
During the year, a review of the structures, processes and resources in place to manage risk in the DCC Group was carried out with the objective of ensuring that these meet the highest standards while being appropriate to DCC's structure and business model. This review included an external assessment by Ernst & Young against their internal risk management model and best practice in FTSE 250 companies. Following the review, a number of changes to the risk management framework were agreed with the Board including:

- Enhancing the top down governance structures including an increased focus on risk management at the Board and Audit Committee meetings;
- Developing a Group Risk Management Policy and a Risk Appetite Statement which have been approved by the Board;
- Re-modelling the Group risk register, which is focussed on the key risks across the Group, and developing an Integrated Assurance Report;
- Enhancing reporting from assurance providers to the Audit Committee and from the Audit Committee to the Board; and
- Enhancing the operation of the Risk Committee.

Review of Compliance Structures
During the year, the Board completed a review of the structures in place to ensure compliance by the Group's subsidiaries with applicable laws and regulations in the countries in which they operate. Following this review, additional resources have been put in place at Group and divisional level, including the appointment of a Head of Group Compliance, who reports to the Group Secretary and to the Audit Committee.

Nomination and Governance Committee
The Nomination and Governance Committee comprises Michael Buckley (Chairman) and three independent non-executive Directors, Róisín Brennan, David Byrne and Leslie Van De Walle. The Committee met four times during the year ended 31 March 2012. Individual attendance at these meetings is set out in the table on page 70.

The role and responsibilities of the Nomination and Governance Committee are set out in its written terms of reference, which are reviewed annually, and are available on the Company's website www.dcc.ie. The principal responsibilities of the Committee in relation to the composition of the Board are to keep Board renewal, structure, size and composition under constant review, including the skills, knowledge and experience required, taking account of the Group's businesses, strategic direction and diversity objectives. The Committee also actively manages the open and transparent process for appointment of new Directors as outlined under 'Appointment' on page 65.

The Committee has particular regard to the leadership needs of the organisation and gives full consideration to succession planning for Directors and senior management, in particular the Chairman and Chief Executive, taking into account the challenges and opportunities facing the Group and the skills and expertise required.

The Committee's duties in relation to corporate governance include advising the Board of significant developments in the law and practice of corporate governance, monitoring the Company's compliance with corporate governance best practice and with applicable legal, regulatory and listing requirements and the review and approval of the Corporate Governance statement and any other material information being made public in respect of the Company's corporate governance.

CORPORATE GOVERNANCE (continued)

Remuneration Committee
The Remuneration Committee comprises three independent non-executive Directors, Leslie Van De Walle (Chairman), Róisín Brennan and David Byrne, and the Chairman of the Board, Michael Buckley. The members of the Committee have relevant financial and business experience, including in the area of executive remuneration.

The Committee met six times during the year ended 31 March 2012. Individual attendance at these meetings is set out in the table below.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are reviewed annually, and are available on the Company's website www.dcc.ie. The Committee is responsible for determining the policy for the remuneration of the Chief Executive, the other executive Directors and certain senior Group executives. In this regard the Committee gives full consideration to legal and regulatory requirements, to the principles and provisions of the UK Corporate Governance Code and to related guidance. The Committee also ensures that risk is properly considered in the setting of remuneration policy, by ensuring that targets are appropriately stretched but do not lead to the taking of excessive risk.

The Committee determines the remuneration packages of the Chairman, the Chief Executive, the other executive Directors and certain senior Group executives, including salary, bonuses, pension rights and compensation payments.

The Remuneration Committee consults with the Chief Executive on remuneration for the other executive Directors and for senior Group executives.

The Remuneration Committee maintains regular access to independent professional advice to keep up to date with market best practice and remuneration trends.

Details of the activities of the Remuneration Committee during the year are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83.

Attendance at Board and Committee meetings during the year ended 31 March 2012:

Director	Board		Audit Committee		Nomination and Governance Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B
Michael Buckley	10	10	-	-	4	4	6	6
Tommy Breen	10	10	-	-	-	-	-	-
Róisín Brennan[2]	10	10	-	-	3	3	6	6
David Byrne	10	9	-	-	4	3	6	4
Maurice Keane[1]	1	1	-	-	1	1	1	1
Kevin Melia	10	10	7	7	-	-	-	-
John Moloney	10	9	7	6	-	-	-	-
Donal Murphy	10	10	-	-	-	-	-	-
Fergal O'Dwyer	10	10	-	-	-	-	-	-
Bernard Somers	10	10	7	7	-	-	-	-
Leslie Van De Walle[2]	10	10	-	-	3	3	6	6

Column A indicates the number of meetings held during the period the Director was a member of the Board and/or Committee.
Column B indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee.

Note 1 Retired on 5 April 2011
Note 2 Appointed to Nomination and Governance Committee on 5 April 2011

Performance Evaluation

The Board conducts an annual evaluation of its own performance, that of each of its principal committees, the Audit, Nomination and Governance and Remuneration Committees, and that of individual Directors.

This year, the entire performance evaluation process was externally defined and conducted by Towers Watson in accordance with Provision B.6.2 of the UK Corporate Governance Code. Towers Watson also act as remuneration consultants to the Company.

The process covered a variety of aspects associated with board effectiveness, including the composition of the Board, the content and running of Board and Committee meetings, corporate governance, risk and crisis management, succession planning and the Directors' continuing education process.

The process commenced with a questionnaire being circulated to all Directors by Towers Watson. The questionnaire was designed to obtain Directors' comments regarding the performance of the Board including any recommendations for improvement. Completed questionnaires were returned directly to Towers Watson who held brief follow up discussions with each of the Directors individually to clarify any points raised in the questionnaire.

Towers Watson then prepared two separate summary reports of matters raised during the questionnaire and follow up telephone call phases, one for the Chairman comprising a summary of individual Directors' self-assessment and training needs to support his discussion with each Director in respect of their own performance and a second report for the Senior Independent Director to assist in the evaluation of the Chairman.

With the assistance of the Towers Watson report, the Chairman, on behalf of the Board, conducted evaluations of performance individually with each of the non-executive and the executive Directors and also enquired if they had any views they wished to express on the performance of any other Director.

With the assistance of the Towers Watson report, the Senior Independent Director conducted an evaluation of performance of the Chairman by firstly speaking with each of the Directors individually and then meeting with the non-executive Directors, without the Chairman present, to formally evaluate the Chairman's performance, having taken into account the views of the executive Directors.

The non-executive Directors also evaluated the performance of each executive Director.

Finally, Towers Watson prepared summary reports on the performance of the Board, of the three Committees and of the Chairman. Each Board Committee, with the participation of the Towers Watson representative, considered the summary report as part of its annual review of its own performance and terms of reference and recommended any changes it considered necessary to the Board for approval.

During the Board meeting in April, and with the participation of the Towers Watson representative, the non-executive Directors, led by the Senior Independent Director, concluded on the performance evaluation of the Chairman.

The Board then considered the Towers Watson report on its own performance and formally concluded on its own performance, on the performance of its Committees and on the performance of individual Directors.

The main conclusion from the evaluation process was that the Board, its Committees and individual Directors are performing well. Many of the areas identified as excellent in the assessment were further supported by comments and examples from Board members, both during the assessment and in the follow up discussions. Comparative analysis was conducted where the same questions were asked of Board members to identify trends and it was noted that progress had been made during the year since the 2011 process. The process in respect of the year under review was concluded at the May 2012 Board meeting, with a number of next steps being agreed, with particular reference to succession planning, crisis management, Directors' continuing education and Board meeting format and agenda items.

CORPORATE GOVERNANCE (continued)

Relations with Shareholders

DCC recognises the importance of communications with shareholders. Presentations are made to both existing and prospective institutional shareholders, principally after the release of the interim and annual results. DCC issues an Interim Management Statement twice yearly, typically in January/February and July. Major acquisitions are also notified to the market and the Company's website www.dcc.ie, provides the full text of all press releases. The website also contains annual and interim reports and incorporates audio and slide show investor presentations.

The Board is kept informed of the views of shareholders through the executive Directors' attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings, investor relations reports and brokers notes are provided to the entire Board on a regular basis. The Chairman and the Senior Independent Director are available to communicate directly with shareholders on any specific issue on which discussion is required. If major shareholders request meetings with new non-executive Directors, this is also facilitated. If any of the non-executive Directors wishes to attend meetings with major shareholders, arrangements are made accordingly.

During the year, an Investor Day took place in London which was attended by the Chairman, the Senior Independent Director and Róisín Brennan. Most of DCC's top shareholders as well as various brokers, analysts and fund managers were present at this Investor Day.

Business Conduct Guidelines

DCC's Business Conduct Guidelines were first issued in 2011. The Guidelines set out the Group's commitment to the highest standards of integrity and honesty. They have been circulated to employees across the Group and are also available on the Company's website www.dcc.ie.

General Meetings

The Company's Annual General Meeting ('AGM') affords shareholders the opportunity to question the Chairman and the Board. The chairmen of the Audit, Nomination and Governance and Remuneration Committees are also available to answer questions at the AGM. The Chief Executive presents at the AGM on the Group's business and its performance during the prior year and answers questions from shareholders.

Notice of the AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 20 working days before the Meeting. At the Meeting, resolutions are voted on by a show of hands of those shareholders attending, in person or by proxy. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld.

If validly requested, resolutions can be voted by way of a poll. In a poll, the votes of shareholders present and voting at the Meeting are added to the proxy votes received in advance of the Meeting and the total number of votes for, against and withheld for each resolution are announced.

All other general meetings are called Extraordinary General Meetings ('EGM'). An EGM called for the passing of a special resolution must be called by at least twenty one clear days' notice. Provided shareholders have passed a special resolution to that effect at the immediately preceding AGM and the Company continues to allow shareholders to vote by electronic means, an EGM to consider an ordinary resolution may be called at fourteen clear days' notice.

A quorum for an AGM or an EGM of the Company is constituted by three shareholders, present in person, by proxy or by a duly authorised representative in the case of a corporate member. The passing of resolutions at a general meeting, other than special resolutions, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast.

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the meeting.

A shareholder or a group of shareholders, holding at least 5% of the issued share capital of the Company, has the right to requisition a general meeting. A shareholder or a group of shareholders, holding at least 3% of the issued share capital, has the right to put an item on the agenda of an AGM or to table a draft resolution for an item on the agenda of a general meeting.

The 2012 AGM will be held at 11 a.m. on 20 July 2012 at The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

Memorandum and Articles of Association

The Company's Memorandum and Articles of Association sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to shares, the method by which the Company's shares can be purchased or re-issued, the provisions which apply to the holding of and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers.

The Company's Articles of Association may be amended by a special resolution passed by the shareholders at an annual or extraordinary general meeting of the Company.

A copy of the Memorandum and Articles of Association can be obtained from the Company's website www.dcc.ie.

Report of the Directors

For the purposes of the European Communities (Directive 2006/46/EC) Regulations 2009, details of substantial shareholdings in the Company and details in relation to the purchase of the Company's own shares are set out in the Report of the Directors on pages 60 to 61.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Review on pages 8 to 11.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 40 to 46. In addition, note 47 to the financial statements include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources and a broad spread of businesses with a large number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have 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.

Compliance Statement

DCC has complied, throughout the year ended 31 March 2012, with the provisions set out in 2010 Code and the Irish Annex.

Michael Buckley, Tommy Breen
Directors
14 May 2012

REPORT ON DIRECTORS' REMUNERATION AND INTERESTS

Composition and Role of the Remuneration Committee

The Remuneration Committee comprises three independent non-executive Directors, Leslie Van de Walle (Chairman), Róisín Brennan and David Byrne, and the Chairman of the Board, Michael Buckley. Mr. Van de Walle became Chairman on 5 April 2011, following Mr. Maurice Keane's retirement from the Committee. Further details regarding the members of the Remuneration Committee, including their biographies and length of service are set out on pages 56 to 57. The Company Secretary acts as secretary to the Committee.

The Chief Executive and the Head of Group Human Resources may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in consideration of their own remuneration.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on request and on the Company's website www.dcc.ie.

The Committee is responsible for determining the policy for the remuneration of the Chief Executive, the other executive Directors and certain senior Group executives. In this regard the Committee gives full consideration to legal and regulatory requirements, to the principles and provisions of the UK Corporate Governance Code and to related guidance. The Committee also ensures that risk is properly considered in the setting of remuneration policy, by ensuring that targets are appropriately stretched but do not lead to the taking of excessive risk.

The Committee determines the remuneration packages of the Chairman, the Chief Executive, the other executive Directors and certain senior Group executives, including salary, bonuses, pension rights and compensation payments.

While the Remuneration Committee's specific oversight of individual executive remuneration packages extends only to the Chief Executive, the other executive Directors and a number of senior Group executives, it aims to create a broad policy framework, to be applied by management to senior executives throughout the Group, through its oversight of remuneration structures for other Group and subsidiary senior management and of any major changes in employee benefits structures throughout the Group.

The Committee is responsible for the granting of awards under the Company's long term incentive schemes, determining whether the criteria for the vesting of options or awards have been met and making any necessary amendments to the rules of these schemes.

The Remuneration Committee seeks independent advice when necessary from external remuneration consultants. During the year, the Committee received independent external advice from Towers Watson on remuneration matters and from Mercer on pension matters.

The Committee met six times during the year ended 31 March 2012. The main agenda items included remuneration policy, remuneration trends and benchmarking, the remuneration packages of the Chairman, the Chief Executive, the other executive Directors and certain senior Group executives, pension matters, grants of share options under the Company's long term incentive plan and approval of this Report. Individual attendance at these meetings is set out in the Corporate Governance statement on page 70.

Group Remuneration Policy

Principles

DCC's remuneration policy is designed and managed to support a high performance and entrepreneurial culture, taking into account relevant benchmarking. The Board seeks to align the interests of executive Directors and other senior Group executives with those of shareholders, within the framework set out in the UK Corporate Governance Code. Central to this policy is the Group's belief in long-term, performance based incentivisation and the encouragement of share ownership.

The Remuneration Committee seeks to ensure:

- that the Group will attract, motivate and retain individuals of the highest calibre;
- that executives are rewarded in a fair and balanced way for their individual and team contribution to the Group's performance;
- that executives receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- that the overall approach to remuneration has regard to the sectors and geographies within which the Group operates and the markets from which it draws its executives; and
- that risk is properly considered in setting remuneration policy and in determining remuneration packages.

DCC's strategy of fostering entrepreneurship requires well designed incentive plans that reward the creation of shareholder value through organic and acquisitive growth while maintaining high returns on capital employed, strong cash generation and a focus on good risk management. The typical elements of the remuneration package for executive Directors and other senior Group executives are base pay, pension and other benefits, annual performance related bonuses and participation in long term performance plans which promote the creation of sustainable shareholder value.

The Company recognises that share ownership is important in aligning the interests of management with those of shareholders and has fostered a culture under which executive Directors and other senior Group executives hold long term, significant holdings in the Company's shares. Details of the executive Directors' interests in shares and share options are set out on pages 81 to 83.

The Remuneration Committee supports the objectives of the EU Commission's recommendations on "fostering an appropriate regime for the remuneration of directors of listed companies" which were issued in December 2004 and supplemented by additional recommendations in April 2009. This is reflected in the disclosures in this Report in relation to the Group's remuneration policy, the remuneration of individual Directors and share-based remuneration.

Review of Policy and Structures

Following a detailed review, which was facilitated by external remuneration consultants, Towers Watson, the Remuneration Committee established a framework for remuneration policy in respect of the senior executive cadre in the DCC Group, which was set out in full in last year's Annual Report.

Certain elements of this policy framework have been implemented as follows:

(i) The key reference group for overall remuneration purposes is the market capitalisation comparison group and three other comparator groups are used as secondary reference points. These groups are defined fully under 'Benchmarking and Market Trends' below;

(ii) In the setting of basic pay rates and the short term element of incentive payments, the objective is to place these at the median of the market capitalisation comparator group;

(iii) A formal bonus clawback policy is in place for the executive Directors and other senior Group, divisional and subsidiary management; and

(iv) A formal shareholding policy is in place for the Chief Executive, other executive Directors and other senior Group executives. Further details of this policy are set out under 'Share Ownership Guidelines' on page 79.

The Committee remains committed to implementation of the other elements of the framework in the medium term.

Benchmarking and Market Trends

The Remuneration Committee uses annual benchmarking to ensure that remuneration structures continue to support the key remuneration policy objectives.

The primary comparator group for benchmarking is a group of 60 FTSE companies, 30 of whom have market capitalisations just below DCC's and 30 of whom have market capitalisations just above DCC's ('the market capitalisation comparator group').

The Remuneration Committee also considers it useful to use a set of other comparators as secondary references to ensure rigorous and comprehensive benchmarking, being:

- the FTSE 250;
- the peer group for the DCC plc Long Term Incentive Plan 2009; and
- a group of Irish listed industrial companies which can be taken to be broadly comparable to DCC, though in this group there are limitations on the amount of relevant information available, for instance on the definition of "target" and "maximum" bonus levels.

The Remuneration Committee may modify the composition of these key reference points from time to time with a view to ensuring their relevance.

The Committee is advised by Towers Watson in relation to benchmarking of remuneration structures, market trends and competitive positioning.

REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (continued)

Shareholder Vote
Since 2009, the Report on Directors' Remuneration and Interests is put to a shareholder 'advisory' vote at the Annual General Meeting. While there is no legal obligation to put such a resolution to shareholders, DCC believes that it is an appropriate acknowledgement of a shareholder's right to have a 'say on pay'.

Executive Directors' and Senior Group Executives' Remuneration
The current remuneration package for executive Directors and senior Group executives consists of fixed remuneration (base salary), performance related remuneration (annual bonus and long term incentives), pension and other benefits.

Fixed Remuneration
Base salaries
With effect from 1 April 2012, the salaries of executive Directors and senior Group executives are reviewed annually on 1 April, rather than on 1 January as was the practice, in order to align them with the Group's financial year.

The reviews take account of personal performance, Company performance and competitive market practice.

There were no increases in the salaries of executive Directors for the year commencing on 1 April 2012, the salaries of two of the executive Directors having been increased by 9.6% on 1 January 2011, in the light of the substantial growth in and increasing complexity of their job roles.

No fees are payable to executive Directors.

With a small number of exceptions as a result of benchmarking and role changes, there were no increases in the salaries of senior Group executives for the year commencing on 1 April 2012.

Performance Related Remuneration
Annual bonuses
Annual bonuses are payable to the executive Directors and to other senior Group executives in respect of the financial year to 31 March, subject, inter alia, to the achievement of performance targets.

The maximum bonus potential, as a percentage of basic salary, for each executive Director and senior Group executive is reviewed and set annually. It ranged between 40% and 100% of base salary for the year ended 31 March 2012, unchanged from the prior year.

The performance targets for each executive Director and senior Group executive, which are set annually, are based on growth in Group earnings and (apart from the Chief Executive, the Chief Financial Officer, the Company Secretary and the Managing Director, Corporate Finance) on growth in divisional operating profit, measured on a constant currency basis, against a pre-determined range, and on overall contribution and personal performance. The weighting of the performance targets varies according to the role of each individual and for the year ended 31 March 2012 were within the range of 60% to 75% of bonus potential for profit performance and 25% to 40% of bonus potential for overall contribution and personal performance. The Remuneration Committee can apply appropriate discretion in respect of determining the bonuses to be awarded based on actual performance achieved.

In the case of the executive Directors, the Group earnings and divisional operating profit targets for the year ended 31 March 2012 were not met and therefore no bonus payments will be made in respect of this element. The personal performance and contribution targets were met and the bonuses payable reflect performance in respect of this element only. The total bonus payments in respect of the years ended 31 March 2012 and 31 March 2011 are as follows:

Executive Director	**2012**		2011	
	Bonus €	**% of base salary**	Bonus €	% of base salary
Tommy Breen	**245,000**	**35.0%**	434,000	62.0%
Donal Murphy	**75,000**	**18.7%**	126,000	33.7%
Fergal O'Dwyer	**90,000**	**22.5%**	227,000	60.7%

For the year to 31 March 2013, the general approach and parameters in respect of annual bonuses, as detailed above in respect of the year ended 31 March 2012, will remain in place.

Long term incentives
Executive Directors and other senior Group executives are eligible to participate in the Company's long term incentive schemes.

DCC plc Long Term Incentive Plan 2009
The DCC plc Long Term Incentive Plan 2009 ('the Plan') was approved by shareholders at the 2009 Annual General Meeting, following the termination of the DCC plc 1998 Employee Share Option Scheme in 2008. The Plan reflects the Group's culture of long term performance based incentivisation and seeks to align the interests of executives with those of the Group's shareholders.

The Plan provides for the Remuneration Committee to grant nominal cost options to acquire ordinary shares in the Company or to make contingent share awards only to those employees, including executive Directors, of the Company and its subsidiaries whose contribution can have a direct and significant impact on Group value or whom the Company wishes to retain in anticipation of direct and significant contribution to Group value in the future and to a small number of key support staff.

The percentage of share capital which can be issued under the Plan, the phasing of the grant of awards and the limit on the value of awards which can be granted to any individual comply with guidelines published by the institutional investment associations. The Plan provides for the making of awards, up to a maximum of 10% of the Company's issued share capital over a 10 year period, taking account of any other share award or share option plan operated by the Company.

The market value of the shares which are the subject of any contingent award granted in any period of 12 months may not, at the date of the grant of award, in the case of the Chief Executive exceed 120% of annual base salary and in the case of other participants exceed a lower percentage, as determined by the Committee.

Awards will normally vest no earlier than the third anniversary of the award date and in the case of options cannot be exercised later than the seventh anniversary of the award date.

An award will not vest (and in the case of an award in the form of an option, the option will not be exercisable) unless the Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the period since the award date. If this condition is met, the extent of vesting for awards granted to participants will be determined by the performance conditions set out below.

(a) TSR performance condition:

Up to 60% of the shares subject to the award will vest depending on the Company's total shareholder return ('TSR') over a three-year performance period, starting on 1 April in the year in which the award is granted, compared with the TSR of a designated peer group. The peer group in respect of each award comprises the FTSE 250 on the first day of the performance period excluding financial services type companies and a small number of other companies that are not comparable to the Company, as determined by the Remuneration Committee.

The extent of vesting will be determined according to the following table:

Company's TSR ranking	**Proportion of the total award vesting**
Below median	0%
Median	25%
Between median and 75th percentile	25%-60% pro rata
75th percentile or above	60%

TSR shall mean the return that a company has provided for its ordinary shareholders, reflecting share price movements and assuming reinvestment of dividends.

REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (continued)

The Remuneration Committee may from time to time and at their discretion modify the composition of the peer group with the agreement of the Irish Association of Investment Managers if by reason of any change in the business of any such company, or if any such company ceases to be publicly listed, they consider that it would no longer properly form part of such comparison group for the business of the Company or that any one or more other or additional companies would properly form part of such comparison group.

(b) EPS performance condition:

Up to 40% of the shares subject to the award will vest depending on the growth in the Company's consolidated adjusted earnings per share ('EPS') over a three-year performance period starting on 1 April in the year in which the award is granted compared with the change in the Irish Consumer Price Index ('CPI'), determined according to the table below. EPS growth year on year will be calculated on a constant currency basis, as set out in the Company's annual report.

Company's annualised EPS growth in excess of annualised CPI change	Proportion of the total award vesting
Below 3 percentage points	0%
3 percentage points	15%
Between 3 and 7 percentage points	15%-40% pro rata
7 percentage points or more	40%

Vesting under the EPS performance condition is also contingent on:

(i) the Company's average share price over the 30 day period following the annual or half yearly results announcement date prior to vesting being higher than the average share price over the 30 day period following the annual or half yearly results announcement date prior to the award date (subject to any adjustment in accordance with Rule 11 of the Plan to reflect a variation in the Company's share capital); and

(ii) the Company's cumulative annualised EPS growth over the three year performance period being positive.

