



DCC

Interim Report
2011

DCC is a sales, marketing, distribution and business support services Group, operating across five divisions:

Sales, marketing and distribution businesses (87% of profits)	Business support services (13% of profits)
DCC Energy - Oil - LPG - Fuel cards	
DCC SerCom SerCom Distribution IT & entertainment products to - Retailers - Resellers - Enterprise markets	SerCom Solutions Outsourced procurement and supply chain management services
DCC Healthcare Hospital supplies and services focussed on the medical and pharmaceutical sectors	Outsourced solutions to the health and beauty sector
DCC Environmental	Waste management and recycling services
DCC Food & Beverage - Healthfoods - Indulgence foods and beverages	Chilled and frozen logistics

DCC currently employs approximately 8,300 people and is listed under Support Services on the Irish and London stock exchanges.

DCC’s strategy is to grow a sustainable, diversified business through concentrating on those activities where it has established, or has the opportunity to establish, leadership positions (i.e. typically number 1 or 2) in its chosen markets.

Interim Highlights

For the six months ended 30 September 2011

RESULTS HIGHLIGHTS			
	€	<i>Change on prior year</i>	
		<i>Reported</i>	<i>Constant currency[†]</i>
Revenue	4,395.0m	+10.8%	+14.4%
Operating profit*	58.3m	-14.2%	-11.4%
Profit before net exceptional items, amortisation of intangible assets and tax	50.0m	-17.3%	-14.4%
Adjusted earnings per share*	47.53 cent	-17.6%	-14.7%
Dividend per share	27.42 cent	+5.0%	
Operating cash flow	71.0m (2010: €59.8m)		
Net debt	145.5m (2010: €98.6m)		

[†] all constant currency figures quoted in this report are based on retranslating 2011/12 figures at the prior year translation rate

* excluding net exceptionals and amortisation of intangible assets

As indicated in our Interim Management Statement on 15 July 2011, DCC's operating profit in its first half (which was budgeted to represent approximately 30% of the profit for the year) was affected by the impact of the very mild weather in April and May on its largest division, DCC Energy, where profits were down by €10.6 million (35.1%) on a constant currency basis.

Each of the Group's other four divisions traded ahead of or in line with the prior year. In aggregate these four divisions grew operating profit by 7.6% on a constant currency basis. Notably, there was another strong performance by SerCom Distribution, driven by the benefit of acquisitions completed in the prior year and good organic growth, with revenue ahead by 20.1% and operating profit ahead by 28.0%, both on a constant currency basis.

Overall, the Group's operating profit decreased by €7.7 million (11.4%) on a constant currency basis.

Adjusted earnings per share decreased by 14.7% on a constant currency basis.

Since April, the Group has made very good progress in its development agenda, committing incremental acquisition and capital expenditure of €146 million, and continues to be active in pursuing a range of other development opportunities.

Interim Highlights (continued)

The Board has decided to pay an interim dividend of 27.42 cent per share, representing a 5.0% increase on the interim dividend paid in the prior year.

As DCC enters its seasonally more significant second half, the economic environment within the principal geographies in which the Group operates remains challenging and has become increasingly uncertain. The outlook for the full year to 31 March 2012 is framed against this background and is based on the important assumption that the overall weather pattern for the second half will be that of a normal winter (compared to the extremely cold winter in the prior year), notwithstanding what has been a mild October.

DCC now believes that operating profit and adjusted earnings per share, both on a constant currency basis, will be approximately 5% behind the prior year.

On this basis and assuming an exchange rate of Stg£0.8800 = €1, this would result in operating profit and adjusted earnings per share being approximately 7.5% behind the prior year on a reported basis.

The acquisitions completed over the last twelve months have strengthened DCC's strategic position and with its strong balance sheet the Group remains very well placed to continue the development of its business in existing and new geographies.

Tommy Breen
Chief Executive

Interim Management Report

For the six months ended 30 September 2011

Results

A summary of the results for the six months ended 30 September 2011 is as follows:

	€'m	<i><u>Change on prior year</u></i>	
		<i>Reported</i>	<i>Constant currency[†]</i>
Revenue	<u>4,395.0</u>	+10.8%	+14.4%
Operating profit*			
DCC Energy	18.7	-37.8%	-35.1%
DCC SerCom	15.2	+6.7%	+10.3%
DCC Healthcare	10.5	+0.6%**	+2.8%**
DCC Environmental	7.9	+12.2%	+17.0%
DCC Food & Beverage	<u>6.0</u>	+11.0%	+11.5%
Group operating profit*	58.3	-14.2%	-11.4%
Finance costs (net)	<u>(8.3)</u>		
Profit before net exceptionals, amortisation of intangible assets and tax	50.0	-17.3%	-14.4%
Net exceptional charge	(7.3)		
Amortisation of intangible assets	<u>(5.3)</u>		
Profit before tax	37.4		
Taxation	<u>(8.8)</u>		
Profit after tax	<u>28.6</u>		
Adjusted earnings per share*	47.53 cent	-17.6%	-14.7%
Dividend per share	27.42 cent	+5.0%	
Operating cash flow	71.0m (2010: €59.8m)		
Net debt at 30 September 2011	145.5m (2010: €98.6m)		

[†] all constant currency figures quoted in this report are based on retranslating 2011/12 figures at the prior year translation rate
* excluding net exceptionals and amortisation of intangible assets
** continuing activities (i.e. excluding Mobility and Rehabilitation)

Revenue

Group revenue increased by 14.4%, on a constant currency basis, primarily as a result of an increase in the price of oil relative to last year and the impact of acquisitions.