No re-testing of the performance conditions is permitted.

The total number of awards granted under the Plan, in the form of nominal cost options, net of options lapsed, currently amounts to 0.81% of issued share capital.

Details of awards, in the form of nominal cost options, held by the executive Directors under the DCC plc Long Term Incentive Plan 2009, are set out in the table on page 81.

DCC plc 1998 Employee Share Option Scheme
Executive Directors and other senior executives participated in the DCC plc 1998 Employee Share Option Scheme. The ten year period during which share options could be granted under this Scheme expired in June 2008.

Over the life of the Scheme, the total number of basic and second tier options granted, net of options lapsed, amounted to 7.1% of issued share capital, of which 1.6% is currently outstanding.

Basic tier options may not normally be exercised earlier than three years from the date of grant and second tier options not earlier than five years from the date of grant. Basic tier options may normally be exercised only 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 a period of at least three years following the date of grant.

Second tier options may normally be exercised only if the growth in the adjusted earnings per share over a period of at least 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.

Details of options held by the executive Directors under the DCC plc 1998 Employee Share Option Scheme are set out in the table on page 82.

Share Ownership Guidelines
DCC's remuneration policy has at its core a recognition that the spirit of ownership and entrepreneurship is essential to the creation of long term high performance and that share ownership is important in aligning the interests of executive Directors and other senior Group executives with those of shareholders.

A set of share ownership guidelines is in place, effective from 1 April 2011, under which the Chief Executive, other executive Directors and other senior Group executives are encouraged to build, over a five year period, a shareholding in the Company with a valuation relative to base salary as follows:

Chief Executive
3 times annual base salary

Other executive Directors
2 times annual base salary

Senior Group executives
1 times annual base salary

The existing shareholdings held by the executive Directors, as shown in the table on page 83, are substantially in excess of these guidelines.

Pension Benefits
A small number of senior Group executives, including the executive Directors, are participants in a defined benefit pension scheme which aims to provide, on the basis of actuarial advice, a pension of two thirds of pensionable salary at normal retirement date. Pensionable salary is calculated as 105% of basic salary and does not include any performance related bonuses or benefits.

The Irish Finance Act 2006 established a cap on pension assets by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual accrued pension entitlements as at 7 December 2005. The Irish Finance Act 2011 reduced these thresholds to the higher of €2.3 million or the value of individual accrued pension entitlements as at 7 December 2010. As a result of this change the Remuneration Committee decided that the executive Directors and the other senior Group executives, who are members of the defined benefit scheme, would have the option of continuing to accrue pension benefits as previously or to cap their benefits in line with the Irish Finance Act 2011 limits. The executive Directors and the other senior Group executives elected to cap their benefits and receive a taxable non-pensionable cash allowance in lieu of pension benefits foregone. All cash allowances have been calculated based on independent actuarial advice from Mercer, the scheme actuaries, as the equivalent of the cost to the Group of the pension benefits foregone. The cash allowances payable to the executive Directors for the year ended 31 March 2012 are set out in the table on page 80.

Other senior Group executives participate in a defined contribution pension scheme.

Non-Executive Directors' Remuneration
The remuneration of the Chairman is determined by the Remuneration Committee for approval by the Board. The Chairman absents himself from the Committee meeting while this matter is being considered.

The remuneration of the other non-executive Directors is determined by the Chairman and the Chief Executive for approval 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. The fees are reviewed annually, taking account of any changes in responsibilities and benchmarking advice from external remuneration consultants on the level of fees in a range of comparable Irish and UK companies.

The basic non-executive Director fee amounts to €60,000 per annum and additional fees are paid to members and the Chairmen of Board committees. There have been no increases in these fees since 1 April 2009 with the exception of the fee for the Chairman of the Remuneration Committee which increased from €5,000 to €7,500 with effect from 1 January 2012.

REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (continued)

The Chairman, Michael Buckley, received a total fee of €190,000 for the year ended 31 March 2012, inclusive of the basic fee and committee fees. This fee is unchanged since 1 April 2010, when it was reduced from the previous level of €225,000.

The Deputy Chairman and Senior Independent Director, David Byrne, received a total fee of €103,000, again inclusive of the basic fee and committee fees. This fee is unchanged since 1 April 2009.

Non-executives Directors do not participate in the Company's long term incentive schemes and do not receive any pension benefits from the Company. An office is provided for the use of the Chairman.

Directors' Service Agreements

With the exception of Tommy Breen, Chief Executive, who has a service agreement with a notice period of twelve months, none of the other Directors has a service contract with the Company or with any member of the Group.

Executive and Non-Executive Directors' Remuneration Details

The table below sets out the details of the remuneration payable in respect of Directors who held office for any part of the financial year.

	Salary and Fees[1]		Bonus		Benefits[2]		Retirement Benefits Expense[3]		Total	
	2012 €'000	2011 €'000	**2012 €'000**	2011 €'000	**2012 €'000**	2011 €'000	**2012 €'000**	2011 €'000	**2012 €'000**	2011 €'000
Executive Directors										
Tommy Breen	**700**	700	**245**	434	**58**	55	**334**	221	**1,337**	1,410
Donal Murphy	**400**	374	**75**	126	**39**	36	**130**	115	**644**	651
Fergal O'Dwyer	**400**	374	**90**	227	**39**	37	**190**	115	**719**	753
Total for executive Directors	**1,500**	1,448	**410**	787	**136**	128	**654**	451	**2,700**	2,814
Non-executive Directors										
Michael Buckley	**190**	190	**-**	-	**-**	-	**-**	-	**190**	190
Róisín Brennan	**68**	65	**-**	-	**-**	-	**-**	-	**68**	65
David Byrne	**103**	103	**-**	-	**-**	-	**-**	-	**103**	103
Maurice Keane[4]	**-**	73	**-**	-	**-**	-	**-**	-	**-**	73
Kevin Melia	**68**	68	**-**	-	**-**	-	**-**	-	**68**	68
John Moloney	**68**	68	**-**	-	**-**	-	**-**	-	**68**	68
Bernard Somers	**80**	80	**-**	-	**-**	-	**-**	-	**80**	80
Leslie Van de Walle[5]	**74**	26	**-**	-	**-**	-	**-**	-	**74**	26
Total for non-executive Directors	**651**	673	**-**	-	**-**	-	**-**	-	**651**	673
Ex gratia pension to dependant of retired Director									**10**	10
Total									**3,361**	3,497

Notes
1. Fees are payable only to non-executive Directors and include Board Committee fees.
2. In the case of the executive Directors, benefits relate principally to the use of a company car and life/disability cover.
3. The Irish Finance Act 2006 established a cap on pension assets by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual accrued pension entitlements as at 7 December 2005. The Irish Finance Act 2011 reduced these thresholds to the higher of €2.3 million or the value of individual accrued pension entitlements as at 7 December 2010. As a result of this change the Remuneration Committee decided that the executive Directors and the other senior Group executives, who are members of the defined benefit scheme, would have the option of continuing to accrue pension benefits as previously or to cap their benefits in line with the Irish Finance Act 2011 limits. The executive Directors and the other senior Group executives elected to cap their benefits and receive a taxable non-pensionable cash allowance in lieu of pension benefits foregone. All cash allowances have been calculated based on independent actuarial advice approved by the Remuneration Committee as the equivalent of the cost to the Group of the pension benefits foregone. Retirement Benefits Expense comprises an amount of €334,000 for Tommy Breen, being a cash allowance of €468,000 less the value of a reversal of previously funded benefits; an amount of €130,300 for Donal Murphy, being a cash allowance of €85,000 and an accrual of benefits of €45,300; and a cash allowance of €190,000 for Fergal O'Dwyer.
4. Maurice Keane resigned as a Director on 5 April 2011.
5. Leslie Van de Walle was appointed as a Director on 8 November 2010.

Executive Directors' Defined Benefit Pensions

The table below sets out the increase in the accrued pension benefits to which executive Directors have become entitled during the year ended 31 March 2012 and the transfer value of the increase in accrued benefit, under the Company's defined benefit pension scheme:

	Increase in accrued pension benefit (excl inflation) during the year[1] €'000	Transfer value equivalent to the increase in accrued pension benefit[2] €'000	Total accrued pension benefit at year end[3] €'000
Executive Directors			
Tommy Breen	(10)	(134)	338
Donal Murphy	18	120	115
Fergal O'Dwyer	-	-	162
Total	**8**	**(14)**	**615**

Notes
1. Increases are after adjustment for inflation over the year, if applicable, and reflect additional pensionable service and salary.
2. The transfer value equivalent to the increase in accrued pension benefit has been calculated on the basis of actuarial advice in accordance with Actuarial Statement of Practice ASP PEN-2. The transfer values do not represent sums paid to or due to the Directors named, but are the amounts that would transfer to another pension scheme in respect of the increase in accrued pension benefit during the year.
3. Figures represent the total accrued pension payable from normal retirement date, based on pensionable service at 31 March 2012.

Executive Directors' and Company Secretary's Long Term Incentives

DCC plc Long Term Incentive Plan 2009

Details of the executive Directors' and the Company Secretary's awards, in the form of nominal cost options, under the DCC plc Long Term Incentive Plan 2009 are set out in the table below:

	Number of options			Performance period	Earliest exercise date	Market price on award
	At 31 March 2011	Granted in year	At 31 March 2012			€
Executive Directors						
Tommy Breen	53,743	-	53,743	1 April 2009 – 31 March 2012	20 August 2012	15.63
	39,529	-	39,529	1 April 2010 – 31 March 2013	15 November 2013	21.25
	-	48,000	48,000	1 April 2011 – 31 March 2014	15 November 2014	17.50
	93,272	**48,000**	**141,272**			
Donal Murphy	21,113	-	21,113	1 April 2009 – 31 March 2012	20 August 2012	15.63
	18,894	-	18,894	1 April 2010 – 31 March 2013	15 November 2013	21.25
	-	22,857	22,857	1 April 2011 – 31 March 2014	15 November 2014	17.50
	40,007	**22,857**	**62,864**			
Fergal O'Dwyer	23,353	-	23,353	1 April 2009 – 31 March 2012	20 August 2012	15.63
	18,894	-	18,894	1 April 2010 – 31 March 2013	15 November 2013	21.25
	-	22,857	22,857	1 April 2011 – 31 March 2014	15 November 2014	17.50
	42,247	**22,857**	**65,104**			
Company Secretary						
Gerard Whyte	11,756	-	11,756	1 April 2009 – 31 March 2012	20 August 2012	15.63
	8,647	-	8,647	1 April 2010 – 31 March 2013	15 November 2013	21.25
	-	10,500	10,500	1 April 2011 – 31 March 2014	15 November 2014	17.50
	20,403	**10,500**	**30,903**			

REPORT ON DIRECTORS' REMUNERATION AND INTERESTS (continued)

DCC plc 1998 Employee Share Option Scheme

Details as at 31 March 2012 of the executive Directors' and the Company Secretary's options to subscribe for shares under the DCC plc 1998 Employee Share Option Scheme are set out in the table below.

	Number of options						Options exercised in year	
	At 31 March 2011	Exercised in year	Lapsed in year	At 31 March 2012	Weighted average option price at 31 March 2012 €	Normal Exercise Period	Exercise price €	Market price at date of exercise €
Executive Directors								
Tommy Breen								
Basic Tier	170,000	(50,000)	-	120,000	17.73	Nov 2005 – May 2018	10.25	17.63
Second Tier	95,000	-	(50,000)	45,000	10.38	Nov 2007 – Nov 2012	-	-
Donal Murphy								
Basic Tier	60,000	(10,000)	-	50,000	17.44	Nov 2005 – May 2018	10.25	17.63
Second Tier	30,000	-	(10,000)	20,000	10.38	Nov 2007 – Nov 2012	-	-
Fergal O'Dwyer								
Basic Tier	117,500	(30,000)	-	87,500	17.13	Nov 2005 – May 2018	10.25	17.63
Second Tier	70,000	-	(30,000)	40,000	10.38	Nov 2007 – Nov 2012	-	-
Company Secretary								
Gerard Whyte								
Basic Tier	60,000	(10,000)		50,000	17.19	Nov 2005 – May 2018	10.25	17.63
Second Tier	30,000	-	(10,000)	20,000	10.38	Nov 2007 – Nov 2012	-	-

The market price of DCC shares on 30 March 2012 was €18.56 and the range during the year was €16.70 to €23.07.

Additional information in relation to the DCC plc Long Term Incentive Plan 2009 and the DCC plc 1998 Employee Share Option Scheme appears in note 10 on page 115.

Executive and Non-Executive 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 2012 (together with their interests at 31 March 2011) are set out below:

	No. of Ordinary Shares At 31 March 2012	No. of Ordinary Shares At 31 March 2011
Directors		
Michael Buckley	**10,000**	10,000
Tommy Breen	**290,000**	279,395
Róisín Brennan	**-**	-
David Byrne	**1,200**	-
Kevin Melia	**1,250**	1,250
John Moloney	**2,000**	2,000
Donal Murphy	**84,313**	82,313
Fergal O'Dwyer	**260,889**	254,889
Bernard Somers	**1,000**	1,000
Leslie Van de Walle	**670**	-
Company Secretary		
Gerard Whyte	**144,400**	142,200

All of the above interests were beneficially owned. Apart from the interests disclosed above, the Directors and the Company Secretary had no interests in the share capital or loan stock of the Company or any other Group undertaking at 31 March 2012.

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

The information commencing with the Executive and Non-Executive Directors' Remuneration Details table on page 80 and continuing to page 83 forms an integral part of the audited financial statements and is covered by the Report of the Independent Auditors.

Leslie Van de Walle
Chairman, Remuneration Committee
14 May 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements are required by law to 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.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are also required by applicable law and the Listing Rules issued by the Irish Stock Exchange, to prepare a Report of the Directors and reports relating to Directors' remuneration and corporate governance. In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ('the Transparency Regulations'), the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Statement Pursuant to the Transparency Regulations
Each of the Directors, whose names and functions are listed on pages 56 and 57, confirms that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group; and
- the Report of the Directors includes a fair review of the development and performance of the Group's business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Michael Buckley	**Tommy Breen**
Non-executive Chairman	Chief Executive

REPORT OF THE INDEPENDENT AUDITORS
For the year ended 31 March 2012

To the Members of DCC plc
We have audited the Group and Company financial statements (the 'financial statements') of DCC plc for the year ended 31 March 2012 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements of Comprehensive Income, the Group and Company Statements of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors
The Directors' responsibilities for preparing the Annual Report and the financial statements, in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union. We report to you our opinion as to whether the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2009. We also report to you whether the financial statements have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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 Report of the Directors 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 of the Company; 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, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We are required by law to report to you our opinion as to whether the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements. In addition, we review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review by the Listing Rules of 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 form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Financial Highlights, Group at a Glance, Business Model and Strategy, Chairman's Statement, Chief Executive's Review, Group KPIs, Energy Review, SerCom Review, Healthcare Review, Environmental Review, Food & Beverage Review, Financial Review, Sustainability Report, Report of the Directors, Principal Risks and Uncertainties, Corporate Governance, Report on Directors' Remuneration and Interests, Statement of Directors' Responsibilities and all other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

REPORT OF THE INDEPENDENT AUDITORS
For the year ended 31 March 2012 (continued)

Basis of Audit Opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Group's and 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 Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2012 and of its profit and cash flows for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2009, of the state of the Company's affairs as at 31 March 2012 and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have obtained all the information and explanations which 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 is consistent with the financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements.

The net assets of the Company, as stated in the Company balance sheet 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 2012 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.

pwc

Paul Hennessy
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin, Ireland
14 May 2012

GROUP INCOME STATEMENT
For the year ended 31 March 2012

		2012			2011		
	Note	Pre exceptionals €'000	Exceptionals (note 11) €'000	Total €'000	Pre exceptionals €'000	Exceptionals (note 11) €'000	Total €'000
Revenue	4	10,690,341	-	10,690,341	8,680,573	-	8,680,573
Cost of sales		(9,934,168)	-	(9,934,168)	(7,925,798)	-	(7,925,798)
Gross profit		756,173	-	756,173	754,775	-	754,775
Administration expenses		(266,950)	-	(266,950)	(257,899)	-	(257,899)
Selling and distribution expenses		(317,281)	-	(317,281)	(289,748)	-	(289,748)
Other operating income	5	16,583	17,676	34,259	25,423	7,177	32,600
Other operating expenses	5	(3,499)	(40,033)	(43,532)	(2,931)	(19,827)	(22,758)
Operating profit before amortisation of intangible assets	4	185,026	(22,357)	162,669	229,620	(12,650)	216,970
Amortisation of intangible assets	4	(11,379)	-	(11,379)	(10,962)	-	(10,962)
Operating profit		173,647	(22,357)	151,290	218,658	(12,650)	206,008
Finance costs	12	(50,447)	-	(50,447)	(50,517)	(1,623)	(52,140)
Finance income	12	32,578	670	33,248	35,939	-	35,939
Share of associates' loss after tax	14	(40)	(1,068)	(1,108)	(239)	-	(239)
Profit before tax		155,738	(22,755)	132,983	203,841	(14,273)	189,568
Income tax expense	15	(27,703)	(2,234)	(29,937)	(42,417)	(1,354)	(43,771)
Profit after tax for the financial year		128,035	(24,989)	103,046	161,424	(15,627)	145,797
Profit attributable to:							
Owners of the Parent				102,428			145,109
Non-controlling interests				618			688
				103,046			145,797
Earnings per ordinary share							
Basic	18			122.78c			174.48c
Diluted	18			122.46c			173.90c

Michael Buckley, Tommy Breen, Directors

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	2012 €'000	2011 €'000
Group profit for the financial year	**103,046**	145,797
Other comprehensive income:		
Currency translation effects	**46,711**	4,636
Group defined benefit pension obligations:		
- actuarial loss	**(8,791)**	(2,590)
- movement in deferred tax asset	**1,178**	336
Gains relating to cash flow hedges	**189**	1,623
Movement in deferred tax liability on cash flow hedges	**11**	(341)
Other comprehensive income for the financial year, net of tax	**39,298**	3,664
Total comprehensive income for the financial year	**142,344**	149,461
Attributable to:		
Owners of the Parent	**141,726**	148,773
Non-controlling interests	**618**	688
	142,344	149,461

Michael Buckley, Tommy Breen, Directors

GROUP BALANCE SHEET
As at 31 March 2012

ASSETS	Note	2012 €'000	2011 €'000
Non-current assets			
Property, plant and equipment	20	**451,097**	395,485
Intangible assets	21	**785,205**	636,114
Investments in associates	22	**1,173**	2,281
Deferred income tax assets	32	**6,397**	9,328
Derivative financial instruments	29	**134,531**	84,376
		1,378,403	1,127,584
Current assets			
Inventories	24	**338,170**	248,129
Trade and other receivables	25	**1,291,698**	1,034,275
Derivative financial instruments	29	**4,294**	3,562
Cash and cash equivalents	28	**630,023**	700,340
		2,264,185	1,986,306
Assets classified as held for sale	19	**142,614**	-
		2,406,799	1,986,306
Total assets		**3,785,202**	3,113,890
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital	37	**22,057**	22,057
Share premium	38	**124,687**	124,687
Other reserves - share options	39	**11,086**	10,537
Cash flow hedge reserve	39	**1,187**	987
Foreign currency translation reserve	39	**(78,425)**	(125,136)
Other reserves	39	**1,400**	1,400
Retained earnings	40	**929,331**	895,108
		1,011,323	929,640
Non-controlling interests	41	**2,656**	2,234
Total equity		**1,013,979**	931,874
LIABILITIES			
Non-current liabilities			
Borrowings	30	**848,365**	762,244
Derivative financial instruments	29	**17,493**	30,142
Deferred income tax liabilities	32	**32,011**	25,434
Post employment benefit obligations	33	**14,745**	19,335
Provisions for liabilities and charges	35	**15,438**	14,256
Deferred and contingent acquisition consideration	34	**85,271**	65,188
Government grants	36	**2,458**	2,864
		1,015,781	919,463
Current liabilities			
Trade and other payables	26	**1,533,882**	1,149,786
Current income tax liabilities		**38,813**	59,427
Borrowings	30	**70,999**	40,542
Derivative financial instruments	29	**1,020**	533
Provisions for liabilities and charges	35	**9,966**	3,109
Deferred and contingent acquisition consideration	34	**13,428**	9,156
		1,668,108	1,262,553
Liabilities associated with assets classified as held for sale	19	**87,334**	-
		1,755,442	1,262,553
Total liabilities		**2,771,223**	2,182,016
Total equity and liabilities		**3,785,202**	3,113,890

Michael Buckley, Tommy Breen, Directors

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
	Attributable to owners of the Parent						
At 1 April 2011	**22,057**	**124,687**	**895,108**	**(112,212)**	**929,640**	**2,234**	**931,874**
Profit for the financial year	-	-	102,428	-	102,428	618	103,046
Other comprehensive income/(expense):							
Currency translation	-	-	-	46,711	46,711	-	46,711
Group defined benefit pension obligations:							
- actuarial loss	-	-	(8,791)	-	(8,791)	-	(8,791)
- movement in deferred tax asset	-	-	1,178	-	1,178	-	1,178
Gains relating to cash flow hedges	-	-	-	189	189	-	189
Movement in deferred tax liability on cash flow hedges	-	-	-	11	11	-	11
Total comprehensive income	-	-	94,815	46,911	141,726	618	142,344
Re-issue of treasury shares	-	-	2,372	-	2,372	-	2,372
Share based payment	-	-	-	549	549	-	549
Dividends	-	-	(62,964)	-	(62,964)	-	(62,964)
Other movements in non-controlling interests	-	-	-	-	-	(196)	(196)
At 31 March 2012	**22,057**	**124,687**	**929,331**	**(64,752)**	**1,011,323**	**2,656**	**1,013,979**

For the year ended 31 March 2011

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
	Attributable to owners of the Parent						
At 1 April 2010	22,057	124,687	806,452	(119,519)	833,677	3,249	836,926
Profit for the financial year	-	-	145,109	-	145,109	688	145,797
Other comprehensive income/(expense):							
Currency translation	-	-	-	4,636	4,636	-	4,636
Group defined benefit pension obligations:							
- actuarial loss	-	-	(2,590)	-	(2,590)	-	(2,590)
- movement in deferred tax asset	-	-	336	-	336	-	336
Gains relating to cash flow hedges	-	-	-	1,623	1,623	-	1,623
Movement in deferred tax liability on cash flow hedges	-	-	-	(341)	(341)	-	(341)
Total comprehensive income	-	-	142,855	5,918	148,773	688	149,461
Re-issue of treasury shares	-	-	3,835	-	3,835	-	3,835
Share based payment	-	-	-	1,389	1,389	-	1,389
Dividends	-	-	(58,034)	-	(58,034)	-	(58,034)
Other movements in non-controlling interests	-	-	-	-	-	(1,703)	(1,703)
At 31 March 2011	22,057	124,687	895,108	(112,212)	929,640	2,234	931,874

Michael Buckley, Tommy Breen, Directors

GROUP CASH FLOW STATEMENT
For the year ended 31 March 2012

	Note	2012 €'000	2011 €'000
Cash generated from operations	42	**277,322**	269,572
Exceptionals		**(2,774)**	(8,935)
Interest paid		**(43,056)**	(43,276)
Income tax paid		**(49,829)**	(56,343)
Net cash flows from operating activities		**181,663**	161,018
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment		**4,614**	5,586
Government grants received	36	**13**	626
Disposal of subsidiaries		**(1,285)**	28,431
Interest received		**27,155**	30,809
		30,497	65,452
Outflows			
Purchase of property, plant and equipment		**(70,229)**	(83,381)
Acquisition of subsidiaries	46	**(160,076)**	(74,614)
Deferred and contingent acquisition consideration paid		**(8,063)**	(3,709)
		(238,368)	(161,704)
Net cash flows from investing activities		**(207,871)**	(96,252)
Financing activities			
Inflows			
Re-issue of treasury shares		**2,372**	3,835
Increase in interest-bearing loans and borrowings		**-**	658
		2,372	4,493
Outflows			
Repayment of interest-bearing loans and borrowings		**(6,091)**	(21,157)
Repayment of finance lease liabilities		**(397)**	(1,234)
Dividends paid to owners of the Parent	17	**(62,964)**	(58,034)
Dividends paid to non-controlling interests	41	**(196)**	(219)
		(69,648)	(80,644)
Net cash flows from financing activities		**(67,276)**	(76,151)
Change in cash and cash equivalents		**(93,484)**	(11,385)
Translation adjustment		**27,435**	2,552
Cash and cash equivalents at beginning of year		**666,128**	674,961
Cash and cash equivalents at end of year	31	**600,079**	666,128
Cash and cash equivalents consists of:			
Cash and short term bank deposits	28	**630,023**	700,340
Overdrafts	31	**(70,758)**	(34,212)
Cash and short term bank deposits attributable to asset held for sale	19	**40,814**	-
	31	**600,079**	666,128

Michael Buckley, Tommy Breen, Directors

COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	Note	2012 €'000	2011 €'000
Profit for the financial year	16	**40,444**	10,284
Total comprehensive income for the financial year		**40,444**	10,284
Attributable to:			
Owners of the Parent		**40,444**	10,284

COMPANY BALANCE SHEET
As at 31 March 2012

ASSETS	Note	2012 €'000	2011 €'000
Non-current assets			
Investments in associates	22	**250**	1,244
Investments in subsidiary undertakings	23	**168,065**	168,065
		168,315	169,309
Current assets			
Trade and other receivables	25	**409,656**	414,314
Cash and cash equivalents	28	**867**	30
		410,523	414,344
Total assets		**578,838**	583,653
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital	37	**22,057**	22,057
Share premium	38	**124,687**	124,687
Other reserves	39	**344**	344
Retained earnings	40	**89,580**	109,728
Total equity		**236,668**	256,816
LIABILITIES			
Non-current liabilities			
Amounts due to subsidiary undertakings		**43,694**	10,387
		43,694	10,387
Current liabilities			
Trade and other payables	26	**298,476**	316,450
		298,476	316,450
Total liabilities		**342,170**	326,837
Total equity and liabilities		**578,838**	583,653

Michael Buckley, Tommy Breen, Directors

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2012

For the year ended 31 March 2012

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total equity €'000
At 1 April 2011	**22,057**	**124,687**	**109,728**	**344**	**256,816**
Profit for the financial year	-	-	40,444	-	40,444
Total comprehensive income	-	-	40,444	-	40,444
Re-issue of treasury shares	-	-	2,372	-	2,372
Dividends	-	-	(62,964)	-	(62,964)
At 31 March 2012	**22,057**	**124,687**	**89,580**	**344**	**236,668**

For the year ended 31 March 2011

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total equity €'000
At 1 April 2010	22,057	124,687	153,643	344	300,731
Profit for the financial year	-	-	10,284	-	10,284
Total comprehensive income	-	-	10,284	-	10,284
Re-issue of treasury shares	-	-	3,835	-	3,835
Dividends	-	-	(58,034)	-	(58,034)
At 31 March 2011	22,057	124,687	109,728	344	256,816

Michael Buckley, Tommy Breen, Directors

COMPANY CASH FLOW STATEMENT
For the year ended 31 March 2012

	Note	2012 €'000	2011 €'000
Cash generated from operations	42	**19,977**	34,756
Interest paid		**(2,417)**	(1,052)
Net cash flows from operating activities		**17,560**	33,704
Investing activities			
Inflows			
Interest received		**13,869**	14,293
Dividend received from subsidiary		**30,000**	-
Net cash flows from investing activities		**43,869**	14,293
Financing activities			
Inflows			
Re-issue of treasury shares		**2,372**	3,835
		2,372	3,835
Outflows			
Dividends paid to owners of the Parent	17	**(62,964)**	(58,034)
		(62,964)	(58,034)
Net cash flows from financing activities		**(60,592)**	(54,199)
Change in cash and cash equivalents		**837**	(6,202)
Cash and cash equivalents at beginning of year		**30**	6,232
Cash and cash equivalents at end of year		**867**	30

Michael Buckley, Tommy Breen, Directors

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Statement of Compliance

The consolidated financial statements of DCC plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and those parts of the Companies Acts, 1963 to 2009 applicable to companies reporting under IFRS. IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. Both the Parent Company and the Group financial statements have been prepared in accordance with IFRS as adopted by the EU and references to IFRS hereafter should be construed as references to IFRS as adopted by the EU. In presenting the Parent Company financial statements together with the Group financial statements, the Company has availed of the exemption in Section 148(8) of the Companies Act 1963 not to present its individual Income Statement and related notes that form part of the approved Company financial statements. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 7(1A) of the Companies (Amendment) Act 1986.

The Going Concern Statement on page 73 forms part of the Group financial statements.

DCC plc, the parent company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland.

Basis of Preparation

The consolidated financial statements, which are presented in euro, rounded to the nearest thousand, have been prepared under the historical cost convention, as modified by the measurement at fair value of share-based payments, post employment benefit obligations and certain financial assets and liabilities including derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2012 are set out below. These policies have been applied consistently by the Group's subsidiaries, joint ventures and associates for all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are documented in note 3.

Adoption of IFRS and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations

The Group has adopted the following standards, interpretations and amendments to existing standards during the financial year:

- *Improvements to IFRSs 2010*. These improvements include changes in presentation, recognition and measurement plus terminology and editorial changes. These improvements did not have a significant impact on the Group's financial statements.
- Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirement*. This amendment corrected an unintended consequence of IFRIC 14. Without the amendment entities were not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued and the amendment corrects this. This amendment did not have a significant impact on the Group's financial statements.
- IFRIC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*. This interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to extinguish all or part of the liability. This IFRIC did not have an effect on the Group's financial statements.
- Amendment to IAS 24 *Revised Related Party Disclosures*. This amendment simplifies the definition of related parties and provides a partial exemption from the disclosure requirements for government-related entities. This amendment did not have a significant impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Summary of Significant Accounting Policies (continued)

Standards, interpretations and amendments to published standards that are not yet effective

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include the following:

- Amendment to IFRS 7 *Disclosures - Transfer of financial assets* (effective date: DCC financial year beginning 1 April 2012). The amendment addresses disclosures required to help users of financial statements evaluate the risk exposures relating to the transfer of financial assets and the effect of those risks on an entity's financial position. This amendment will not have a significant impact on the Group's financial statements.
- Amendment to IAS 12 *Recovery of underlying assets* (effective date: DCC financial year beginning 1 April 2012). The amendment provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 *Investment Property*. The amendment is subject to EU endorsement. This amendment will not have a significant impact on the Group's financial statements.
- Amendment to IAS 19 *Employee benefits* (effective date: DCC financial year beginning 1 April 2013). This amendment is still subject to EU endorsement. The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and significantly increases the volume of disclosures. This amendment will have an impact on the Group's financial statements due to changes in the measurement of the defined benefit expense, however management has not yet determined the impact this will have on the Group's financial statements.
- Amendment to IAS 1 *Presentation of items of other comprehensive income* (OCI) (effective date: DCC financial year beginning 1 April 2013). This amendment is still subject to EU endorsement. The amendment introduces a requirement for entities to group items of OCI on the basis of whether they are potentially re-classifiable to profit or loss subsequently. This amendment will result in some presentation changes but is not expected to have a significant impact on the Group's financial statements.
- IFRS 10 *Consolidated financial statements* (effective date: DCC financial year beginning 1 April 2013). This standard is still subject to EU endorsement. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single entity remains unchanged, as do the mechanics of consolidation. IAS 27 is renamed *'Separate financial statements'* and is now a standard dealing solely with separate financial statements. This standard is not expected to have a significant impact on the Group's financial statements.
- IFRS 11 *Joint arrangements* (effective date: DCC financial year beginning 1 April 2013). This standard is still subject to EU endorsement. IFRS 11 eliminates the existing accounting policy choice of proportionate consolidation for jointly controlled entities. IFRS 11 makes equity accounting mandatory for participants in joint ventures. Changes in definitions also mean that the types of joint arrangements have been reduced from three to two; joint operations and joint ventures. IFRS 11 also made a number of consequential amendments to IAS 28 *Investments in associates and joint ventures*. This standard will impact the Group financial statements as the Group currently has adopted an accounting policy of proportionate consolidation for jointly controlled entities. On adoption of IFRS 11 the Group will be required to equity account for its interests in jointly controlled entities.
- IFRS 12 *Disclosure of interests in other entities* (effective date: DCC financial year beginning 1 April 2013). This standard is still subject to EU endorsement. IFRS 12 sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11. IFRS 12 requires entities to disclose information about the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard will not have a significant impact on the Group's financial statements.
- IFRS 13 *Fair value measurement* (effective date: DCC financial year beginning 1 April 2013). This standard is still subject to EU endorsement. IFRS 13 explains how to measure fair value and enhances fair value disclosures. This standard will not have a significant impact on the Group's financial statements.
- Amendment to IFRS 7 *Disclosures - Offsetting financial assets and financial liabilities* (effective date: DCC financial year beginning 1 April 2013). The amendment is still subject to EU endorsement. The amendment enhances current disclosures about offsetting financial assets and financial liabilities. This amendment will not have a significant impact on the Group's financial statements.
- IFRIC 20 *Stripping costs in the production of a surface mine* (effective date: DCC financial year beginning 1 April 2013). This IFRIC is still subject to EU endorsement. IFRIC 20 sets out the accounting for overburden waste removal costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. This interpretation will have no impact on the Group's financial statements.

1. Summary of Significant Accounting Policies (continued)

- Amendment to IAS 32 *Offsetting financial assets and financial liabilities* (effective date: DCC financial year beginning 1 April 2014). The amendment is still subject to EU endorsement. The amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment will not have a significant impact on the Group's financial statements.
- IFRS 9 *Financial instruments* (effective date: DCC financial year beginning 1 April 2015). This standard is still subject to EU endorsement. IFRS 9 is the first step in the process to replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. IFRS 9 replaces the multiple classification models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing financial assets and the contractual characteristics of the financial assets. IFRS 9 removes the requirement to separate embedded derivatives from financial asset hosts. IFRS 9 removes the cost exemption for unquoted equities. The impact of the standard on the Group's financial statements has not yet been determined.

Basis of Consolidation

Subsidiaries
Subsidiaries are entities that are controlled by the Group. Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The results of subsidiary undertakings acquired or disposed of during the year are included in the Group Income Statement from the date of their acquisition or up to the date of their disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Joint ventures
In accordance with IAS 31 *Interests in Joint Ventures*, the Group's share of results and net assets of joint ventures, which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised and are derecognised when joint control ceases. All of the Group's joint ventures are jointly controlled entities within the meaning of IAS 31. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill attributable to investments in associates is treated in accordance with the accounting policy for goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Group Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The results of associates are included from the effective date on which the Group obtains significant influence and are excluded from the effective date on which the Group ceases to have significant influence.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Summary of Significant Accounting Policies (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from such transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue Recognition

Revenue comprises the fair value of the sale of goods and services to external customers net of value added tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally arises on delivery, or in accordance with specific terms and conditions agreed with customers. Revenue from the rendering of services is recognised in the period in which the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when shareholders' rights to receive payment have been established.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Group has determined that it has five reportable operating segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in euro which is the Company's functional and the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Currency translation differences on monetary assets and liabilities are taken to the Group Income Statement except when cash flow or net investment hedge accounting is applied.

Group companies

Results and cash flows of subsidiaries, joint ventures and associates which do not have the euro as their functional currency are translated into euro at average exchange rates for the year. Average exchange rates are a reasonable approximation of the cumulative effect of the rates on the transaction dates. The related balance sheets are translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of such subsidiaries, joint ventures and associates at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency instruments designated as hedges of such investments.

On disposal of a foreign operation, such cumulative currency translation differences are recognised in the Income Statement as part of the overall gain or loss on disposal. In accordance with IFRS 1, cumulative currency translation differences arising prior to the transition date to IFRS (1 April 2004) have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

1. Summary of Significant Accounting Policies (continued)

Exceptional Items

The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. Such items may include restructuring, profit or loss on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, profit or loss on disposal of property, plant and equipment, IAS 39 ineffective mark to market movements together with gains or losses arising from currency swaps offset by gains or losses on related fixed rate debt, acquisition costs, profit or loss on defined benefit pension scheme restructuring and impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be presented in the Income Statement and disclosed in the related notes as exceptional items.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis at the rates stated below, which are estimated to reduce each item of property, plant and equipment to its residual value level by the end of its useful life:

	Annual Rate
Freehold and long term leasehold buildings	2%
Plant and machinery	5 - $33^{1/3}$%
Cylinders	$6^{2/3}$%
Motor vehicles	10 - $33^{1/3}$%
Fixtures, fittings & office equipment	10 - $33^{1/3}$%

Land is not depreciated. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

In accordance with IAS 36 *Impairment of Assets*, the carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset or cash-generating unit is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets.

Business Combinations

Business combinations from 1 April 2010

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Summary of Significant Accounting Policies (continued)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS39 in the Income Statement.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Income Statement.

Business combinations prior to 1 April 2010
Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

Contingent consideration was recognised if the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Non-Current Assets Held for Sale
Non-current assets and disposal groups are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. The assets held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

Goodwill
Goodwill arising in respect of acquisitions completed prior to 1 April 2004 (being the transition date to IFRS) is included at its carrying amount, which equates to its net book value recorded under previous GAAP. In accordance with IFRS 1, the accounting treatment of business combinations undertaken prior to the transition date was not reconsidered and goodwill amortisation ceased with effect from the transition date.

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The carrying amount of goodwill in respect of associates, net of any impairment, is included in investments in associates under the equity method in the Group Balance Sheet.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist; the goodwill impairment tests are undertaken at a consistent time in each annual period. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

1. Summary of Significant Accounting Policies (continued)

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, is included in determining the profit or loss arising on disposal.

Where goodwill forms part of a cash-generating unit and part of the operations within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Intangible Assets (other than Goodwill)
Intangible assets acquired separately are capitalised at cost. Intangible assets acquired in the course of a business combination are capitalised at fair value being their deemed cost as at the date of acquisition.

Following initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses. Where amortisation is charged on assets with finite lives this expense is taken to the Income Statement.

The amortisation of intangible assets is calculated to write off the book value of intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite-lived intangible assets are amortised over periods ranging from two to six years, depending on the nature of the intangible asset.

The carrying amount of finite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised as assets of the Group at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a short, medium or long term lease obligation as appropriate. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Income Statement.

Rentals payable under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight line basis over the term of the relevant lease.

Inventories
Inventories 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 inventories, 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 inventories.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Summary of Significant Accounting Policies (continued)

Trade and Other Receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the Income Statement.

Trade and Other Payables
Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-dated nature of these liabilities.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above net of bank overdrafts.

Derivative Financial Instruments
The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge its exposure to interest rate and foreign exchange risks and to changes in the prices of certain commodity products arising from operational, financing and investment activities.

Derivative financial instruments are recognised at inception at fair value, being the present value of estimated future cash flows. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of currency swaps that are hedging borrowings and for which the Group have not elected to apply hedge accounting, along with changes in the fair value of derivatives hedging borrowings, that are part of designated fair value hedge relationships, are reflected in the Income Statement in 'Finance Costs' and presented in note 12.

Changes in the fair value of other derivative financial instruments for which the Group have not elected to apply hedge accounting are reflected in the Income Statement, in 'Other Operating Income' or 'Other Operating Expenses' and presented in note 5.

Hedging
For the purposes of hedge accounting, hedges are designated either as fair value hedges (which hedge the exposure to movements in the fair value of a recognised asset or liability or a firm commitment that are attributable to hedged risks) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability or a highly probable forecast transaction).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments are disclosed in note 29 and the movements on the hedging reserve in shareholders' equity are shown in note 39. The full fair value of a derivative is classified as a non-current asset or non-current liability if the remaining maturity of the derivative is more than twelve months, and as a current asset or current liability if the remaining maturity of the derivative is less than twelve months.

1. Summary of Significant Accounting Policies (continued)

Fair value hedge
In the case of fair value hedges which satisfy the conditions for hedge accounting, any gain or loss arising from the re-measurement of the fair value of the hedging instrument is reported in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. As a result, the gain or loss on interest rate swaps and cross currency interest rate swaps that are in hedge relationships with borrowings are included within 'Finance Income' or 'Finance Costs'. In the case of the related hedged borrowings any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement within 'Finance Costs' or 'Finance Income' . The gain or loss on commodity derivatives that are fair value hedges of firm commitments are recognised in revenue. Any change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability on the balance sheet with a corresponding gain or loss in Revenue.

If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the Income Statement over the period to maturity.

Cash flow hedge
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity with the ineffective portion being reported in the Income Statement in 'Other Operating Income' or 'Other Operating Expenses'. When a forecast transaction results in the recognition of an asset or a liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise, the associated gains or losses that had previously been recognised in equity are transferred to the Income Statement in the same reporting period as the hedged transaction in Revenue or Costs of Sales (depending on whether the hedge related to a forecasted sale or purchase).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Interest-Bearing Loans and Borrowings
All loans and borrowings are initially recorded at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Provisions
A provision is recognised in the Balance Sheet when the Group has a present obligation (either legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and announced its main provisions.

Provisions arising on business combinations are only recognised to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to the acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Summary of Significant Accounting Policies (continued)

Environmental Provisions
The Group's waste management and recycling activities are subject to various laws and regulations governing the protection of the environment. Full provision is made for the net present value of the Group's estimated costs in relation to restoration liabilities at its landfill sites. The net present value of the estimated costs is capitalised as property, plant and equipment and the unwinding of the discount element on the restoration provision is reflected in the Income Statement.

Finance Costs
Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, gains and losses on hedging instruments that are recognised in the Income Statement and the unwinding of discounts on provisions. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest rate method. The finance cost on defined benefit pension scheme liabilities is recognised in the Income Statement in accordance with IAS 19.

Finance Income
Interest income is recognised in the Income Statement as it accrues, using the effective interest method. The expected return on defined benefit pension scheme assets is recognised in the Income Statement in accordance with IAS 19.

Income Tax
Current tax
Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years.

Deferred tax
Deferred tax is provided using the liability method on all temporary differences at the balance sheet date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that have been enacted or substantially enacted by the balance sheet date in which the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the following:

(i) where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and

(ii) where, in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary difference is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items except:

(i) where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and

(ii) where, in respect of deductible temporary differences associated with investment in subsidiaries, joint ventures and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profits would be available to allow all or part of the deferred tax asset to be utilised.

Pension and other Post Employment Obligations
The Group operates defined contribution and defined benefit pension schemes.

The costs arising in respect of the Group's defined contribution schemes are charged to the Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions after payment of fixed contributions.

1. Summary of Significant Accounting Policies (continued)

The Group operates a number of defined benefit pension schemes which require contributions to be made to separately administered funds. The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted. Plan assets are measured at bid values.

The discount rate employed in determining the present value of the schemes' liabilities is determined by reference to market yields at the balance sheet date on high quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The net surplus or deficit arising in the Group's defined benefit pension schemes are shown within either non-current assets or liabilities on the face of the Group Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax liabilities or assets as appropriate. In accordance with IAS 19 *Employee Benefits* the Group recognises actuarial gains and losses immediately in the Group Statement of Comprehensive Income.

When the benefits of a defined benefit plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the Income Statement.

Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets or liabilities in the Income Statement.

Share-Based Payment Transactions

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares.

The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity. The fair value at the grant date is determined using a Monte Carlo simulation technique for the DCC plc Long Term Incentive Plan 2009 and a binomial model for the DCC plc 1998 Employee Share Option Scheme.

The DCC plc Long Term Incentive Plan 2009 contains market based vesting conditions and accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 *Share-based Payment* is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions.

The DCC plc 1998 Employee Share Option Scheme contains non-market based vesting conditions which are not taken into account when estimating the fair value of entitlements as at the grant date. The expense in the Income Statement represents the product of the total number of options anticipated to vest and the fair value of those options. This amount is allocated on a straight-line basis over the vesting period to the Income Statement with a corresponding credit to 'Other Reserves - Share Options'. The cumulative charge to the Income Statement is only reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

The proceeds received by the Company on the exercise of share entitlements are credited to Share Capital (nominal value) and Share Premium when the share entitlements are exercised. When the share-based payments give rise to the re-issue of shares from treasury shares, the proceeds of issue are credited to shareholders equity.

The measurement requirements of IFRS 2 have been implemented in respect of share options entitlements granted after 7 November 2002. In accordance with the standard, the disclosure requirements of IFRS 2 have been applied to all outstanding share-based payments regardless of their grant date. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Financial Risk Management

Government Grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Shareholders' Equity

Treasury Shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders of the Company. Proposed dividends that are approved after the balance sheet date are not recognised as a liability at that balance sheet date, but are disclosed in the dividends note.

Non-Controlling Interests

Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Group Income Statement and within equity in the Group Balance Sheet, distinguished from shareholders' equity attributable to owners of the Parent. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Financial Risk Factors

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge certain risk exposures, as detailed below, arising from operational, financing and investment activities. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

Financial risk management within the Group is governed by policies and guidelines reviewed and approved annually by the Board of Directors. These policies and guidelines primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate risk. Monitoring of compliance with the policies and guidelines is managed by the Group Risk Management function.

The Group's financial risks are detailed in note 47.

Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of techniques and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair value of interest rate and cross currency swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The fair value of forward commodity contracts is determined using quoted forward commodity prices at the balance sheet date. The fair values of borrowings (none of which are listed) are measured by discounting cash flows at prevailing interest and exchange rates.

The nominal value less impairment provision of trade receivables and payables approximate to their fair values, largely due to their short-term maturities.

Fair values of the Group's financial assets and financial liabilities are summarised in note 47.

3. Critical Accounting Estimates and Judgements

The Group's main accounting policies affecting its results of operations and financial condition are set out on pages 95 to 105. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and judgements:

Goodwill

The Group has capitalised goodwill of €723.4 million at 31 March 2012. Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. The Group uses the present value of future cash flows to determine recoverable amount. In calculating the value in use, management judgement is required in forecasting cash flows of cash generating units, in determining terminal growth values and in selecting an appropriate discount rate. Sensitivities to changes in assumptions are detailed in note 21.

Post Employment Benefits

The Group operates a number of defined benefit retirement plans. The Group's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries, updated at least annually and totals €116.3 million at 31 March 2012. At 31 March 2012 the Group also has plan assets totalling €101.6 million, giving a net pension liability of €14.7 million. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the plan assets is also sensitive to asset return levels and the level of contributions from the Group. Sensitivities to changes in assumptions are detailed in note 33.

Taxation

The Group is subject to income taxes in a number of jurisdictions. Provisions for tax liabilities require management to make judgements and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax laws and the likelihood of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into account applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

Business Combinations

Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

Environmental Provisions

The Group has provisions for environmental remediation costs at 31 March 2012 of €9.9 million as disclosed in note 35. The main component of this provision relates to restoration liabilities at the Group's landfill sites. Future remediation costs are affected by a number of uncertainties, the most significant of which is the estimation of the ongoing costs of treating the by-products of bio-degrading waste. Management believes that the total provision is adequate based on currently available information. However, given the inherent difficulties in estimating liabilities in this area, it cannot be guaranteed that additional costs will not be incurred in excess of the amounts accrued. The effect of the resolution of environmental matters on the results of the Group cannot be predicted due to the uncertainty concerning both the amount and the timing of future costs. Such changes that arise could impact the provisions recognised in the Balance Sheet in future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Critical Accounting Estimates and Judgements (continued)

Provision for Impairment of Trade Receivables
The Group trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Group uses estimates based on historical experience and current information in determining the level of debts for which a provision for impairment is required. The level of provision required is reviewed on an ongoing basis.

Useful Lives for Property, Plant and Equipment and Intangible Assets
Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the period.

4. Segment Information

Analysis by operating segment and by geography
DCC is a sales, marketing, distribution and business support services group headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as Mr. Tommy Breen, Chief Executive. The Group is organised into five operating segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

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

DCC SerCom is a distributor of IT, communications and home entertainment products in Britain, Ireland and France primarily to retail and business customers. DCC SerCom also includes a supply chain management business.

DCC Healthcare provides sales, marketing, distribution and other services to medical device and pharma companies in the Irish and British hospital and homecare markets. DCC Healthcare also provides outsourced product development, manufacturing, packing and other services to health and beauty brand owners in Europe.

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

DCC Food & Beverage markets and sells food and beverages in Ireland to a broad range of customers and wine in Britain. DCC Food & Beverage is also a provider of frozen food distribution in Ireland.

The chief operating decision maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before amortisation of intangible assets and net operating exceptional items. Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis below.

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

4. Segment Information (continued)

The segment results for the year ended 31 March 2012 are as follows:

Income Statement items

	Year ended 31 March 2012					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	**7,822,971**	**2,181,212**	**330,022**	**132,702**	**223,434**	**10,690,341**
Operating profit*	**83,493**	**53,235**	**23,428**	**14,211**	**10,659**	**185,026**
Amortisation of intangible assets	**(5,835)**	**(2,348)**	**(1,090)**	**(1,206)**	**(900)**	**(11,379)**
Net operating exceptionals (note 11)	**(14,960)**	**(11,083)**	**12,311**	**(252)**	**(8,373)**	**(22,357)**
Operating profit	**62,698**	**39,804**	**34,649**	**12,753**	**1,386**	**151,290**
Finance costs						**(50,447)**
Finance income						**33,248**
Share of associates' loss after tax						**(1,108)**
Profit before income tax						**132,983**
Income tax expense						**(29,937)**
Profit for the year						**103,046**

	Year ended 31 March 2011					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	6,129,786	1,868,877	323,291	106,442	252,177	8,680,573
Operating profit*	137,307	46,029	23,203	11,589	11,492	229,620
Amortisation of intangible assets	(7,145)	(944)	(800)	(2,073)	-	(10,962)
Net operating exceptionals (note 11)	(6,475)	(2,120)	(2,129)	(6)	(1,920)	(12,650)
Operating profit	123,687	42,965	20,274	9,510	9,572	206,008
Finance costs						(52,140)
Finance income						35,939
Share of associates' loss after tax						(239)
Profit before income tax						189,568
Income tax expense						(43,771)
Profit for the year						145,797

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Segment Information (continued)

Balance Sheet items

	As at 31 March 2012					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment assets	**1,666,993**	**656,212**	**233,358**	**197,999**	**111,608**	**2,866,170**
Reconciliation to total assets as reported in the Group Balance Sheet						
Investments in associates						**1,173**
Derivative financial instruments (current and non-current)						**138,825**
Deferred income tax assets						**6,397**
Cash and cash equivalents						**630,023**
Assets classified as held for sale						**142,614**
Total assets as reported in the Group Balance Sheet						**3,785,202**
Segment liabilities	**1,088,048**	**326,338**	**74,249**	**34,652**	**50,677**	**1,573,964**
Reconciliation to total liabilities as reported in the Group Balance Sheet						
Interest-bearing loans and borrowings (current and non-current)						**919,364**
Derivative financial instruments (current and non-current)						**18,513**
Income tax liabilities (current and deferred)						**70,824**
Deferred and contingent acquisition consideration (current and non-current)						**98,699**
Government grants (current and non-current)						**2,525**
Liabilities associated with assets classified as held for sale						**87,334**
Total liabilities as reported in the Group Balance Sheet						**2,771,223**

	As at 31 March 2011					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment assets	1,170,278	674,449	191,136	151,474	126,666	2,314,003
Reconciliation to total assets as reported in the Group Balance Sheet						
Investments in associates						2,281
Derivative financial instruments (current and non-current)						87,938
Deferred income tax assets						9,328
Cash and cash equivalents						700,340
Total assets as reported in the Group Balance Sheet						3,113,890
Segment liabilities	666,423	366,487	61,102	29,091	63,256	1,186,359
Reconciliation to total liabilities as reported in the Group Balance Sheet						
Interest-bearing loans and borrowings (current and non-current)						802,786
Derivative financial instruments (current and non-current)						30,675
Income tax liabilities (current and deferred)						84,861
Deferred and contingent acquisition consideration (current and non-current)						74,344
Government grants (current and non-current)						2,991
Total liabilities as reported in the Group Balance Sheet						2,182,016

4. Segment Information (continued)

Other segment information

	Year ended 31 March 2012					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Capital expenditure	48,163	3,086	8,840	11,741	3,295	75,125
Depreciation	32,585	5,815	4,213	9,289	3,533	55,435
Intangible assets acquired	125,670	6,800	16,771	28,512	41	177,794
Impairment of goodwill	-	5,500	-	-	5,869	11,369

	Year ended 31 March 2011					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Capital expenditure	44,645	20,389	4,910	11,556	2,523	84,023
Depreciation	30,858	5,141	4,526	8,427	3,954	52,906
Intangible assets acquired	19,025	35,230	1,743	797	5,063	61,858
Impairment of goodwill	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Segment Information (continued)

Geographical analysis

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

	Year ended 31 March							
	Republic of Ireland		UK		Rest of the World		Total	
	2012 €'000	2011 €'000	**2012 €'000**	2011 €'000	**2012 €'000**	2011 €'000	**2012 €'000**	2011 €'000
Income Statement items								
Revenue	**957,831**	919,966	**7,883,888**	6,388,742	**1,848,622**	1,371,865	**10,690,341**	8,680,573
Operating profit*	**26,526**	34,236	**125,349**	164,541	**33,151**	30,843	**185,026**	229,620
Amortisation of intangible assets	**(1,571)**	(470)	**(7,689)**	(8,773)	**(2,119)**	(1,719)	**(11,379)**	(10,962)
Net operating exceptionals	**(13,102)**	(3,076)	**(29)**	(8,582)	**(9,226)**	(992)	**(22,357)**	(12,650)
Segment result	**11,853**	30,690	**117,631**	147,186	**21,806**	28,132	**151,290**	206,008
Balance Sheet items								
Segment assets	**409,698**	393,223	**2,093,840**	1,600,302	**362,632**	320,478	**2,866,170**	2,314,003
Segment liabilities	**184,489**	177,859	**1,140,857**	778,365	**248,618**	230,135	**1,573,964**	1,186,359
Other segment information								
Non-current assets**	**230,596**	247,947	**917,913**	705,853	**88,966**	80,080	**1,237,475**	1,033,880
Capital expenditure	**9,999**	9,641	**61,197**	70,672	**3,929**	3,710	**75,125**	84,023
Depreciation	**12,892**	14,091	**39,669**	36,391	**2,874**	2,424	**55,435**	52,906
Intangible assets acquired	**3,654**	5,848	**133,017**	45,739	**41,123**	10,271	**177,794**	61,858
Impairment of goodwill	**5,869**	-	**-**	-	**5,500**	-	**11,369**	-

* *Operating profit before amortisation of intangible assets and net operating exceptionals*
** *Non-current assets comprise intangible assets, property, plant and equipment and investments in associates*

Revenue and operating profit are derived almost entirely from the sale of goods and are disclosed based on the location of the entity producing the goods. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The Balance Sheet and other segment information presented above are disclosed based on the location of the assets.

5. Other Operating Income/Expense

	2012 €'000	2011 €'000
Other operating income and expense comprise the following credits/(charges):		
Other income		
Fair value gains on non-hedge accounted derivative financial instruments - commodities	40	-
Fair value gains on non-hedge accounted derivative financial instruments - forward exchange contracts	995	206
Throughput	6,648	6,612
Haulage	53	7,139
Rental income	3,483	3,675
Other operating income	5,364	7,791
	16,583	25,423
Other operating income included in net exceptional items	17,676	7,177
Total other operating income	34,259	32,600
Other expenses		
Expensing of employee share options (note 10)	(549)	(1,389)
Fair value losses on non-hedge accounted derivative financial instruments - forward exchange contracts	(857)	(742)
Other operating expenses	(2,093)	(800)
	(3,499)	(2,931)
Other operating expenses included in net exceptional items	(40,033)	(19,827)
Total other operating expenses	(43,532)	(22,758)

6. Group Operating Profit

Group operating profit has been arrived at after charging/(crediting) the following amounts (including the Group's share of joint ventures accounted for on the basis of proportionate consolidation):

	2012 €'000	2011 €'000
Provision for impairment of trade receivables (note 47)	1,830	5,317
Directors' fees and salaries	2,151	2,121
Foreign exchange loss	268	106
Amortisation of government grants (note 36)	(604)	(730)
Operating lease rentals		
- land and buildings	14,749	13,247
- plant and machinery	788	873
- motor vehicles	11,559	11,390
	27,096	25,510
During the year the Group obtained the following services from the Group's auditors (PricewaterhouseCoopers):		
Audit fees	1,454	1,378
Tax compliance and advisory services	623	1,118
Other non-audit services	102	58
	2,179	2,554

Auditor statutory disclosure

The audit fee for the Parent Company is €16,000 (2011: €20,000). This amount is paid to PricewaterhouseCoopers, Ireland, the statutory auditor.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Directors' Emoluments and Interests

Directors' emoluments (which are included in operating costs) and interests are presented in the Report on Directors' Remuneration and Interests on pages 74 to 83.

8. Proportionate Consolidation of Joint Ventures

Impact on Group Income Statement

Year ended 31 March Group share of:	2012 €'000	2011 €'000
Revenue	**19,550**	15,119
Cost of sales	**(12,339)**	(9,311)
Gross profit	**7,211**	5,808
Operating costs	**(5,789)**	(4,693)
Exceptional items	**-**	159
Operating profit	**1,422**	1,274
Finance costs (net)	**8**	(1)
Profit before income tax	**1,430**	1,273
Income tax expense	**(195)**	(179)
Profit for the financial year	**1,235**	1,094

Impact on Group Balance Sheet

As at 31 March Group share of:	2012 €'000	2011 €'000
Non-current assets	**7,096**	6,828
Current assets	**3,890**	3,171
Total assets	**10,986**	9,999
Total equity	**6,592**	6,508
Non-current liabilities	**15**	8
Current liabilities	**4,379**	3,483
Total liabilities	**4,394**	3,491
Total equity and liabilities	**10,986**	9,999

Impact on Group Cash Flow Statement

Year ended 31 March Group share of:	2012 €'000	2011 €'000
Net cash flow from operating activities	**1,165**	1,000
Net cash flow from investing activities	**(1,031)**	(536)
Net increase in cash and cash equivalents	**134**	464
Cash and cash equivalents at beginning of year	**1,603**	1,139
Cash and cash equivalents at end of year	**1,737**	1,603

Reconciliation of cash and cash equivalents to net cash

Cash and cash equivalents as above	**1,737**	1,603
Net cash at 31 March	**1,737**	1,603

The Group's share of its joint ventures' capital commitments for property, plant and equipment at 31 March 2012 is €0.584 million (2011: €0.371 million).

Details of the Group's principal joint ventures are shown in the Group directory on pages 158 to 162.

9. Employment

The average weekly number of persons (including executive Directors and the Group's share of employees of joint ventures, applying proportionate consolidation) employed by the Group during the year analysed by class of business was:

	2012 Number	2011 Number
DCC Energy	**3,687**	3,513
DCC SerCom	**1,735**	1,554
DCC Healthcare	**1,137**	1,131
DCC Environmental	**893**	759
DCC Food & Beverage	**903**	968
	8,355	7,925

The employee benefit expense (excluding termination payments - note 11) for the above were:	2012 €'000	2011 €'000
Wages and salaries	**298,705**	284,042
Social welfare costs	**36,581**	32,132
Share based payment expense (note 10)	**549**	1,389
Pension costs - defined contribution plans	**7,773**	6,884
Pension costs - defined benefit plans (note 33)	**1,477**	2,383
	345,085	326,830

10. Employee Share Options

The Group's employee share options are equity-settled share-based payments as defined in IFRS 2 *Share-based Payment*. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The expense reported in the Income Statement of €0.549 million (2011: €1.389 million) has been arrived at by applying a Monte Carlo simulation technique for share awards issued under the DCC plc Long Term Incentive Plan 2009 and a binomial model, which is a lattice option-pricing model, for options issued under the DCC plc 1998 Employee Share Option Scheme.

Impact on Income Statement

In compliance with IFRS 2 *Share-based Payment*, the Group has implemented the measurement requirements of the IFRS in respect of share options that were granted after 7 November 2002 and had not vested by 1 April 2004.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Employee Share Options (continued)

The total share option expense is analysed as follows:

Date of grant	Grant price €	Minimum duration of vesting period	Number of share awards/ options granted	Weighted average fair value €	Expense in Income Statement 2012 €'000	Expense in Income Statement 2011 €'000
DCC plc Long Term Incentive Plan 2009						
20 August 2009	15.63	3 years	255,406	8.97	**746**	742
15 November 2010	21.25	3 years	212,525	12.00	**850**	283
15 November 2011	17.50	3 years	252,697	9.17	**257**	-
					1,853	1,025
DCC Sharesave Scheme 2001						
10 December 2004	12.63	3 and 5 years	716,010	4.67	**-**	(161)
DCC plc 1998 Employee Share Option Scheme						
12 November 2002	10.38	3 and 5 years	609,500	2.81	**(748)**	(6)
22 December 2003	10.70	3 and 5 years	132,500	2.76	**(192)**	-
18 May 2004	12.75	3 and 5 years	162,500	3.42	**(212)**	(7)
9 November 2004	15.65	3 and 5 years	219,500	4.15	**(220)**	-
23 June 2006	18.05	3 years	223,500	4.54	**-**	(9)
23 July 2007	23.35	3 years	323,000	6.35	**-**	126
20 December 2007	19.50	3 years	25,000	5.22	**-**	33
20 May 2008	15.68	3 years	315,500	4.32	**68**	388
					(1,304)	525
Total expense					**549**	1,389

Share options and awards

DCC plc Long Term Incentive Plan 2009

At 31 March 2012, under the DCC plc Long Term Incentive Plan 2009, Group employees hold options to subscribe for 714,755 ordinary shares.

The general terms of the DCC plc Long Term Incentive Plan 2009 are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83.

A summary of activity under the DCC plc Long Term Incentive Plan 2009 over the year is as follows:

	2012 Number of share awards	2011 Number of share awards
At 1 April	**462,058**	251,887
Granted	**252,697**	212,525
Lapsed	**-**	(2,354)
At 31 March	**714,755**	462,058

The share awards outstanding at the year end have a weighted average remaining contractual life of 5.6 years (2011: 6.0 years).

10. Employee Share Options (continued)

The weighted average fair values assigned to share awards granted under the DCC plc Long Term Incentive Plan 2009, which were computed in accordance with the Monte Carlo valuation methodology, were as follows:

	€
Granted during the year ended 31 March 2012	**9.17**
Granted during the year ended 31 March 2011	12.00
Granted during the year ended 31 March 2010	8.97

The fair values of share awards granted under the DCC plc Long Term Incentive Plan 2009 were determined taking account of peer group total share return volatilities and correlations together with the following assumptions:

	2012	2011
Risk-free interest rate (%)	**1.88**	1.91
Dividend yield (%)	**2.50**	2.50
Expected volatility (%)	**30.0**	30.0
Expected life in years	**5.0**	5.0

The expected volatility is based on historic volatility over the past 5 years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon government bonds of a term consistent with the assumed option life.

Analysis of closing balance - outstanding at end of year

Date of grant	Date of expiry	2012 Number of share awards	2011 Number of share awards
20 August 2009	20 August 2016	**249,533**	249,533
15 November 2010	15 November 2017	**212,525**	212,525
15 November 2011	15 November 2018	**252,697**	-
Total outstanding at 31 March		**714,755**	462,058

Analysis of closing balance - exercisable at end of year

As at 31 March 2012, none of the outstanding share awards under the DCC plc Long Term Incentive Plan 2009 were exercisable.

DCC plc 1998 Employee Share Option Scheme

At 31 March 2012, under the DCC plc 1998 Employee Share Option Scheme, Group employees hold basic tier options to subscribe for 1,024,500 ordinary shares and second tier options to subscribe for 418,500 ordinary shares.

The general terms of the DCC plc 1998 Employee Share Option Scheme are set out in the Report on Directors' Remuneration and Interests on pages 74 to 83.

The DCC plc 1998 Employee Share Option Scheme contains non-market based vesting conditions which are not taken into account when estimating the fair value of entitlements as at the grant date. The expense in the Income Statement represents the product of the total number of options anticipated to vest and the fair value of those options. This amount is allocated on a straight-line basis over the vesting period to the Income Statement. The cumulative charge to the Income Statement is only reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period. The vesting conditions for second tier share options granted between 12 November 2002 and 9 November 2004 are highly unlikely to be achieved and, on that basis, amounts previously charged to the Income Statement in relation to these share options have been reversed in the current year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Employee Share Options (continued)

A summary of activity under the DCC plc 1998 Employee Share Option Scheme over the year is as follows:

	2012		2011	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 April	14.42	1,896,000	14.14	2,213,000
Exercised	11.27	(210,500)	12.21	(279,000)
Lapsed	10.70	(242,500)	14.01	(38,000)
At 31 March	15.51	1,443,000	14.42	1,896,000
Total exercisable at 31 March	17.29	1,024,500	16.44	953,500

The weighted average share price at the dates of exercise for share options exercised during the year under the DCC plc 1998 Employee Share Option Scheme was €18.61 (2011: €20.15). The share options outstanding at the year end have a weighted average remaining contractual life of 3.4 years (2011: 3.8 years).

Analysis of closing balance - outstanding at end of year

		2012		2011	
Date of grant	Date of expiry	Exercise price in € per share	Options	Exercise price in € per share	Options
13 November 2001	13 November 2011	10.25	-	10.25	395,500
12 November 2002	12 November 2012	10.38	332,000	10.38	339,500
22 December 2003	22 December 2013	10.70	84,000	10.70	84,000
18 May 2004	18 May 2014	12.75	119,500	12.75	119,500
9 November 2004	9 November 2014	15.65	120,500	15.65	140,500
15 December 2005	15 December 2015	16.70	120,000	16.70	122,500
23 June 2006	23 June 2016	18.05	162,000	18.05	162,000
23 July 2007	23 July 2017	23.35	226,000	23.35	226,000
20 December 2007	20 December 2017	19.50	12,500	19.50	25,000
20 May 2008	20 May 2018	15.68	266,500	15.68	281,500
Total outstanding at 31 March			1,443,000		1,896,000

Analysis of closing balance - exercisable at end of year

		2012		2011	
Date of grant	Date of expiry	Exercise price in € per share	Options	Exercise price in € per share	Options
13 November 2001	13 November 2011	10.25	-	10.25	173,000
12 November 2002	12 November 2012	10.38	70,500	10.38	78,000
22 December 2003	22 December 2013	10.70	16,500	10.70	16,500
18 May 2004	18 May 2014	12.75	60,000	12.75	60,000
9 November 2004	9 November 2014	15.65	90,500	15.65	90,500
15 December 2005	15 December 2015	16.70	120,000	16.70	122,500
23 June 2006	23 June 2016	18.05	162,000	18.05	162,000
23 July 2007	23 July 2017	23.35	226,000	23.35	226,000
20 December 2007	20 December 2017	19.50	12,500	19.50	25,000
20 May 2008	20 May 2018	15.68	266,500	15.68	-
Total exercisable at 31 March			1,024,500		953,500

11. Exceptionals

	2012 €'000	2011 €'000
Gain arising from Taiwanese legal claim	**14,089**	-
Net (loss)/profit on disposal of subsidiaries	**(1,770)**	894
Cumulative foreign exchange translation losses relating to subsidiaries disposed of	**-**	(3,145)
Restructuring of Group defined benefit pension schemes	**3,587**	4,976
Impairment of property, plant and equipment	**(2,000)**	(6,074)
Acquisition related fees	**(6,568)**	(3,566)
Restructuring costs and other	**(18,326)**	(5,735)
Impairment of goodwill	**(11,369)**	-
Operating exceptional items	**(22,357)**	(12,650)
Mark to market gains/(losses) (included in interest)	**670**	(1,623)
Impairment of associate company investment	**(1,068)**	-
Net exceptional items before taxation	**(22,755)**	(14,273)
Exceptional taxation charge	**(2,234)**	(1,354)
Net exceptional items after taxation	**(24,989)**	(15,627)

In January 2004 the London High Court awarded Stg£10.2 million in damages and interim costs of Stg£2.0 million (in both cases together with interest) to DCC's British based mobility and rehabilitation subsidiary for breach of an exclusive supply agreement by a Taiwanese supplier. Further amounts in respect of costs of Stg£2.9 million were subsequently determined by the London High Court to be payable. In order to enforce the London High Court judgements, it has been necessary to pursue the collection of all outstanding amounts through the Taiwanese courts. In March 2012, DCC received the initial Stg£12.2 million referred to above. The recovery of accumulated interest on this amount and the additional costs referred to above continue to be pursued through the Taiwanese courts. DCC has not accrued the amount of the outstanding claim and will account for it as an exceptional credit when it is virtually certain that the amount will be received.

Restructuring of certain of the Group's pension arrangements during the year gave rise to an exceptional gain of €3.587 million.

The Group incurred an exceptional charge of €18.326 million in relation to restructuring costs and the cost of integrating recently acquired businesses.

There was a non-cash charge of €14.437 million relating to the impairment of both subsidiary goodwill and an associate company investment and the write-down of certain property assets. Included in this charge is an impairment charge in relation to the carrying value of Allied Foods, a subsidiary of DCC Food & Beverage, following the loss of a major distribution contract during the year. In addition, on 3 April 2012 the Group announced that it had agreed to dispose of Altimate Group SA, DCC SerCom's Enterprise distribution business, which is expected to give rise to a loss of approximately €8.0 million, primarily resulting from the non-recovery of a portion of the goodwill arising since the acquisition of Altimate in 2000.

IFRS 3 (revised) requires that the professional fees and tax costs (such as stamp duty) relating to the evaluation and completion of an acquisition are expensed in the Income Statement and these costs amounted to €6.568 million.

Most of the Group's debt has been raised in the US Private Placement market and swapped, using long term interest, currency and cross currency derivatives, to floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 by marking to market swaps designated as fair value hedges and the related fixed rate debt, together with gains or losses arising from marking to market swaps not designated as fair value hedges offset by gains or losses on that related fixed rate debt, is charged or credited as an exceptional item. In the year to 31 March 2012 this amounted to a total exceptional gain of €0.670 million.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Finance Costs and Finance Income

	2012 €'000	2011 €'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes		
- repayable within 5 years, not by instalments	**(22,252)**	(16,950)
- repayable within 5 years, by instalments	**(1,106)**	(87)
- repayable wholly or partly in more than 5 years	**(19,576)**	(26,174)
On loan notes -repayable within 5 years, not by instalments	**(41)**	(30)
On finance leases	**(86)**	(122)
Facility fees	**(739)**	-
Other interest	**(949)**	(861)
	(44,749)	(44,224)
Other finance costs:		
Interest on defined benefit pension scheme liabilities (note 33)	**(5,632)**	(5,347)
Unwinding of discount applicable to deferred and contingent acquisition consideration (note 34)	**(66)**	(946)
Mark-to-market of swaps and related debt* (note 11)	**-**	(1,623)
	(50,447)	(52,140)
Finance income		
Interest on cash and term deposits	**4,525**	4,306
Net income on interest rate and currency swaps	**22,314**	26,813
Mark-to-market of swaps and related debt* (note 11)	**670**	-
Other income	**1,378**	129
Expected return on defined benefit pension scheme assets (note 33)	**4,361**	4,691
	33,248	35,939
Net finance cost	**(17,199)**	(16,201)
***Mark-to-market of swaps and related debt**		
Interest rate swaps designated as fair value hedges	**4,714**	(986)
Cross currency interest rate swaps designated as fair value hedges	**48,738**	(19,821)
Adjusted hedged fixed rate debt	**(53,165)**	19,097
Mark-to-market of designated swaps and related debt	**287**	(1,710)
Currency movements on fixed rate debt not designated as hedged	**(8,969)**	7,636
Currency swaps not designated as hedges	**9,352**	(7,549)
Mark-to-market of undesignated swaps and related debt	**383**	87
Total mark-to-market of swaps and related debt	**670**	(1,623)

13. Foreign Currency

The exchange rates used in translating sterling Balance Sheets and Income Statement amounts were as follows:

	2012 €1=Stg£	2011 €1=Stg£
Balance Sheet (closing rate)	**0.834**	0.884
Income Statement (average rate)	**0.868**	0.852

14. Share of Associates' Loss after Tax

The Group's share of associates' loss after tax is equity-accounted and is presented as a single line item in the Group Income Statement. The loss after tax generated by the Group's associates is analysed as follows:

	2012 €'000	2011 €'000
Group share of:		
Revenue	**5,732**	10,977
Operating loss	**(32)**	(225)
Impairment of associate company investment (note 11)	**(1,068)**	-
Loss before finance costs	**(1,100)**	(225)
Finance costs (net)	**(14)**	(45)
Loss before income tax	**(1,114)**	(270)
Income tax credit	**6**	31
Loss after tax	**(1,108)**	(239)

15. Income Tax Expense

(i) Income tax expense recognised in the Income Statement	2012 €'000	2011 €'000
Current taxation		
Irish corporation tax at 12.5%	**4,514**	4,395
Manufacturing relief	**-**	(113)
Exceptional taxation charge (note 11)	**2,234**	1,354
United Kingdom corporation tax at 26% (2011: 28%)	**11,402**	29,153
Other overseas tax	**10,187**	9,444
Under/(over) provision in respect of prior years	**175**	(401)
Total current taxation	**28,512**	43,832
Deferred tax		
Irish at 12.5%	**(1,373)**	(3,329)
United Kingdom at 24% (2011: 26%)	**2,696**	1,797
Other overseas deferred tax	**88**	(1,140)
Under provision in respect of prior years	**14**	2,611
Total deferred tax charge/(credit)	**1,425**	(61)
Total income tax expense	**29,937**	43,771

(ii) Deferred tax recognised directly in Equity

Defined benefit pension obligations	**(1,178)**	(336)
Cash flow hedges	**(11)**	341
	(1,189)	5

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Income Tax Expense (continued)

(iii) Reconciliation of effective tax rate	2012 €'000	2011 €'000
Profit on ordinary activities before taxation	**132,983**	189,568
Share of associates' loss after tax	**1,108**	239
Amortisation of intangible assets	**11,379**	10,962
	145,470	200,769
Total income tax expense	**29,937**	43,771
Deferred tax attaching to amortisation of intangible assets	**2,385**	2,742
	32,322	46,513
Taxation as a percentage of profit before share of associates' loss after tax, amortisation of intangible assets and net exceptionals	**18.0%**	21.0%
Impact of net exceptionals	**4.2%**	2.2%
Taxation as a percentage of profit before share of associates' loss after tax and amortisation of intangible assets	**22.2%**	23.2%

The following table relates the applicable Republic of Ireland statutory tax rate to the effective tax rate of the Group:

	2012 %	2011 %
Irish corporation tax rate	**12.5**	12.5
Manufacturing relief	**(0.0)**	(0.1)
Effect of earnings taxed at different rates and other	**9.7**	10.8
	22.2	23.2

(iv) Factors that may affect future tax rates and other disclosures

No significant change is expected to the standard rate of corporation tax in the Republic of Ireland which is currently 12.5%. The standard rate of corporation tax in the UK reduced from 26% to 24% on 1 April 2012 and will reduce by a further 1% per annum up to April 2014 when the tax rate will be 22%.

No provision for tax has been recognised in respect of the unremitted earnings of subsidiaries as there is no commitment to remit earnings. Similarly, no deferred tax assets or liabilities have been recognised in respect of temporary differences associated with investments in subsidiaries.

16. Profit Attributable to DCC plc

Profit after taxation for the year attributable to equity shareholders amounting to €40.444 million (2011: €10.284 million) has been accounted for in the financial statements of the Company. In accordance with Section 148(8) of the Companies Act 1963, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 7(1A) of the Companies (Amendment) Act 1986.

17. Dividends

Dividends paid per Ordinary Share are as follows:	2012 €'000	2011 €'000
Final - paid 48.07 cent per share on 21 July 2011 (2011: paid 43.70 cent per share on 22 July 2010)	**40,061**	36,296
Interim - paid 27.42 cent per share on 2 December 2011 (2011: paid 26.11 cent per share on 3 December 2010)	**22,903**	21,738
	62,964	58,034

The Directors are proposing a final dividend in respect of the year ended 31 March 2012 of 50.47 cent per ordinary share (€42.157 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

18. Earnings per Ordinary Share

	2012 €'000	2011 €'000
Profit attributable to owners of the Parent	**102,428**	145,109
Amortisation of intangible assets after tax	**8,994**	8,220
Exceptionals after tax (note 11)	**24,989**	15,627
Adjusted profit after taxation and non-controlling interests	**136,411**	168,956

Basic earnings per ordinary share	2012 cent	2011 cent
Basic earnings per ordinary share	**122.78c**	174.48c
Amortisation of intangible assets after tax	**10.78c**	9.88c
Exceptionals after tax	**29.95c**	18.79c
Adjusted basic earnings per ordinary share	**163.51c**	203.15c
Weighted average number of ordinary shares in issue (thousands)	**83,427**	83,167

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

Diluted earnings per ordinary share	2012 cent	2011 cent
Diluted earnings per ordinary share	**122.46c**	173.90c
Amortisation of intangible assets after tax	**10.75c**	9.85c
Exceptionals after tax	**29.88c**	18.73c
Adjusted diluted earnings per ordinary share	**163.09c**	202.48c
Weighted average number of ordinary shares in issue (thousands)	**83,639**	83,445

The earnings used for the purposes of the diluted earnings per share calculations were €102.428 million (2011: €145.109 million) and €136.411 million (2011: €168.956 million) for the purposes of the adjusted diluted earnings per share calculations.

The weighted average number of ordinary shares used in calculating the diluted earnings per share for the year ended 31 March 2012 was 83.639 million (2011: 83.445 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per share amounts is as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Earnings per Ordinary Share (continued)

	2012 €'000	2011 €'000
Weighted average number of ordinary shares in issue	83,427	83,167
Dilutive effect of options	212	278
Weighted average number of ordinary shares for diluted earnings per share	83,639	83,445

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

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

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

19. Assets Classified as Held for Sale

On 3 April 2012 the Group announced that it had reached agreement to dispose of Altimate Group SA ('Altimate'), DCC SerCom's Enterprise distribution business, subject to competition clearance from the European Commission. The decision to dispose of Altimate is consistent with the Group's strategy to focus SerCom Distribution on the supply of IT, communications and home entertainment products to retail and reseller customers who in turn service consumers and small and medium sized businesses.

As at 31 March 2012, Altimate was classified as a disposal group held for sale. The fair value less costs to sell of the major classes of assets and liabilities held for sale as at 31 March 2012 are as follows:

	2012 €'000
Assets	
Property, plant and equipment (note 20)	2,962
Intangible assets (note 21)	29,509
Deferred income tax assets	2,493
Inventories (note 27)	4,147
Trade and other receivables (note 27)	62,689
Cash and cash equivalents (note 28)	40,814
Assets classified as held for sale	142,614
Liabilities	
Deferred income tax liabilities	(1,036)
Deferred and contingent acquisition consideration (note 34)	(7,153)
Trade and other payables (note 27)	(77,436)
Current income tax liabilities	(802)
Provisions for liabilities and charges (note 35)	(907)
Liabilities associated with assets classified as held for sale	(87,334)
Net assets of the disposal group	55,280

The disposal is expected to give rise to a non-cash goodwill impairment loss for the Group of approximately €5.5 million resulting from the non-recovery of a portion of the goodwill arising since the acquisition of Altimate in 2000. Consequently, an impairment charge of €5.5 million has been recognised in the year ended 31 March 2012 (note 11).

20. Property, Plant and Equipment

Group	Land & buildings €'000	Plant & machinery & cylinders €'000	Fixtures & fittings & office equipment €'000	Motor vehicles €'000	Total €'000
Year ended 31 March 2012					
Opening net book amount	**145,362**	**150,980**	**35,963**	**63,180**	**395,485**
Exchange differences	**5,586**	**7,836**	**1,475**	**3,666**	**18,563**
Acquisition of subsidiaries (note 46)	**8,374**	**11,500**	**1,905**	**4,445**	**26,224**
Disposal of subsidiaries	**-**	**-**	**(127)**	**-**	**(127)**
Additions	**9,363**	**30,493**	**8,914**	**26,355**	**75,125**
Disposals	**(106)**	**(1,131)**	**(424)**	**(2,115)**	**(3,776)**
Depreciation charge	**(3,407)**	**(24,737)**	**(10,154)**	**(17,137)**	**(55,435)**
Impairment charge (note 11)	**(2,000)**	**-**	**-**	**-**	**(2,000)**
Assets classified as held for sale (note 19)	**(2)**	**(3)**	**(2,957)**	**-**	**(2,962)**
Reclassifications	**277**	**(1,547)**	**266**	**1,004**	**-**
Closing net book amount	**163,447**	**173,391**	**34,861**	**79,398**	**451,097**
At 31 March 2012					
Cost	**199,731**	**445,096**	**112,061**	**164,003**	**920,891**
Accumulated depreciation	**(36,284)**	**(271,705)**	**(77,200)**	**(84,605)**	**(469,794)**
Net book amount	**163,447**	**173,391**	**34,861**	**79,398**	**451,097**
Year ended 31 March 2011					
Opening net book amount	138,740	138,665	27,751	52,940	358,096
Exchange differences	(134)	(54)	(125)	(60)	(373)
Acquisition of subsidiaries (note 46)	1,281	13,778	6,378	1,271	22,708
Disposal of subsidiaries	(3,445)	(719)	(383)	(674)	(5,221)
Additions	15,929	28,984	12,332	26,778	84,023
Disposals	(783)	(1,583)	(325)	(2,077)	(4,768)
Depreciation charge	(3,097)	(25,036)	(9,849)	(14,924)	(52,906)
Impairment charge (note 11)	(5,401)	(673)	-	-	(6,074)
Reclassifications	2,272	(2,382)	184	(74)	-
Closing net book amount	145,362	150,980	35,963	63,180	395,485
At 31 March 2011					
Cost	173,732	392,678	106,014	135,954	808,378
Accumulated depreciation	(28,370)	(241,698)	(70,051)	(72,774)	(412,893)
Net book amount	145,362	150,980	35,963	63,180	395,485

Assets held under finance leases

The net carrying amount and the depreciation charge during the year in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment are as follows:

	2012 €'000	2011 €'000
Cost	**58,465**	54,712
Accumulated depreciation	**(57,626)**	(53,215)
Net book amount	**839**	1,497
Depreciation charge for the year	**881**	607

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Intangible Assets

Group	Goodwill €'000	Customer related €'000	Total €'000
Year ended 31 March 2012			
Opening net book amount	**597,597**	**38,517**	**636,114**
Exchange differences	**24,392**	**1,984**	**26,376**
Arising on acquisition (note 46)	**143,658**	**34,136**	**177,794**
Disposal of subsidiaries	**(2,381)**	**-**	**(2,381)**
Impairment charge (note 11)	**(11,369)**	**-**	**(11,369)**
Other movements (note 34)	**(441)**	**-**	**(441)**
Amortisation charge	**-**	**(11,379)**	**(11,379)**
Assets classified as held for sale (note 19)	**(28,067)**	**(1,442)**	**(29,509)**
Closing net book amount	**723,389**	**61,816**	**785,205**
At 31 March 2012			
Cost	**747,562**	**114,993**	**862,555**
Accumulated amortisation	**(24,173)**	**(53,177)**	**(77,350)**
Net book amount	**723,389**	**61,816**	**785,205**
Year ended 31 March 2011			
Opening net book amount	561,077	34,013	595,090
Exchange differences	2,170	391	2,561
Arising on acquisition (note 46)	46,783	15,075	61,858
Disposal of subsidiaries	(9,394)	-	(9,394)
Other movements (note 34)	(3,039)	-	(3,039)
Amortisation charge	-	(10,962)	(10,962)
Closing net book amount	597,597	38,517	636,114
At 31 March 2011			
Cost	624,397	81,143	705,540
Accumulated amortisation	(26,800)	(42,626)	(69,426)
Net book amount	597,597	38,517	636,114

Customer related intangible assets principally comprise contractual and non-contractual customer relationships arising from business combinations and are amortised over their estimated useful lives. The average remaining amortisation period is 4.0 years (2011: 3.8 years).

Cash generating units

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The CGUs represent the lowest level within the Group at which the associated goodwill is monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. A total of 24 CGUs (2011: 24 CGUs) have been identified and these are analysed between the five operating segments below together with a summary of the allocation of the carrying value of goodwill by segment.

21. Intangible Assets (continued)

	Cash generating units		Goodwill (€'000)	
	2012 number	2011 number	**2012 €'000**	2011 €'000
DCC Energy	**6**	6	**426,481**	312,460
DCC SerCom	**5**	6	**79,260**	105,003
DCC Healthcare	**4**	4	**101,372**	86,296
DCC Environmental	**4**	3	**91,779**	63,865
DCC Food & Beverage	**5**	5	**24,497**	29,973
	24	24	**723,389**	597,597

In accordance with IAS 36 *Impairment of Assets*, the cash generating units to which significant amounts of goodwill have been allocated are as follows:

	2012 €'000	2011 €'000
GB Oils Group	**298,283**	214,120
Fannin Healthcare Group	**83,557**	68,924

The remaining goodwill balance of €341.549 million is allocated across 22 CGUs (2011: €314.553 million over 22 CGUs), none of which are individually significant.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. Goodwill is tested for impairment by review of profit and cash flow forecasts and budgets.

The recoverable amount of each CGU is based on a value in use computation. The cash flow forecasts employed for this computation are extracted from a three year plan that has been formally approved by the Board of Directors and specifically excludes future acquisition activity. Cash flows for a further two years are based on the assumptions underlying the three year plan. A terminal value reflecting inflation (2012: 2.5%; 2011: 2.5%) is applied to the year five cash flows. A present value of the future cash flows is calculated using a before-tax discount rate representing the Group's estimated before-tax average cost of capital (2012: 8.0%; 2011: 8.0%), adjusted to reflect risks associated with each CGU.

Key assumptions include management's estimates of future profitability, capital expenditure requirements, working capital investment and tax considerations. Cash flow forecasts and key assumptions are generally determined based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business. The prior year assumptions were prepared on the same basis.

Sensitivity analysis was performed using a discount rate of 10.0% and a terminal growth rate of 1.5% and resulted in an excess in the recoverable amount of all CGUs over their carrying amount. Management believes that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount.

Applying these techniques, an impairment charge of €5.869 million arose in 2012 (2011: nil). The impairment charge arose in a CGU in the Food & Beverage segment following the loss of a major distribution contract during the year. In addition, the Group announced that it has agreed to dispose of Altimate Group SA, part of DCC SerCom's distribution business. The disposal is conditional on competition clearance from the European Commission and is expected to give rise to a non-cash goodwill impairment loss of €5.5 million which has been provided for in the current year (note 19).

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Investments in Associates

	2012 €'000	2011 €'000
At 1 April	**2,281**	2,393
Acquisition of subsidiaries (note 46)	**-**	127
Share of loss after tax (note 14)	**(1,108)**	(239)
At 31 March	**1,173**	2,281

Investments in associates at 31 March 2012 include goodwill of €0.422 million (2011: €0.534 million).

The Group's geographical share of the assets (including goodwill) and liabilities of its associates is as follows:

	Non-current assets €'000	Current assets €'000	Non-current liabilities €'000	Current liabilities €'000	Net assets €'000
As at 31 March 2012					
Ireland	**516**	**1,296**	**-**	**(751)**	**1,061**
France	**7**	**449**	**(126)**	**(218)**	**112**
	523	**1,745**	**(126)**	**(969)**	**1,173**
As at 31 March 2011					
Ireland	787	3,338	(1,808)	(148)	2,169
France	7	769	(534)	(130)	112
	794	4,107	(2,342)	(278)	2,281

Details of the Group's associates are as follows:

Name and Registered Office	Nature of Business	Financial Year End	% Shareholding	Relevant Share Capital
John Hinde International Limited, IDA Business Park, Southern Cross Road, Bray, Co Wicklow.	Sale of tourism, gift and novelty products.	31 December	32.6%	10,726 ordinary shares of €1.25 each.
Lee Oil (Cork) Limited, Clonminam Industrial Estate, Portlaoise, Co Laois.	Sale and distribution of oil products.	31 March	50.0%	100 ordinary shares of €1.26 each.
SAS Blue Stork Industry 300, rue du Président Salvador Allende, 92700 Colombes, France.	Sales and distribution of computer hardware, software and peripherals.	31 March	20.0%	740 ordinary shares of €10 each.

Company	2012 €'000	2011 €'000
At 1 April	**1,244**	1,244
Impairment of investment in associate company	**(994)**	-
At 31 March	**250**	1,244

23. Investments in Subsidiary Undertakings

Company	2012 €'000	2011 €'000
At 31 March	**168,065**	168,065

Details of the Group's principal operating subsidiaries are shown on pages 158 to 162. Non-wholly owned subsidiaries comprises DCC Environmental Britain Limited (70%) (which owns 100% of Wastecycle Limited, Oakwood Fuels Limited and William Tracey Limited) where put and call options exist to acquire the remaining 30%, Comtrade SA (83%) where a deferred purchase agreement is in place to acquire the remaining 17% and Virtus Limited (51%).

The Group's principal overseas holding company subsidiaries are DCC 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 Limited is at Hill House, 1 Little New Street, London EC4A 3TR, England. The registered office of DCC International Holdings B.V. is Teleport Boulevard 140, 1043 EJ Amsterdam, The Netherlands.

24. Inventories

Group	2012 €'000	2011 €'000
Raw materials	**11,831**	9,601
Work in progress	**1,953**	1,842
Finished goods	**324,386**	236,686
	338,170	248,129

25. Trade and Other Receivables

Group	2012 €'000	2011 €'000
Trade receivables	**1,219,841**	979,553
Provision for impairment of trade receivables (note 47)	**(26,217)**	(31,202)
Prepayments and accrued income	**53,129**	43,708
Loan to associate company	**100**	-
Value added tax recoverable	**21,099**	19,410
Other debtors	**23,746**	22,806
	1,291,698	1,034,275

Company	2012 €'000	2011 €'000
Amounts owed by subsidiary undertakings	**409,554**	414,312
Prepayments and accrued income	**2**	2
Loan to associate company	**100**	-
	409,656	414,314

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Trade and Other Payables

Group	2012 €'000	2011 €'000
Trade payables	**1,278,255**	934,004
Other creditors and accruals	**168,588**	156,628
PAYE and National Insurance	**12,590**	15,240
Value added tax	**62,148**	38,142
Government grants (note 36)	**67**	127
Interest payable	**6,643**	4,950
Amounts due in respect of property, plant and equipment	**5,591**	695
	1,533,882	1,149,786

Company	2012 €'000	2011 €'000
Amounts due to subsidiary undertakings	**297,798**	315,322
Other creditors and accruals	**678**	1,128
	298,476	316,450

27. Movement in Working Capital

Group	Inventories €'000	Trade and other receivables €'000	Trade and other payables €'000	Total €'000
Year ended 31 March 2012				
At 1 April 2011	**248,129**	**1,034,275**	**(1,149,786)**	**132,618**
Translation adjustment	**10,611**	**49,740**	**(56,883)**	**3,468**
Arising on acquisition (note 46)	**27,205**	**111,106**	**(131,960)**	**6,351**
Disposal of subsidiaries	**-**	**(219)**	**1,238**	**1,019**
Exceptional items, interest accruals and other	**-**	**666**	**(12,142)**	**(11,476)**
Increase/(decrease) in working capital (note 42)	**56,372**	**158,819**	**(261,785)**	**(46,594)**
Assets and liabilities classified as held for sale (note 19)	**(4,147)**	**(62,689)**	**77,436**	**10,600**
At 31 March 2012	**338,170**	**1,291,698**	**(1,533,882)**	**95,986**
Year ended 31 March 2011				
At 1 April 2010	234,898	922,019	(1,039,641)	117,276
Translation adjustment	926	1,130	(2,202)	(146)
Arising on acquisition (note 46)	19,214	47,272	(44,224)	22,262
Disposal of subsidiaries	(11,578)	(12,147)	7,436	(16,289)
Exceptional items, interest accruals and other	-	439	(1,792)	(1,353)
Increase/(decrease) in working capital (note 42)	4,669	75,562	(69,363)	10,868
At 31 March 2011	248,129	1,034,275	(1,149,786)	132,618

27. Movement in Working Capital (continued)

Company	Trade and other receivables €'000	Trade and other payables €'000	Total €'000
Year ended 31 March 2012			
At 1 April 2011	**414,314**	**(326,837)**	**87,477**
Decrease in working capital (note 42)	**(4,658)**	**(15,333)**	**(19,991)**
At 31 March 2012	**409,656**	**(342,170)**	**67,486**
Year ended 31 March 2011			
At 1 April 2010	421,462	(296,272)	125,190
Decrease in working capital (note 42)	(7,148)	(30,565)	(37,713)
At 31 March 2011	414,314	(326,837)	87,477

28. Cash and Cash Equivalents

Group	2012 €'000	2011 €'000
Cash at bank and in hand	**241,336**	185,106
Short-term bank deposits	**388,687**	515,234
	630,023	700,340

Cash at bank earns interest at floating rates based on daily bank deposit rates. The short-term deposits are for periods up to three months and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include the following for the purposes of the Group Cash Flow Statement:

	2012 €'000	2011 €'000
Cash and short-term bank deposits	**630,023**	700,340
Bank overdrafts	**(70,758)**	(34,212)
Cash and short-term bank deposits attributable to assets held for sale	**40,814**	-
	600,079	666,128

Bank overdrafts are included within current borrowings (note 30) in the Group Balance Sheet.

Company	2012 €'000	2011 €'000
Cash at bank and in hand	**867**	30

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. Derivative Financial Instruments

Group	2012 €'000	2011 €'000
Non-current assets		
Interest rate swaps - fair value hedges	**24,070**	19,778
Cross currency interest rate swaps - fair value hedges	**110,461**	64,598
	134,531	84,376
Current assets		
Forward contracts - cash flow hedges	**1,650**	161
Commodity contracts - cash flow hedges	**1,726**	3,076
Commodity contracts - fair value hedges	**878**	319
Forward contracts - not designated as hedges	**11**	6
Commodity contracts - not designated as hedges	**29**	-
	4,294	3,562
Total assets	**138,825**	87,938
Non-current liabilities		
Currency swaps - not designated as hedges	**(17,493)**	(26,845)
Cross currency interest rate swaps - fair value hedges	**-**	(2,875)
Interest rate swaps - fair value hedges	**-**	(422)
	(17,493)	(30,142)
Current liabilities		
Forward contracts - cash flow hedges	**(389)**	(375)
Commodity contracts - cash flow hedges	**(614)**	(38)
Forward contracts - not designated as hedges	**(17)**	(120)
	(1,020)	(533)
Total liabilities	**(18,513)**	(30,675)
Net asset arising on derivative financial instruments	**120,312**	57,263

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or liability if the maturity of the hedged item is less than twelve months.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts designated as fair value hedges under IAS 39 at 31 March 2012 total US$200.0 million, Stg£55.0 million and €20.0 million. At 31 March 2012, the fixed interest rates vary from 4.58% to 6.18% and the floating rates are based on US$ LIBOR, sterling LIBOR and EURIBOR.

Currency swaps

The Group utilises currency swaps in conjunction with interest rate swaps designated as fair value hedges (as noted above) to swap fixed rate US$ denominated debt into floating rate euro debt. The currency swaps (which swap floating US$ denominated debt based on US$ LIBOR into floating euro denominated debt based on EURIBOR) have notional principal amounts of US$200.0 million/€167.113 million and are not designated as hedges under IAS 39.

Cross currency interest rate swaps

The Group utilises cross currency interest rate swaps to swap fixed rate US$ denominated debt of US$683.0 million into floating rate sterling debt of Stg£306.967 million and floating rate euro debt of €110.051 million. At 31 March 2012 the fixed interest rates vary from 4.37% to 6.19%. These swaps are designated as fair value hedges under IAS 39.

29. Derivative Financial Instruments (continued)

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2012 total €91.631 million (2011: €33.841 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 39) at 31 March 2012 on forward foreign exchange contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to twelve months after the balance sheet date.

Commodity price forward contracts

The notional principal amounts of outstanding forward commodity contracts at 31 March 2012 total €19.444 million (2011: €12.879 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 39) at 31 March 2012 on forward commodity contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to twelve months after the balance sheet date.

30. Borrowings

Group	2012 €'000	2011 €'000
Non-current		
Bank borrowings	-	350
Finance leases*	287	413
Unsecured Notes due 2013 to 2022	848,078	761,481
	848,365	762,244
Current		
Bank borrowings	70,758	34,668
Finance leases*	241	475
Loan notes	-	120
Unsecured Notes due 2011	-	5,279
	70,999	40,542
Total borrowings	919,364	802,786

**Secured on specific plant and equipment*

The maturity of non-current borrowings is as follows:	2012 €'000	2011 €'000
Between 1 and 2 years	76,792	317
Between 2 and 5 years	360,429	297,940
Over 5 years	411,144	463,987
	848,365	762,244

Bank borrowings and finance leases

Interest on bank borrowings is at floating rates set in advance for periods ranging from overnight to six months by reference to inter-bank interest rates (EURIBOR, sterling LIBOR and US$ LIBOR) and consequently fair value approximates carrying amounts. The majority of finance leases are at fixed rates.

In January 2012, the Group put in place a five year committed revolving credit facility with four relationship banks: Barclays, HSBC, JP Morgan and RBS. The Group had various other uncommitted bank facilities available at 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. Borrowings (continued)

Unsecured Notes due 2013 to 2022

The Group's Unsecured Notes due 2013 to 2022 is comprised of fixed rate debt of US$200.0 million and Stg£30.0 million issued in 2004 and maturing in 2014 and 2016 (the '2014/16 Notes'), fixed rate debt of US$200.0 million and Stg£25.0 million issued in 2007 and maturing in 2017 and 2019 (the '2017/19 Notes'), fixed rate debt of US$120.0 million issued in 2008 and maturing in 2013 and 2015 (the '2013/15 Notes') and fixed rate debt of US$363.0 million and €20.0 million issued in 2010 and maturing in 2015, 2017, 2020 and 2022 (the '2015/17/20/22 Notes').

The 2013/15 Notes which are all denominated in US$ have been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR.

The 2014/16 Notes denominated in US$ have been swapped from fixed to floating US$ rates (using interest rate swaps designated as fair value hedges under IAS 39) and further swapped (using currency swaps not designated as hedges under IAS 39) from floating US$ to floating euro rates, repricing semi-annually based on EURIBOR. The 2014/16 Notes denominated in sterling have been swapped from fixed to floating sterling rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing semi-annually based on sterling LIBOR.

The 2017/19 Notes denominated in US$ have been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR. The 2017/19 Notes denominated in sterling have been swapped from fixed to floating sterling rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing quarterly based on sterling LIBOR.

Of the 2015/17/20/22 Notes denominated in US$, $213.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR and $150.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR. The 2015/17/20/22 Notes denominated in euro have been swapped from fixed to floating euro rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing quarterly based on EURIBOR.

The maturity and interest profile of the Unsecured Notes is as follows:

	2012	2011
Average maturity	**5.0 years**	6.0 years
Average fixed interest rates*		
- US$ denominated	**5.54%**	5.56%
- sterling denominated	**5.95%**	5.95%
- euro denominated	**4.58%**	4.58%
Average floating rate including swaps		
- sterling denominated	**2.39%**	2.08%
- euro denominated	**2.73%**	2.24%

**Issued and repayable at par*

31. Analysis of Net Debt

Reconciliation of opening to closing net debt

The reconciliation of opening to closing net debt for the year ended 31 March 2012 is as follows:

	At 1 April 2011 €'000	Cash flow €'000	Fair value adjustment €'000	Translation adjustment €'000	At 31 March 2012 €'000
Cash and short term bank deposits	**700,340**	**(59,622)**	**-**	**30,119**	**670,837**
Overdrafts	**(34,212)**	**(33,862)**	**-**	**(2,684)**	**(70,758)**
Cash and cash equivalents	**666,128**	**(93,484)**	**-**	**27,435**	**600,079**
Bank loans and loan notes	**(926)**	**929**	**-**	**(3)**	**-**
Finance leases	**(888)**	**397**	**-**	**(37)**	**(528)**
Unsecured Notes due 2013 to 2022	**(766,760)**	**5,386**	**(62,134)**	**(24,570)**	**(848,078)**
Derivative financial instruments (net)	**57,263**	**(224)**	**62,804**	**469**	**120,312**
Group net debt (including share of net cash in joint ventures)	**(45,183)**	**(86,996)**	**670**	**3,294**	**(128,215)**
Group net debt (excluding cash attributable to assets classified as held for sale)	**(71,649)**	**(101,344)**	**670**	**3,294**	**(169,029)**
Group net debt (excluding share of net cash in joint ventures and cash attributable to assets classified as held for sale)	**(73,252)**	**(101,478)**	**670**	**3,294**	**(170,766)**

The reconciliation of opening to closing net debt for the year ended 31 March 2011 is as follows:

	At 1 April 2010 €'000	Cash flow €'000	Fair value adjustment €'000	Translation adjustment €'000	At 31 March 2011 €'000
Cash and short term bank deposits	714,917	(17,536)	-	2,959	700,340
Overdrafts	(39,956)	6,151	-	(407)	(34,212)
Cash and cash equivalents	674,961	(11,385)	-	2,552	666,128
Bank loans and loan notes	(18,648)	18,168	-	(446)	(926)
Finance leases	(2,073)	1,234	-	(49)	(888)
Unsecured Notes due 2011 to 2022	(791,155)	-	26,733	(2,338)	(766,760)
Derivative financial instruments (net)	83,376	2,331	(28,356)	(88)	57,263
Group net debt (including share of net cash in joint ventures)	(53,539)	10,348	(1,623)	(369)	(45,183)
Group net debt (excluding share of net cash in joint ventures)	(54,678)	9,884	(1,623)	(369)	(46,786)

Currency profile

The currency profile of net debt at 31 March 2012 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Other €'000	Total €'000
Cash and cash equivalents	**82,025**	**520,543**	**8,108**	**19,347**	**630,023**
Borrowings	**(325,953)**	**(592,509)**	**(902)**	**-**	**(919,364)**
Derivatives	**12,150**	**106,291**	**1,871**	**-**	**120,312**
	(231,778)	**34,325**	**9,077**	**19,347**	**(169,029)**

The currency profile of net debt at 31 March 2011 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Other €'000	Total €'000
Cash and cash equivalents	199,599	482,660	17,708	373	700,340
Borrowings	(287,803)	(509,523)	(5,460)	-	(802,786)
Derivatives	(16,073)	71,732	1,604	-	57,263
	(104,277)	44,869	13,852	373	(45,183)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. Analysis of Net Debt (continued)

Interest rate profile

Cash and cash equivalents at 31 March 2012 and 31 March 2011 have maturity periods up to three months (note 28).

Bank borrowings are at floating interest rates for periods less than six months while the Group's Unsecured Notes due 2013 to 2022 have been swapped to floating rates which reset on a quarterly or semi-annual basis (note 30). The majority of finance leases are at fixed rates.

32. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Group	2012 €'000	2011 €'000
Deferred income tax assets (deductible temporary differences):		
Deficits on Group defined benefit pension obligations	**2,569**	3,180
Employee share options	**515**	515
Other deductible temporary differences	**3,313**	5,633
	6,397	9,328
Deferred income tax liabilities (taxable temporary differences):		
Accelerated tax depreciation	**14,110**	12,070
Fair value adjustments arising on acquisition	**17,665**	13,154
Rolled-over capital gains	**236**	210
	32,011	25,434

The gross movement on the deferred income tax account is as follows:	2012 €'000	2011 €'000
At 1 April	**16,106**	11,313
Exchange differences	**107**	(248)
Arising on acquisition	**7,710**	4,536
Disposal of subsidiaries	**(2)**	561
Income Statement charge/(credit) (note 15)	**1,425**	(61)
Tax recognised directly in equity (note 15)	**(1,189)**	5
Deferred tax attributable to assets classified as held for sale (note 19)	**1,457**	-
At 31 March	**25,614**	16,106

33. Post Employment Benefit Obligations

Group

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

The Group operates eight defined benefit pension schemes in the Republic of Ireland and four in the UK. The projected unit credit method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

Full actuarial valuations were carried out between 31 December 2009 and 1 April 2011. 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. Actuarial valuations have been updated to 31 March 2012 for IAS 19 by a qualified actuary.

33. Post Employment Benefit Obligations (continued)

The principal actuarial assumptions used were as follows:

	2012	2011
Republic of Ireland schemes		
Rate of increase in salaries	**2.00% - 3.25%**	2.25% - 4.00%
Rate of increase in pensions in payment	**0.00% - 2.50%**	0.00% - 3.00%
Discount rate	**4.50%**	5.50%
Inflation assumption	**2.25%**	2.25%
UK schemes		
Rate of increase in salaries	**0.00% - 4.30%**	3.60% - 4.60%
Rate of increase in pensions in payment	**3.40%**	3.60%
Discount rate	**5.05%**	5.45%
Inflation assumption	**3.40%**	3.60%

The expected long term rates of return on the assets of the schemes were as follows:

	2012	2011
Republic of Ireland schemes		
Equities	**7.00%**	7.25%
Bonds	**3.10%**	3.75%
Property	**5.50%**	5.75%
Cash	**2.00%**	2.00%
UK schemes		
Equities	**7.00%**	7.85%
Bonds	**3.50%**	4.35%
Property	**6.00%**	6.85%
Cash	**0.50%**	0.50%

The expected rate of return for equities and property has been calculated assuming that equities and property will outperform bonds by 3.9% and 2.4% per annum respectively over the long term in the Republic of Ireland schemes and 3.5% and 2.5% per annum respectively over the long term in the UK schemes. The expected rate of return for bonds has been based on bond indices as at 31 March.

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in both geographic regions. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2012	2011
Current pensioners		
Male	**23.4**	23.2
Female	**25.0**	25.0
Future pensioners		
Male	**26.5**	26.3
Female	**27.6**	27.7

The Group does not operate any post-employment medical benefit schemes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. Post Employment Benefit Obligations (continued)

The net pension liability recognised in the Balance Sheet is analysed as follows:

	2012		
	ROI €'000	UK €'000	Total €'000
Equities	**27,520**	**7,977**	**35,497**
Bonds	**49,039**	**10,783**	**59,822**
Property	**921**	**1,082**	**2,003**
Cash	**3,628**	**598**	**4,226**
Total market value at 31 March 2012	**81,108**	**20,440**	**101,548**
Present value of scheme liabilities	**(90,400)**	**(25,893)**	**(116,293)**
Net pension liability at 31 March 2012	**(9,292)**	**(5,453)**	**(14,745)**

	2011		
	ROI €'000	UK €'000	Total €'000
Equities	27,273	5,168	32,441
Bonds	37,719	7,051	44,770
Property	1,691	1,064	2,755
Cash	3,523	234	3,757
Total market value at 31 March 2011	70,206	13,517	83,723
Present value of scheme liabilities	(83,885)	(19,173)	(103,058)
Net pension liability at 31 March 2011	(13,679)	(5,656)	(19,335)

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes is as follows:

	2012 €'000	2011 €'000
Current service cost (note 9)	**(1,477)**	(2,383)
Total, included in employee benefit expenses	**(1,477)**	(2,383)
Exceptional curtailment and settlement gains	**3,587**	4,976
Total, included in exceptional items (note 11)	**3,587**	4,976
Interest cost, included in finance costs (note 12)	**(5,632)**	(5,347)
Expected return on plan assets, included in finance income (note 12)	**4,361**	4,691
Total	**(1,271)**	(656)

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2012, the net charge in the Group Income Statement in the year ending 31 March 2012 is expected to be marginally lower than the current year figures.

The actuarial gain recognised in Other Comprehensive Income is as follows:

	2012 €'000	2011 €'000
Actual return less expected return on pension scheme assets	**1,222**	(2,030)
Experience gains and losses arising on the scheme liabilities	**1,849**	1,344
Changes in assumptions underlying the present value of the scheme liabilities	**(11,862)**	(1,904)
Total, included in Other Comprehensive Income	**(8,791)**	(2,590)

33. Post Employment Benefit Obligations (continued)

The movement in the fair value of plan assets is as follows:

	2012 €'000	2011 €'000
At 1 April	**83,723**	79,953
Expected return on assets	**4,361**	4,691
Actuarial gain/(loss)	**1,222**	(2,030)
Contributions by employers	**8,971**	5,080
Contributions by members	**480**	468
Benefits paid	**(1,964)**	(4,551)
Acquisition of subsidiary	**3,712**	-
Exchange	**1,043**	112
At 31 March	**101,548**	83,723

The actual return on plan assets was a gain of €5.583 million (2011: gain of €2.661 million).

The movement in the present value of defined benefit obligations is as follows:

	2012 €'000	2011 €'000
At 1 April	**103,058**	103,643
Current service cost	**1,477**	2,383
Interest cost	**5,632**	5,347
Actuarial loss	**10,013**	560
Contributions by members	**480**	468
Benefits paid	**(1,964)**	(4,551)
Acquisition of subsidiary	**3,857**	-
Curtailment and settlement gains	**(3,587)**	(4,976)
Exchange and other*	**(2,673)**	184
At 31 March	**116,293**	103,058

* Includes a reduction in the defined benefit pension obligation of €4.031 million in respect of the establishment of a cap on pension assets by the Irish Finance Act 2006 as described in the Report on Directors' Remuneration and Interests on page 80.

Employer contributions for the forthcoming financial year are estimated at €5.5 million. The difference between the actual employer contributions paid in the current year of €8.971 million and the expectation of €5.0 million included in the 2011 Annual Report was primarily due to accelerated funding requirements in certain of the Group's pension schemes which could not have been anticipated at the time of preparation of the 2011 financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. Post Employment Benefit Obligations (continued)

History of scheme assets, liabilities and actuarial gains and losses

The five-year history in respect of assets, liabilities and actuarial gains and losses for the Group are as follows:

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Fair value of assets	**101,548**	83,723	79,953	52,265	67,907
Present value of liabilities	**(116,293)**	(103,058)	(103,643)	(81,763)	(89,758)
Net pension liability	**(14,745)**	(19,335)	(23,690)	(29,498)	(21,851)
Difference between the expected and actual return on scheme assets	**1,222**	(2,030)	13,178	(21,904)	(13,935)
As a percentage of scheme assets	**1.2%**	(2.4%)	16.5%	(41.9%)	(20.5%)
Experience gains and losses on scheme liabilities	**1,849**	1,344	2,231	(589)	(3,737)
As a percentage of the present value of the scheme liabilities	**(1.6%)**	(1.3%)	(2.2%)	0.7%	4.2%
Total recognised in Other Comprehensive Income	**(8,791)**	(2,590)	(1,595)	(9,517)	(9,086)
As a percentage of the present value of the scheme liabilities	**7.6%**	2.5%	1.5%	11.6%	10.1%

Cumulatively since transition to IFRS on 1 April 2004, €35.966 million has been recognised as a charge in the Group Statement of Comprehensive Income as follows:

	€'000
Recognised in the financial year ended 31 March 2005	(7,742)
Recognised in the financial year ended 31 March 2006	1,779
Recognised in the financial year ended 31 March 2007	1,576
Recognised in the financial year ended 31 March 2008	(9,086)
Recognised in the financial year ended 31 March 2009	(9,517)
Recognised in the financial year ended 31 March 2010	(1,595)
Recognised in the financial year ended 31 March 2011	(2,590)
Recognised in the financial year ended 31 March 2012	**(8,791)**
	(35,966)

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses, for the Group's Irish and UK pension schemes, the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on Irish plan liabilities	Impact on UK plan liabilities
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 5.4%	Decrease/increase by 5.3%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 3.1%	Increase/decrease by 4.7%
Mortality	Increase/decrease by one year	Increase/decrease by 2.3%	Increase/decrease by 2.4%

34. Deferred and Contingent Acquisition Consideration

Group

The Group's deferred and contingent acquisition consideration of €98.699 million (2011: €74.344 million) as stated on the Balance Sheet consists of €10.998 million of Euro floating rate provisions (2011: €14.797 million), €9.999 million of Swedish Krona floating rate provisions (2011: nil) and €77.702 million of Sterling floating rate provisions (2011: €59.547 million) payable as follows:

	2012 €'000	2011 €'000
Within one year	13,428	9,156
Between one and two years	8,186	9,843
Between two and five years	77,085	55,345
	98,699	74,344
Analysed as:		
Non-current liabilities	85,271	65,188
Current liabilities	13,428	9,156
	98,699	74,344

The movement in the Group's deferred and contingent acquisition consideration is as follows:

	2012 €'000	2011 €'000
At 1 April	74,344	54,209
Arising on acquisition	37,595	27,050
Unwinding of discount applicable to deferred and contingent acquisition consideration	66	946
Disposal of subsidiaries	-	(1,106)
Amounts no longer required (note 21)	(441)	(3,039)
Paid during the year	(8,063)	(3,709)
Exchange and other	2,351	(7)
Deferred and contingent consideration attributable to assets classified as held for sale (note 19)	(7,153)	-
At 31 March	98,699	74,344

35. Provisions for Liabilities and Charges

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2012 is as follows:

Group	Environmental and remediation €'000	Insurance and other €'000	Rationalisation, restructuring and redundancy €'000	Total €'000
At 1 April 2011	8,258	4,705	4,402	17,365
Provided during the year	245	604	7,882	8,731
Utilised during the year	(1,817)	(497)	(1,095)	(3,409)
Arising on acquisition (note 46)	2,769	438	-	3,207
Provisions for liabilities and charges attributable to assets classified as held for sale (note 19)	-	(232)	(675)	(907)
Exchange and other	429	76	(88)	417
At 31 March 2012	9,884	5,094	10,426	25,404
Analysed as:				
Non-current liabilities	9,884	1,683	3,871	15,438
Current liabilities	-	3,411	6,555	9,966
	9,884	5,094	10,426	25,404

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Provisions for Liabilities and Charges (continued)

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2011 is as follows:

Group	Environmental and remediation €'000	Insurance and other €'000	Rationalisation, restructuring and redundancy €'000	Total €'000
At 1 April 2010	8,545	4,220	5,036	17,801
Provided during the year	300	698	2,119	3,117
Utilised during the year	(655)	(259)	(2,401)	(3,315)
Arising on acquisition (note 46)	-	36	34	70
Disposal of subsidiaries	-	(52)	(348)	(400)
Exchange and other	68	62	(38)	92
At 31 March 2011	8,258	4,705	4,402	17,365
Analysed as:				
Non-current liabilities	7,955	4,158	2,143	14,256
Current liabilities	303	547	2,259	3,109
	8,258	4,705	4,402	17,365

Environmental and remediation

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations. The net present value of the estimated costs is capitalised as property, plant and equipment. The unwinding of the discount element on the provision is reflected in the Income Statement. Provision is made for the net present value of post closure costs based on the quantity of waste input into the landfill during the year. Ongoing costs incurred during the operating life of the sites are written off directly to the Income Statement and are not charged to the provision. The majority of the obligations will unwind over a 30-year timeframe.

Insurance and other

The insurance provision relates to employers liability and public and products liability and reflects an estimation of the excess not recoverable from insurers arising from claims against Group companies. A significant element of the provision is subject to external assessments. The claims triangles applied in valuation indicate that these provisions have an average life of four years (2011: four years).

Rationalisation and redundancy

This provision relates to various rationalisation and restructuring programs across the Group. The majority of this provision falls due within one year.

36. Government Grants

Group	2012 €'000	2011 €'000
At 1 April	**2,991**	3,853
Amortisation in year	**(604)**	(730)
Received in year	**13**	626
Disposal of subsidiaries	**-**	(788)
Exchange and other adjustments	**125**	30
At 31 March	**2,525**	2,991
Disclosed as due within one year (note 26)	**(67)**	(127)
	2,458	2,864

Government grants relate to capital grants received and are amortised to the Income Statement over the estimated useful lives of the related capital assets.

37. Share Capital

Group and Company	2012 €'000	2011 €'000
Authorised		
152,368,568 ordinary shares of €0.25 each	**38,092**	38,092
Issued		
88,229,404 ordinary shares (including 4,700,907 ordinary shares held as Treasury Shares) of €0.25 each, fully paid (2011: 88,229,404 ordinary shares (including 4,911,407 ordinary shares held as Treasury Shares) of €0.25 each, fully paid)	**22,057**	22,057

As at 31 March 2012, the total authorised number of ordinary shares is 152,368,568 shares (2011: 152,368,568 shares) with a par value of €0.25 per share (2011: €0.25 per share).

During the year the Company re-issued 210,500 Treasury Shares for a consideration (net of expenses) of €2.372 million.

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.

Details of share options granted under the Company's share option schemes and the terms attaching thereto are provided in note 10 to the financial statements and in the Report on Directors' Remuneration and Interests on pages 74 to 83.

38. Share Premium

Group and Company	2012 €'000	2011 €'000
At 31 March	**124,687**	124,687

NOTES TO THE FINANCIAL STATEMENTS (continued)

39. Other Reserves

Group	Share options[1] €'000	Cash flow hedge reserve[2] €'000	Foreign currency translation reserve[3] €'000	Other reserves[4] €'000	Total €'000
At 31 March 2010	9,148	(295)	(129,772)	1,400	(119,519)
Currency translation	-	-	4,636	-	4,636
Cash flow hedges					
- fair value gains in year	-	9,038	-	-	9,038
- tax on fair value gains	-	(1,935)	-	-	(1,935)
- transfers to sales	-	(116)	-	-	(116)
- transfers to cost of sales	-	(7,299)	-	-	(7,299)
- tax on transfers	-	1,594	-	-	1,594
Share based payment	1,389	-	-	-	1,389
At 31 March 2011	**10,537**	**987**	**(125,136)**	**1,400**	**(112,212)**
Currency translation	**-**	**-**	**46,711**	**-**	**46,711**
Cash flow hedges					
- fair value gains in year	**-**	**820**	**-**	**-**	**820**
- tax on fair value gains	**-**	**(103)**	**-**	**-**	**(103)**
- transfers to sales	**-**	**494**	**-**	**-**	**494**
- transfers to cost of sales	**-**	**(1,125)**	**-**	**-**	**(1,125)**
- tax on transfers	**-**	**114**	**-**	**-**	**114**
Share based payment	**549**	**-**	**-**	**-**	**549**
At 31 March 2012	**11,086**	**1,187**	**(78,425)**	**1,400**	**(64,752)**

Company	Other reserves[5] €'000
At 31 March 2012 and 31 March 2011	**344**

[1] The share option reserve comprises the amounts expensed in the Income Statement in connection with share based payments.

[2] The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

[3] The foreign currency translation reserve represents all foreign exchange differences from 1 April 2004 arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits and losses of such operations from the average rate for the year to the closing rate at the balance sheet date.

[4] The Group's other reserves comprise a capital conversion reserve fund and an unrealised gain on the disposal of an associate.

[5] The Company's other reserves is a capital conversion reserve fund.

40. Retained Earnings

Group	2012 €'000	2011 €'000
At 1 April	**895,108**	806,452
Net income recognised in Income Statement	**102,428**	145,109
Net income recognised directly in equity		
- actuarial loss on Group defined benefit pension schemes	**(8,791)**	(2,590)
- deferred tax on actuarial loss	**1,178**	336
Re-issue of treasury shares (net of expenses)	**2,372**	3,835
Dividends	**(62,964)**	(58,034)
At 31 March	**929,331**	895,108

Company	2012 €'000	2011 €'000
At 1 April	**109,728**	153,643
Total comprehensive income for the financial year	**40,444**	10,284
Re-issue of treasury shares (net of expenses)	**2,372**	3,835
Dividends	**(62,964)**	(58,034)
At 31 March	**89,580**	109,728

The cost to the Group and the Company of €62.272 million to acquire the 4,700,907 shares held in Treasury has been deducted from the Group and Company Retained Earnings. These shares were acquired at prices ranging from €10.80 to €17.90 each (average: €13.25) between 27 November 2003 and 19 June 2006.

41. Non-Controlling Interests

Group	2012 €'000	2011 €'000
At 1 April	**2,234**	3,249
Share of profit for the financial year	**618**	688
Dividends to non-controlling interests	**(196)**	(219)
Disposal of subsidiaries	**-**	(1,457)
Exchange and other adjustments	**-**	(27)
At 31 March	**2,656**	2,234

NOTES TO THE FINANCIAL STATEMENTS (continued)

42. Cash Generated from Operations

Group	2012 €'000	2011 €'000
Profit for the financial year	**103,046**	145,797
Add back non-operating expenses		
- tax (note 15)	**29,937**	43,771
- share of loss from associates (note 14)	**1,108**	239
- net operating exceptionals (note 11)	**22,357**	12,650
- net finance costs (note 12)	**17,199**	16,201
Operating profit before exceptionals	**173,647**	218,658
- share-based payments expense (note 10)	**549**	1,389
- depreciation (note 20)	**55,435**	52,906
- amortisation (note 21)	**11,379**	10,962
- profit on sale of property, plant and equipment	**(838)**	(818)
- amortisation of government grants (note 36)	**(604)**	(730)
- other	**(8,840)**	(1,927)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
- inventories (note 27)	**(56,372)**	(4,669)
- trade and other receivables (note 27)	**(158,819)**	(75,562)
- trade and other payables (note 27)	**261,785**	69,363
Cash generated from operations	**277,322**	269,572

Company	2012 €'000	2011 €'000
Profit for the financial year	**40,444**	10,284
Add back non-operating (income)/expense		
- impairment of associate company investment	**994**	-
- net finance income	**(11,452)**	(13,241)
- dividend income	**(30,000)**	-
Operating loss	**(14)**	(2,957)
Changes in working capital:		
- trade and other receivables (note 27)	**4,658**	7,148
- trade and other payables (note 27)	**15,333**	30,565
Cash generated from operations	**19,977**	34,756

43. Contingencies

Guarantees

The Company and certain subsidiaries have given guarantees of €1,390.175 million (2011: €1,173.393 million) in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings.

Other

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of the following subsidiaries; Alvabay Limited, DCC Business Expansion Fund Limited, DCC Corporate Partners Limited, DCC Energy Limited, DCC Finance Limited, DCC Funding 2007 Limited, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Limited, DCC SerCom Limited, Emo Oil Limited, Energy Procurement Limited, Fannin Limited, Fannin Compounding Limited, Flogas Ireland Limited, Great Gas Petroleum (Ireland) Limited, Lotus Green Limited, SerCom (Holdings) Limited, SerCom Property Limited, Shannon Environmental Holdings Limited and Sharptext Limited. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

44. Capital Expenditure Commitments

Group	2012 €'000	2011 €'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	**3,541**	4,109
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	**61,614**	75,024
	65,155	79,133

45. Commitments under Operating and Finance Leases

Group

Operating leases
Future minimum rentals payable under non-cancellable operating leases at 31 March are as follows:

	2012 €'000	2011 €'000
Within one year	**26,059**	12,962
After one year but not more than five years	**59,449**	41,050
More than five years	**91,999**	77,094
	177,507	131,106

The Group leases a number of properties under operating leases. The leases typically run for a period of 10 to 25 years. Rents are generally reviewed every five years.

During the year ended 31 March 2012, €27.096 million (2011: €25.510 million) was recognised as an expense in the Income Statement in respect of operating leases.

Finance leases
Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2012		2011	
	Minimum payments €'000	Present value of payments €'000	Minimum payments €'000	Present value of payments €'000
Within one year	**243**	**241**	478	475
After one year but not more than five years	**295**	**287**	423	413
	538	**528**	901	888
Less: amounts allocated to future finance costs	**(10)**	**-**	(13)	-
Present value of minimum lease payments	**528**	**528**	888	888

NOTES TO THE FINANCIAL STATEMENTS (continued)

46. Business Combinations

The principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:
- the acquisition of the business, product licences and certain other assets of Neolab Limited, a British generic pharmaceuticals business, completed in May 2011;
- the acquisition of Oakwood Fuels Limited (100%), a British waste oil and hazardous waste collection, processing and recycling business, completed in June 2011;
- the acquisition of Pace Fuelcare Limited (100%), a British oil distribution business, completed in September 2011;
- the acquisition of certain oil distribution assets previously owned by Total in Britain, the Isle of Man and the Channel Islands ('Total UK,IOM,CI'), completed in October 2011; and
- the acquisition of Swea Energi Holding AB (100%), a Swedish based distributor of heating oils and transport fuels, completed in February 2012.

There have been no acquisitions completed subsequent to the balance sheet date which would be individually material to the Group, thereby requiring disclosure under either IFRS 3 or IAS 10. The carrying amounts of the assets and liabilities acquired (excluding net cash/debt acquired), determined in accordance with IFRS before completion of the business combinations, together with the fair value adjustments made to those carrying values were as follows:

	2012 €'000 Total UK,IOM,CI	2012 €'000 Others	2012 €'000 Total	2011 €'000 Total
Assets				
Non-current assets				
Property, plant and equipment (note 20)	17,181	9,043	26,224	22,708
Intangible assets - other intangible assets (note 21)	8,117	26,019	34,136	15,075
Investments in associates (note 22)	-	-	-	127
Deferred income tax assets	-	81	81	47
Total non-current assets	25,298	35,143	60,441	37,957
Current assets				
Inventories (note 27)	17,510	9,695	27,205	19,214
Trade and other receivables (note 27)	4,540	106,566	111,106	47,272
Total current assets	22,050	116,261	138,311	66,486
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	(2,110)	(5,681)	(7,791)	(4,583)
Post employment benefit obligations	(145)	-	(145)	-
Provisions for liabilities and charges (note 35)	(2,769)	(438)	(3,207)	(70)
Deferred and contingent acquisition consideration	-	(940)	(940)	-
Total non-current liabilities	(5,024)	(7,059)	(12,083)	(4,653)
Current liabilities				
Trade and other payables (note 27)	(11,649)	(120,311)	(131,960)	(44,224)
Current income tax liabilities	-	(1,636)	(1,636)	(685)
Total current liabilities	(11,649)	(121,947)	(133,596)	(44,909)
Identifiable net assets acquired	30,675	22,398	53,073	54,881
Intangible assets - goodwill (note 21)	34,745	108,913	143,658	46,783
Total consideration (enterprise value)	65,420	131,311	196,731	101,664
Satisfied by:				
Cash	71,007	128,505	199,512	73,503
Net (cash)/debt acquired	(5,587)	(33,849)	(39,436)	1,111
Net cash outflow	65,420	94,656	160,076	74,614
Deferred and contingent acquisition consideration	-	36,655	36,655	27,050
Total consideration	65,420	131,311	196,731	101,664

46. Business Combinations (continued)

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

Total UK,IOM,CI	Book value €'000	Fair value adjustments €'000	Fair value €'000
Non-current assets (excluding goodwill)	17,181	8,117	25,298
Current assets	22,418	(368)	22,050
Non-current liabilities	(145)	(4,879)	(5,024)
Current liabilities	(11,649)	-	(11,649)
Identifiable net assets acquired	27,805	2,870	30,675
Goodwill arising on acquisition	37,615	(2,870)	34,745
Total consideration (enterprise value)	65,420	-	65,420

Other acquisitions	Book value €'000	Fair value adjustments €'000	Fair value €'000
Non-current assets (excluding goodwill)	9,124	26,019	35,143
Current assets	117,223	(962)	116,261
Non-current liabilities	(2,267)	(4,792)	(7,059)
Current liabilities	(121,947)	-	(121,947)
Identifiable net assets acquired	2,133	20,265	22,398
Goodwill arising on acquisition	129,178	(20,265)	108,913
Total consideration (enterprise value)	131,311	-	131,311

Total	Book value €'000	Fair value adjustments €'000	Fair value €'000
Non-current assets (excluding goodwill)	26,305	34,136	60,441
Current assets	139,641	(1,330)	138,311
Non-current liabilities	(2,412)	(9,671)	(12,083)
Current liabilities	(133,596)	-	(133,596)
Identifiable net assets acquired	29,938	23,135	53,073
Goodwill arising on acquisition	166,793	(23,135)	143,658
Total consideration (enterprise value)	196,731	-	196,731

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these transactions. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2013 Annual Report as stipulated by IFRS 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)

46. Business Combinations (continued)

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

€38.936 million of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

Acquisition related costs included in the Group Income Statement amounted to €6.568 million.

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

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to €112.436 million. The fair value of these receivables is €111.106 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of €1.635 million.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions in the current year range from nil to €92.102 million.

There were no adjustments processed during the year to the fair value of business combinations completed during the year ended 31 March 2011 where those fair values were not readily determinable as at 31 March 2011.

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

	2012 €'000	2011 €'000
Revenue	**1,238,936**	255,142
Cost of sales	**(1,175,091)**	(234,710)
Gross profit	**63,845**	20,432
Operating costs	**(49,827)**	(9,560)
Operating profit	**14,018**	10,872
Finance costs (net)	**341**	(54)
Profit before tax	**14,359**	10,818
Income tax expense	**(3,322)**	(2,943)
Profit for the financial year	**11,037**	7,875

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisition date for all business combinations effected during the year had been the beginning of that year would be as follows:

	2012 €'000	2011 €'000
Revenue	**12,112,182**	8,867,654
Group profit for the financial year	**105,158**	150,412

47. Financial Risk and Capital Management

Capital risk management

The Group's objectives when managing its capital structure are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while maintaining a strong balance sheet to support the continued organic and acquisitive growth of its businesses and to maintain investor, creditor and market confidence.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or buy back existing shares, increase or reduce debt or sell assets.

The Group includes borrowings in its measure of capital. The Group's borrowings are subject to covenants. Further details on this are outlined in the Liquidity Risk Management section of this note.

The policy for net debt is to ensure a structure of longer term debt funding and cash balances with deposit maturities up to three months.

The capital structure of the Group (including assets classified as held for sale), which comprises capital and reserves attributable to the owners of the Parent, net debt and deferred and contingent acquisition consideration, may be summarised as follows:

Group	2012 €'000	2011 €'000
Capital and reserves attributable to the owners of the Parent	**1,011,323**	929,640
Net debt (note 31)	**128,215**	45,183
Deferred and contingent acquisition consideration (note 34)	**105,852**	74,344
At 31 March	**1,245,390**	1,049,167

Financial risk management

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors, most recently in December 2011. These policies and guidelines primarily cover credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions. 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 exchange and commodity price exposures within approved policies and guidelines.

There are no significant concentrations of risk and there has been no significant change during the financial year, or since the end of the year, to the types of financial risks faced by the Group or the Group's approach to the management of those risks.

(i) Credit risk management

Credit risk arises from credit exposure to trade receivables, cash and cash equivalents including deposits with banks and financial institutions and derivative financial instruments.

Trade receivables arise from a wide and varied customer base spread throughout the Group's operations and as such there is no significant concentration of credit risk. The Group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored and a significant element of credit risk is covered by credit insurance.

Risk of counterparty default arising on cash and cash equivalents and derivative financial instruments is controlled within a framework of dealing with high quality institutions and, by policy, limiting the amount of credit exposure to any one bank or institution. DCC transacts with a variety of high credit quality financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury policy. Of the total cash and cash equivalents at 31 March 2012 of €630.023 million, 42.9% (€270.453 million) was with financial institutions with a minimum rating in the P-1 (short-term) category of Moody's and 91.7% (€577.478 million) was with financial institutions with a minimum rating in the P-2 (short-term) category of Moody's. In the normal course of business, the Group operates notional cash pooling systems, where a legal right of set-off applies. As at 31 March 2012 derivative transactions were with counterparties with ratings ranging from A- to BB (long-term) with Standard and Poors or Ba2 to Aa3 (long-term) with Moody's.

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. Financial Risk and Capital Management (continued)

Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

Included in the Group's trade and other receivables as at 31 March 2012 are balances of €106.031 million (2011: €96.191 million) which are past due at the reporting date but not impaired in the majority of cases. The aged analysis of these balances is as follows:

Group	2012 €'000	2011 €'000
Less than 1 month overdue	**80,620**	63,213
1 - 3 months overdue	**19,069**	27,940
3 - 6 months overdue	**4,823**	3,173
Over 6 months overdue	**1,519**	1,865
	106,031	96,191

The movement in the provision for impairment of trade receivables during the year is as follows:

Group	2012 €'000	2011 €'000
At 1 April	**31,202**	30,590
Provision for impairment recognised in the year	**1,830**	5,317
Amounts recovered during the year	**(1,118)**	237
Amounts written off during the year	**(7,105)**	(6,159)
Arising on acquisition	**1,635**	1,523
Disposal of subsidiaries	**-**	(392)
Provision for impairment attributable to assets classified as held for sale	**(1,205)**	-
Exchange	**978**	86
At 31 March	**26,217**	31,202

Company
There were no past due or impaired trade receivables in the Company at 31 March 2012 (31 March 2011: none).

(ii) Liquidity risk management
The Group maintains a strong balance sheet with long term debt funding and cash balances with deposit maturities up to three months. Wherever possible, surplus funds in the Group are transferred to the centralised treasury department through the repayment of borrowings, deposits and dividends. These are then lent to Group companies or contributed as equity to fund Group operations, used to retire external debt or invested externally. The Group does not use off-balance sheet special purpose entities as a source of liquidity or for other financing purposes. In addition, the Group maintains significant committed and uncommitted credit lines with its relationship banks. Compliance with the Group's debt covenants is monitored continually based on the management accounts. Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants and net debt. During the year to 31 March 2012 all covenants have been complied with and based on current forecasts it is expected that all covenants will continue to be complied with for the foreseeable future.

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

47. Financial Risk and Capital Management (continued)

Group **As at 31 March 2012**	**Less than 1 year €'000**	**Between 1 and 2 years €'000**	**Between 2 and 5 years €'000**	**Over 5 years €'000**	**Total €'000**
Financial liabilities - cash outflows					
Trade and other payables	(1,533,882)	-	-	-	(1,533,882)
Interest bearing loans and borrowings	(70,999)	(73,288)	(331,882)	(342,199)	(818,368)
Interest payments on interest bearing loans and borrowings	(43,225)	(39,414)	(80,327)	(50,522)	(213,488)
Deferred and contingent acquisition consideration	(13,428)	(8,186)	(77,085)	-	(98,699)
Cross currency swaps - gross cash outflows	(14,881)	(80,824)	(319,621)	(306,607)	(721,933)
Other derivative financial instruments	(1,018)	-	-	-	(1,018)
	(1,677,433)	(201,712)	(808,915)	(699,328)	(3,387,388)
Derivative financial instruments - cash inflows					
Interest rate swaps - net cash inflows	3,182	3,182	5,555	398	12,317
Cross currency swaps - gross cash inflows	36,621	107,570	347,834	362,223	854,248
	39,803	110,752	353,389	362,621	866,565

Group As at 31 March 2011	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
Financial liabilities - cash outflows					
Trade and other payables	(1,149,786)	-	-	-	(1,149,786)
Interest bearing loans and borrowings	(40,542)	(317)	(278,640)	(425,569)	(745,068)
Interest payments on interest bearing loans and borrowings	(40,117)	(39,061)	(89,959)	(68,357)	(237,494)
Deferred and contingent acquisition consideration	(9,156)	(9,843)	(55,345)	-	(74,344)
Cross currency swaps - gross cash outflows	(14,896)	(14,896)	(292,480)	(391,456)	(713,728)
Other derivative financial instruments	(533)	-	-	-	(533)
	(1,255,030)	(64,117)	(716,424)	(885,382)	(2,920,953)
Derivative financial instruments - cash inflows					
Interest rate swaps - net cash inflows	3,070	3,070	6,582	357	13,079
Cross currency swaps - gross cash inflows	34,428	34,428	324,135	444,249	837,240
	37,498	37,498	330,717	444,606	850,319

The Group has sufficient cash resources and liquid assets to enable it to meet its current borrowing obligations and trade and other payables. The Group has a well balanced profile of debt maturities over the coming years which will be serviced through a combination of cash and cash equivalents, cash flows, committed bank facilities and the raising of additional long term debt.

Company **As at 31 March 2012**	**Less than 1 year €'000**	**Between 1 and 2 years €'000**	**Between 2 and 5 years €'000**	**Over 5 years €'000**	**Total €'000**
Financial liabilities - cash outflows					
Trade and other payables	298,476	-	43,694	-	342,170

Company As at 31 March 2011	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
Financial liabilities - cash outflows					
Trade and other payables	316,450	-	10,387	-	326,837

The Company has sufficient cash resources and liquid assets to enable it to meet its trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. Financial Risk and Capital Management (continued)

(iii) Market risk management

Foreign exchange risk management

DCC's reporting currency and that in which its share capital is denominated is the euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations giving rise to exposure to other currencies, primarily sterling and the US dollar.

Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign currency exposures within approved policies and guidelines using forward currency contracts.

The portion of the Group's operating profits which are sterling denominated are offset to a limited degree by certain natural economic hedges that exist within the Group in that a proportion of the purchases by certain of its Irish businesses are sterling denominated. The Group does not hedge the remaining translation exposure on the translation of the profits of foreign currency subsidiaries on the basis that they are not intended to be repatriated.

The Group has investments in sterling operations which are highly cash generative. Although the Group holds significant borrowings denominated or swapped into sterling, these sterling borrowings have been offset by the strong ongoing cash flow generated by the Group's sterling operations leaving the Group with a net position in sterling assets. The increase of 5.6% in the value of sterling against the euro during the year ended 31 March 2012 gave rise to a gain of €46.7 million on the translation of the Group's sterling denominated net asset position at 31 March 2012 as set out in the Statement of Comprehensive Income. Included in this figure is €26.4 million relating to the Group's sterling denominated intangible assets.

The Group has a moderate level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies. Where sales or purchases are invoiced in other then the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months. The Group also hedges a proportion of anticipated transactions in certain subsidiaries for periods ranging up to fifteen months with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

Sensitivity to currency movements

Group

A change in the value of other currencies by 10% against the euro would have a €10.4 million (2011: €14.7 million) impact on the Group's profit before tax, would change the Group's equity by €76.1 million and change the Group's net debt by €6.3 million (2011: €65.2 million and €6.0 million respectively). These amounts include an insignificant amount of transactional currency exposure.

Company

The Company does not have any material assets or liabilities denominated in any currency other than euro at 31 March 2012 or at 31 March 2011 and consequently has no exposure to currency movements at 31 March 2012 (31 March 2011: nil).

Interest rate risk management

On a net debt basis, the Group is exposed to changes in interest rates, primarily changes in EURIBOR and sterling LIBOR. Having borrowed at both fixed and floating rates of interest, DCC has swapped its fixed rate borrowings to floating interest rates, using interest rate and cross currency interest rate swaps. Overall interest rate risk on gross borrowings is mitigated by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

Sensitivity of interest charges to interest rate movements

Group

Based on the composition of net debt at 31 March 2012 a one percentage point (100 basis points) change in average floating interest rates would have a €3.0 million (2011: €1.5 million) impact on the Group's profit before tax.

Further information on Group borrowings and the management of related interest rate risk is set out in notes 29 and 30.

Company

The Company holds negligible levels of cash and consequently the interest earned on cash at bank does not give rise to any significant market risk. Finance income principally comprises guarantee fees charged at fixed rates on intergroup loans. Finance costs comprise interest on intergroup loans payable at variable market rates.

47. Financial Risk and Capital Management (continued)

Commodity price risk management

The Group is exposed to commodity cost price risk in its oil distribution and LPG businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period, in LPG commodity sales prices and in the resale prices of recycled oil products. Fixed price oil supply contracts are occasionally provided to certain customers for periods of less than one year. To manage this exposure, the Group enters into matching forward commodity contracts which are designated as hedges under IAS 39. The Group hedges a proportion of its anticipated LPG commodity exposure, with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes. In addition, to cover certain customer segments for whom it is commercially beneficial to avoid price increases, a proportion of LPG commodity price and related foreign exchange exposure is hedged. All commodity hedging counterparties are approved by the Board.

Sensitivity to commodity price movements

Group

Due to pricing dynamics in the oil distribution market and the recycled oil product market, an increase or decrease of 10% in the commodity cost price of oil would have a nil impact on the Group's profit before tax (2011: nil) and a nil impact on the Group's equity (2011: nil).

The impact on the Group's profit before tax and on the Group's equity of an increase or decrease of 10% in the commodity cost price of LPG would be dependant on seasonal variations, competitive pressures and the underlying absolute cost of the commodity at the time and, as such, is difficult to quantify but would not be material.

Company

The Company has no exposure to commodity price risk.

Fair values of financial assets and financial liabilities

The fair values of borrowings (none of which are listed) and derivative financial instruments are measured by discounting cash flows at prevailing interest and exchange rates. The carrying value of non-interest bearing financial assets and financial liabilities and cash and cash equivalents approximates their fair values, largely due to their short-term maturities. The following is a comparison by category of book values and fair values of the Group's and Company's financial assets and financial liabilities:

Group	2012		2011	
	Book value €'000	**Fair value €'000**	Book value €'000	Fair value €'000
Financial assets				
Derivative financial instruments	**138,825**	**138,825**	87,938	87,938
Trade and other receivables	**1,291,698**	**1,291,698**	1,034,275	1,034,275
Cash and cash equivalents	**630,023**	**630,023**	700,340	700,340
	2,060,546	**2,060,546**	1,822,553	1,822,553
Financial liabilities				
Borrowings	**919,364**	**897,084**	802,786	778,222
Derivative financial instruments	**18,513**	**18,513**	30,675	30,675
Trade and other payables	**1,533,882**	**1,533,882**	1,149,786	1,149,786
	2,471,759	**2,449,479**	1,983,247	1,958,683

Company				
Financial assets				
Trade and other receivables	**409,656**	**409,656**	414,314	414,314
Cash and cash equivalents	**867**	**867**	30	30
	410,523	**410,523**	414,344	414,344
Financial liabilities				
Trade and other payables	**(342,170)**	**(342,170)**	(326,837)	(326,837)
	(342,170)	**(342,170)**	(326,837)	(326,837)

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. Financial Risk and Capital Management (continued)

Group

The Group has adopted the following fair value measurement hierarchy in relation to its financial assets and financial liabilities that are carried in the Balance Sheet at fair value as at the year end:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Fair value measurement as at 31 March 2012				
Financial assets				
Derivative financial instruments	**-**	**138,825**	**-**	**138,825**
	-	**138,825**	**-**	**138,825**
Financial liabilities				
Derivative financial instruments	**-**	**18,513**	**-**	**18,513**
	-	**18,513**	**-**	**18,513**

Group	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Fair value measurement as at 31 March 2011				
Financial assets				
Derivative financial instruments	-	87,938	-	87,938
	-	87,938	-	87,938
Financial liabilities				
Derivative financial instruments	-	30,675	-	30,675
	-	30,675	-	30,675

Company

As at 31 March 2012 and 31 March 2011 the Company had no financial assets or financial liabilities which were carried at fair value.

48. Related Party Transactions

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* relate to the existence of subsidiaries, joint ventures and associates and transactions with these entities entered into by the Group and the identification and compensation of key management personnel as addressed in more detail below:

Group

Subsidiaries, joint ventures and associates

The consolidated financial statements include the financial statements of the Company and its subsidiaries, joint ventures and associates as documented in the accounting policies on pages 95 to 105. A listing of the principal subsidiaries, joint ventures and associates is provided in the Group Directory on pages 158 to 162 of this Annual Report.

Transactions are entered into in the normal course of business on an arm's length basis.

Sales to and purchases from, together with outstanding payables and receivables to and from subsidiaries and joint ventures are eliminated in the preparation of the consolidated financial statements.

48. Related Party Transactions (continued)

Compensation of key management personnel
For the purposes of the disclosure requirements under IAS 24, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. Full disclosure in relation to the compensation entitlements of the Board of Directors is provided in the Report on Directors' Remuneration and Interests on pages 74 to 83 of this Annual Report.

Company
Subsidiaries, joint ventures and associates
During the year the Company received dividends of €30.0 million from its subsidiary company Fannin (Ireland) Limited (2011: nil). Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 92, in note 25 'Trade and Other Receivables' and in note 26 'Trade and Other Payables'.

49. Events after the Balance Sheet Date

On 3 April 2012, DCC announced that it had reached agreement to dispose of Altimate Group SA ('Altimate'), SerCom Distribution's Enterprise business, subject to competition clearance from the European Commission. The decision to dispose of Altimate (which accounted for approximately 10% of DCC SerCom's profits during the year) reflects the strategy to focus SerCom Distribution on the supply of IT, communications and home entertainment products to retail and reseller customers who in turn service consumers and small and medium sized businesses. This is a business where DCC has strong market positions in Britain, France and Ireland and the potential for expansion, both within these markets and further afield. As detailed in note 19, Altimate was classified as a disposal group held for sale at 31 March 2012.

50. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 14 May 2012.

GROUP DIRECTORY
Principal Subsidiaries and Joint Ventures

DCC Energy

Company name & address	Principal activity	Contact details
DCC Energy Limited DCC House, Brewery Road, 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
Oil		
GB Oils Limited 302 Bridgewater Place, Birchwood Park, Warrington WA3 6XG, England	Procurement, sales, marketing and distribution of petroleum products	Tel: +44 1925 858 500 Fax: +44 1925 858 501 Email: info@gb-oils.co.uk www.gb-oils.co.uk
Emo Oil Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +353 578 674 700 Fax: +353 578 674 775 Email: info@emo.ie www.emo.ie
Great Gas Petroleum (Ireland) Limited Market House, Churchtown, Mallow, Co Cork, Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +353 22 23 989 Fax: +353 22 23 980 Email: info@greatgas.com www.greatgas.com
DCC Energy Limited Airport Road West, Sydenham, Belfast BT3 9ED, Northern Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +44 28 9073 2611 Fax: +44 28 90736167 Email: enquiries@emooil.com www.emooil.com
DCC Energi Danmark A/S Naerum Hovedgade 8, 2850 Naerum, Danmark	Procurement, sales, marketing and distribution of petroleum products	Tel: +45 7010 2010 Fax: +45 4558 0190 Email: info@kundeservice.dccenergi.dk www.dccenergi.dk
Energie Direct Mineralölhandelsgesmbh Alte Poststraße 400, A-8055 Graz, Austria	Procurement, sales, marketing and distribution of petroleum products	Tel: +43 316 210 Fax: +43 316 210 20 Email: info@energiedirect.at www.energiedirect.at
Swea Energi AB Storgatan 35, 434 32 Kungsbacha, Sweden	Procurement, sales, marketing and distribution of petroleum products	Tel: +46 300 687000 Fax: +46 300 687050 Email: info@sweaenergi.se www.sweaenergi.se
LPG		
Flogas UK Limited 81 Rayns Way, Syston, Leicester LE7 1PF, England	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +44 116 2649 000 Fax: +44 116 2649 001 Email: enquiries@flogas.co.uk www.flogas.co.uk
Flogas Ireland Limited Knockbrack House, Matthews Lane, Donore Road, Drogheda, Co. Louth, Ireland	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +353 41 9831 041 Fax: +353 41 9834 652 Email: info@flogas.ie www.flogas.ie
Fuel Card		
Fuel Card Services Limited Alexandra House, Lawnswood Business Park, Redvers Close, Leeds LS16 6QY, England	Sale and administration of petroleum products through the use of fuel cards	Tel: +44 113 384 6264 Fax: +44 844 870 9827 Email: info@fuelcardservices.com www.fuelcardservices.com

DCC SerCom

Company name & address	Principal activity	Contact details
SerCom Distribution Limited DCC House, Brewery Road, 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.sercomdistribution.com
SerCom Distribution		
Gem Distribution Limited St. George House, Parkway, Harlow Business Park, Harlow, Essex CM19 5QF, England	Procurement, sales, marketing and distribution of computer software and peripherals	Tel: +44 1279 822 800 Fax: +44 1279 416 228 Email: info@gem.co.uk www.gem.co.uk
Multichannel Solutions for Entertainment (MSE) Limited Unit 2, Loughlinstown Industrial Estate, Ballybrack, Co. Dublin, Ireland	Procurement, sales, marketing and distribution of home entertainment products and accessories	Tel: +353 1 2826 444 Fax: +353 1 2826 532 www.msegroup.ie
Banque Magnetique SAS Paris Nord 2, Parc des Reflets, 99 Avenue de la Pyramide, 95700, Roissy en France	Procurement, sales, marketing and distribution of computer peripherals and accessories	Tel: +33 1 49 90 93 93 Fax: + 33 1 49 90 93 07 Email: c.dupont@banquemagnetique.fr www.banquemagnetique.fr
Comtrade SAS 300 rue du Président Salvador Allende, 92700 Colombes, France	Procurement, sales, marketing and distribution of audio visual and consumer electronics products	Tel: +33 1 56 47 04 70 www.comtrade.fr
Micro P Limited Shorten Brook Way, Altham Business Park, Altham, Accrington, Lancashire BB5 5YJ, England	Procurement, sales, marketing and distribution of computer and mobile phone products	Tel: +44 1282 776 776 Fax: +44 1282 770 001 Email: enquiries@micro-p.com www.micro-p.com
Advent Data Limited Unit H4 Premier Way, Lowfields Business Park, Elland HX5 9HF, England	Procurement, sales, marketing and distribution of electronic office supplies	Tel: +44 871 222 3844 Fax: +44 871 222 3855 Email: sales@adventdata.co.uk www.adventdata.co.uk
Sharptext Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Procurement, sales, marketing and distribution of computer products	Tel: +353 1 4087 171 Fax: +353 1 4193 111 Email: sharptext@sharptext.com www.sharptext.com
Altimate Group SAS Energy Park IV, 34 Avenue de l'Europe 78140 Velizy, France	Distribution of enterprise infrastructure products in France, Iberia, Benelux & UK	Tel: +33 1 34 58 47 00 Fax: + 33 1 34 58 47 27 Email: info@altimate-group.com www.altimate-group.com
Supply Chain Management		
SerCom Solutions Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Provision of supply chain management and procurement services	Tel: +353 1 4056 500 Fax: +353 1 4056 555 Email: kevin.henry@sercomsolutions.com www.sercomsolutions.com

GROUP DIRECTORY
Principal Subsidiaries and Joint Ventures (continued)

DCC Healthcare

Company name & address	Principal activity	Contact details
DCC Healthcare Limited DCC House, Brewery Road, 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
Hospital Supplies & Services		
Fannin Limited Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Sales, marketing, distribution and other services to healthcare providers and medical and pharma brand owners/ manufacturers	Tel: +353 1 2907 000 Fax: +353 1 2954 777 Email: information@fannin.ie www.fannin.ie
Fannin (UK) Limited 42-46 Booth Drive, Park Farm South, Wellingborough, Northamptonshire NN8 6GT, England	Sales, marketing, distribution and other services to healthcare providers and medical and pharma brand owners/ manufacturers	Tel: +44 1189 305333 Fax: +44 1189 305111 Email: enquiries@fanninuk.com www.fanninuk.com
Squadron Medical Limited Greaves Close, Markham Vale, Chesterfield, Derbyshire S44 5FB, England	Provision of value-added distribution services to healthcare providers and brand owners/manufacturers	Tel: +44 1246 470 999 Fax: +44 1246 284 030 Email: orders@squadronmedical.co.uk www.squadronmedical.co.uk
The TPS Healthcare Group Limited 27-35 Napier Place, Wardpark, North Cumbernauld, Glasgow G68 0LL, Scotland	Provision of value-added distribution services to healthcare providers and brand owners/manufacturers	Tel: +44 1236 739 668 Fax: +44 1236 738 376 Email: corporate@tpshealthcare.com www.tpshealthcare.com
Virtus Inc. 1896 Lammers Pike, Batesville, IN 47006-8637, United States	Manufacture of fabric health care products, primarily mattresses	Tel: +1 812 933 1121
Health & Beauty Solutions		
DCC Health & Beauty Solutions 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Outsourced solutions for the health and beauty industry	Tel: +44 1928 573 734 Fax: +44 1420 566 566 Email: enquiries@dcchealthandbeauty.com www.dcchealthandbeauty.com
Thompson & Capper Limited 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Development, contract manufacture and packing of tablet and hard gel capsule nutraceuticals	Tel: +44 1928 573 734 Fax: +44 1928 580 694 Email: enquiries@tablets2buy.com www.tablets2buy.com
EuroCaps Limited Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Development and contract manufacture of soft gel capsule nutraceuticals	Tel: +44 1495 308 900 Fax: +44 1495 308 990 Email: info@softgels.co.uk www.softgels.co.uk
Laleham Healthcare Limited Sycamore Park, Mill Lane, Alton, Hampshire GU34 2PR, England	Development, contract manufacture and packing of liquids and creams for the beauty and consumer healthcare sectors	Tel: +44 1420 566 500 Fax: +44 1420 566 566 Email: reception@laleham-healthcare.com www.laleham-healthcare.com

DCC Environmental

Company name & address	Principal activity	Contact details
DCC Environmental Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: environmental@dcc.ie www.dcc.ie
Enva Ireland Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Specialist waste treatment/ management services	Tel: +353 578 678 600 Fax: +353 578 678 699 Email: info@enva.ie www.enva.ie
Wastecycle Limited Enviro Building, Private Road No. 4, Colwick Industrial Estate, Nottingham NG4 2JT, England	Recycling and waste management	Tel: +44 115 9403 111 Fax: +44 115 940 4141 Email: enquiries@wastecycle.co.uk www.wastecycle.co.uk
William Tracey Limited 49 Burnbrae Road, Linwood Industrial Estate, Linwood, Renfrewshire, PA3 3BD, Scotland	Recycling and waste management	Tel: +44 1505 321 000 Fax: + 44 1505 335 555 Email: info@wmtracey.co.uk www.wmtracey.co.uk
Oakwood Fuels Limited Brailwood Road, Bilsthorpe, Newark Nottinghamshire, NG22 8UA, England	Specialist waste treatment/ management services	Tel: +44 1623 871 964 Fax: +44 1623 871 905 Email: mail@oakwoodgroup.uk.com www.oakwoodfuels.co.uk

GROUP DIRECTORY
Principal Subsidiaries and Joint Ventures (continued)

DCC Food & Beverage

Company name & address	Principal activity	Contact details
DCC Food & Beverage Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: foods@dcc.ie www.dcc.ie
Kelkin Limited Unit 1, Crosslands Industrial Park, Ballymount Cross, Dublin 12, Ireland	Procurement, sales, marketing and distribution of branded healthy foods, beverages and vms products	Tel: +353 1 4600 400 Fax: +353 1 4600 411 Email: info@kelkin.ie www.kelkin.ie
Robert Roberts Limited 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Procurement, sales, marketing and distribution of food and beverages	Tel: +353 1 4047 300 Fax: +353 1 4047 311 Email: info@robert-roberts.ie www.robert-roberts.ie
Bottle Green Limited 19 New Street, Horsforth, Leeds LS18 4BH, England	Procurement, sales, marketing and distribution of wine	Tel: +44 113 2054 500 Fax: +44 113 2054 501 Email: info@bottlegreen.com www.bottlegreen.com
KP (Ireland) Limited* 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Manufacture of snack foods	Tel: +353 1 4047 300 Fax: +353 1 4047 311
Allied Foods Limited Second Avenue, Cookstown Industrial Estate, Dublin 24, Ireland	Chilled and frozen food distribution	Tel: +353 1 466 2600 Fax: +353 1 466 2688 Email: info@alliedfoods.ie
Kylemore Foods Group* McKee Avenue, Finglas, Dublin 11, Ireland	Operation of restaurants and contract catering	Tel: +353 1 814 0600 Fax: + 353 1 814 0601 Email: info@kylemore.ie www.kylemore.ie

**50% owned joint venture*

SHAREHOLDER INFORMATION

Share Price Data

	2012 €	2011 €
Share price at 14 May	19.90	
Market capitalisation at 14 May	1,662m	
Share price at 30 March	18.56	22.40
Market capitalisation at 30 March	1,550m	1,866m
Share price movement during the year		
- High	23.07	24.20
- Low	16.70	17.30

Shareholdings as at 31 March 2012

Range of shares held	Number of accounts	% of accounts	Number of shares[1]	% of shares
Over 250,000	53	1.8	67,555,280	80.9
100,001 – 250,000	34	1.1	5,500,243	6.6
10,000 – 100,000	199	6.7	7,433,083	8.9
Less than 10,000	2,686	90.4	3,039,891	3.6
Total	2,972	100.0	83,528,497	100.0

Geographic division[2]	Number of Shares[1]	% of shares
North America	25,808,701	30.9
UK	23,559,830	28.2
Europe/Asia	9,636,647	11.5
Ireland	6,868,788	8.2
Retail[3]	17,654,531	21.2
Total	83,528,497	100.0

[1] Excludes 4,700,907 shares held as Treasury Shares
[2] This represents the best estimate of the number of shares controlled by fund managers resident in the relevant geographic regions
[3] Retail includes private shareholders, management and broker holdings

Share Listings

DCC plc is an Irish registered company whose shares are traded on the Irish Stock Exchange and the London Stock Exchange.

CREST

DCC is a member of the CREST share settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of paper share certificates. Shareholders should consult their stockbroker if they wish to hold shares in electronic form.

Dividends

DCC normally pays dividends twice yearly, in July and in December. Dividends are paid in euro to all shareholders although shareholders, who hold a sterling bank account, have the option to elect to receive their dividends in sterling. Shareholders may also elect to receive dividend payments by electronic funds transfer directly into their bank accounts, rather than by cheque. Shareholders should contact the Company's Registrar for details of these options.

The Company is obliged to deduct Dividend Withholding Tax ("DWT") 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 non-individual shareholders resident in Ireland (for example companies, pension funds and charities).

An explanatory leaflet entitled "Dividend Withholding Tax – General 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 www.revenue.ie. Declaration forms for claiming an exemption are available from the Company's Registrar.

SHAREHOLDER INFORMATION (continued)

Website
Through DCC's website, www.dcc.ie, stakeholders and other interested parties can access information on DCC in an easy-to-follow and user-friendly format. As well as information on the Group's activities, users can keep up to date on DCC's financial results and share price performance through downloadable reports and interactive share price tools. The site also provides access to archived financial data, annual reports, stock exchange announcements and investor presentations.

Electronic Communications
Following the introduction of the Transparency Regulations 2007, and in order to adopt a more environmentally friendly and cost-effective approach, the Company provides information concerning the Company (such as the Annual Report, Interim Report and Notice of Annual General Meeting) to shareholders electronically via DCC's website, www.dcc.ie, and only sends a printed copy to those shareholders who specifically request a copy. Shareholders who receive information electronically will continue to receive certain communications by post (such as share certificates, dividend cheques, dividend payment vouchers and tax vouchers). Shareholders who wish to alter the method by which they receive communications should contact the Company's Registrar.

Financial Calendar
- Preliminary results announced – 15 May 2012
- Ex-dividend date for the final dividend – 23 May 2012
- Record date for the final dividend – 25 May 2012
- Interim Management Statement – 20 July 2012
- Annual General Meeting - 20 July 2012
- Proposed payment date for final dividend – 26 July 2012
- Interim results to be announced – 6 November 2012
- Proposed payment date for the interim dividend – December 2012
- Interim Management Statement – February 2013

Annual General Meeting, Electronic Proxy Voting and CREST Voting
The 2012 Annual General Meeting will be held at The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland on Friday 20 July 2012 at 11.00 a.m. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Report.

Shareholders may lodge a Form of Proxy for the 2012 Annual General Meeting via the internet. Shareholders who wish to submit their proxy in this manner may do so by accessing the Company's Registrar's website at www.eproxyappointment.com and following the instructions which are set out on the Form of Proxy.

CREST members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to the notes in the Notice of Annual General Meeting or on the Form of Proxy.

Registrar
All administrative queries about the holding of DCC shares should be addressed to the Company's Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

Tel: + 353 1 247 5698
Fax: + 353 1 216 3151
www.investorcentre.com/ie/contactus

Investor Relations
For investor enquiries please contact Redmond McEvoy, Investor Relations Manager, DCC plc, DCC House, Brewery Road, Stillorgan, Blackrock, Co Dublin, Ireland.

Tel: + 353 1 2799 400
Fax: + 353 1 2831 017
email: investorrelations@dcc.ie

CORPORATE INFORMATION

Registered and Head Office
DCC House
Brewery Road
Stillorgan
Blackrock
Co. Dublin
Ireland

Auditors
PricewaterhouseCoopers
Chartered Accountants
& Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

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

Bankers
Allied Irish Banks
Bank of Ireland
Barclays
BNP Paribas
Danske Bank A/S
Deutsche Bank
HSBC
ING Bank N.V.
J.P. Morgan
KBC Bank
Lloyds Banking Group
National Westminster Bank plc
Rabobank
Royal Bank of Scotland
Ulster Bank

Solicitors
William Fry
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Stockbrokers
Davy
49 Dawson Street
Dublin 2
Ireland

Goodbody Stockbrokers
Ballsbridge Park
Ballsbridge
Dublin 4
Ireland

JPMorgan Cazenove Limited
10 Aldermanbury
London
EC2V 7RF
England

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5 YEAR REVIEW

Group Income Statement **Year ended 31 March**	**2008** **€'m**	**2009** **€'m**	**2010** **€'m**	**2011** **€'m**	**2012** **€'m**
Revenue	5,532.0	6,400.1	6,725.0	8,680.6	10,690.3
Operating profit before exceptional items and amortisation of intangible assets	167.2	180.4	192.8	229.6	185.0
Exceptional items	39.6	(19.9)	(9.8)	(12.6)	(22.3)
Amortisation of intangible assets	(7.9)	(5.7)	(6.1)	(11.0)	(11.4)
Operating profit	198.9	154.8	176.9	206.0	151.3
Finance costs (net)	(17.8)	(17.2)	(12.2)	(16.2)	(17.2)
Share of associates' profit/(loss) after tax	0.6	0.2	0.2	(0.2)	(1.1)
Profit before tax	181.7	137.8	164.9	189.6	133.0
Income tax expense	(16.5)	(20.9)	(33.2)	(43.8)	(29.9)
Minority interests	(0.7)	(0.6)	(0.9)	(0.7)	(0.6)
Profit attributable to owners of the Parent	164.5	116.3	130.8	145.1	102.5
Earnings per share					
- basic (cent)	204.28	142.36	158.76	174.48	122.78
- basic adjusted (cent)	165.06	169.13	177.98	203.15	163.51
Dividend per share (cent)	56.67	62.34	67.44	74.18	77.89
Dividend cover (times)	2.9	2.7	2.6	2.7	2.1
Interest cover (times)*	9.4	8.5	17.7	15.8	10.4

** excludes exceptional items*

Group Balance Sheet **As at 31 March**	**2008** **€'m**	**2009** **€'m**	**2010** **€'m**	**2011** **€'m**	**2012** **€'m**
Non-current and current assets					
Property, plant and equipment	337.1	319.3	358.1	395.5	451.1
Intangible assets	416.9	443.2	595.1	636.1	785.2
Investments in associates	4.7	2.2	2.4	2.3	1.2
Cash/derivatives	512.7	555.4	818.2	788.3	768.8
Other assets	1,037.3	891.0	1,169.0	1,291.7	1,778.9
Total assets	2,308.7	2,211.1	2,942.8	3,113.9	3,785.2
Equity	742.4	726.2	836.9	931.9	1,014.0
Non-current and current liabilities					
Borrowings/derivatives	636.4	646.1	871.7	833.5	937.9
Retirement benefit obligations	21.9	29.5	23.7	19.3	14.7
Other liabilities	908.0	809.3	1,210.5	1,329.2	1,818.6
Total liabilities	1,566.3	1,484.9	2,105.9	2,182.0	2,771.2
Total equity and liabilities	2,308.7	2,211.1	2,942.8	3,113.9	3,785.2
Net debt included above	(123.7)	(90.7)	(53.5)	(45.2)	(128.2)

Group Cash Flow **Year ended 31 March**	**2008** **€'m**	**2009** **€'m**	**2010** **€'m**	**2011** **€'m**	**2012** **€'m**
Operating cash flow	129.0	304.9	297.8	269.6	277.3
Capital expenditure	87.5	57.0	47.3	83.4	70.2
Acquisitions	176.6	101.7	133.6	78.3	168.1

Other Information	**2008**	**2009**	**2010**	**2011**	**2012**
Return on total capital employed (%)	17.5%	17.8%	18.4%	19.9%	14.2%
Working capital (days)	16.4	11.9	4.6	4.9	2.5
Average number of employees	6,638	7,182	7,396	7,925	8,355

DCC plc
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