Interim Management Report (continued)

Operating profit performance

As indicated in the Interim Management Statement on 15 July 2011, DCC's operating profit in its first half (which was budgeted to represent approximately 30% of the profit for the year) was affected by the impact of the very mild weather in April and May on its largest division, DCC Energy, where profits were down by €10.6 million (35.1%) on a constant currency basis.

Each of the Group's other four divisions traded ahead of or in line with the prior year. In aggregate these four divisions grew operating profit by 7.6% on a constant currency basis. Notably, there was another strong performance by SerCom Distribution, driven by the benefit of acquisitions completed in the prior year and good organic growth, with revenue ahead by 20.1% and operating profit ahead by 28.0%, both on a constant currency basis.

Overall, the Group's operating profit decreased by €7.7 million (11.4%) on a constant currency basis.

Approximately 74% of the Group's operating profit in the period was denominated in sterling. The average exchange rate at which sterling profits were translated during the period was Stg£0.8851 = €1, compared to an average translation rate of Stg£0.8476 = €1 for the same period in the prior year, a reduction of 4% which resulted in an adverse translation impact on Group operating profit of €1.9 million. Consequently on a reported basis operating profit decreased by 14.2%.

The benefits of cost efficiencies achieved across the Group in prior years were maintained, with Group operating costs modestly lower than the prior year (on a constant currency basis and adjusted for the impact of acquisitions and disposals).

Finance costs (net)

Net finance costs for the period increased to €8.3 million (2010: €7.4 million) primarily as a result of higher average net debt levels. The Group's net debt averaged €170 million during the period compared to €155 million during the six months ended 30 September 2010.

Profit before net exceptionals, amortisation of intangible assets and tax

Profit before net exceptionals, amortisation of intangible assets and tax of €50.0 million decreased by 14.4% on a constant currency basis (a decrease of 17.3% on a reported basis).

Net exceptional charge and amortisation of intangible assets

The Group incurred a net exceptional charge before tax of €7.3 million as follows:

	Total €'m
Gain on restructuring of pension arrangements	2.7
Acquisition costs	(1.7)
Impairment of subsidiary goodwill and associate company investment	(3.1)
Reorganisation costs and other	<u>(5.2)</u>
Total	<u>(7.3)</u>

Restructuring of certain of the Group's pension arrangements during the year gave rise to an exceptional gain of €2.7 million.

IFRS 3 (revised) requires that the professional and tax costs (such as stamp duty) relating to the evaluation and completion of an acquisition are expensed in the Income Statement whereas previously they were capitalised as part of the acquisition cost. During the first half these costs amounted to €1.7 million.

Interim Management Report (continued)

There was a non-cash charge of €3.1 million in relation to the impairment of the carrying value of a subsidiary which was disposed of after the period end and of the carrying value of an associated company.

The balance of the net exceptional charge relates primarily to restructuring costs in one of the Group's Irish Food & Beverage subsidiaries and the integration costs of recently acquired businesses.

The charge for the amortisation of intangible assets was €5.3 million (2010: €5.0 million).

Taxation

The effective tax rate for the Group was 20%, the same as for the six months ended 30 September 2010, and compares to 21% for the full year ended 31 March 2011, the reduction being primarily due to a reduction in the UK corporation tax rate.

Adjusted earnings per share

Adjusted earnings per share of 47.53 cent decreased by 14.7% on a constant currency basis (a decrease of 17.6% on a reported basis).

Interim dividend increase of 5.0%

The Board has decided to increase the interim dividend by 5.0% to 27.42 cent per share. This dividend will be paid on 2 December 2011 to shareholders on the register at the close of business on 18 November 2011.

Cash flow

As with its operating profit, the Group's cash flow is weighted towards its second half. The cash flow generated by the Group for the six months ended 30 September 2011 can be summarised as follows:

	2011 €'m	2011 €'m	2010 €'m	2010 €'m
Operating profit		58.3		67.9
(Increase)/decrease in working capital:				
DCC Energy	48.3		11.5	
DCC SerCom	(44.6)		(39.7)	
DCC Healthcare	(11.0)		(6.7)	
DCC Environmental	(1.6)		(0.9)	
DCC Food & Beverage	<u>(1.7)</u>	(10.6)	<u>(0.2)</u>	(36.0)
Depreciation and other		<u>23.3</u>		<u>27.9</u>
Operating cash flow		71.0		59.8
Capital expenditure (net)		(25.9)		(27.4)
Interest and tax paid		<u>(33.7)</u>		<u>(24.2)</u>
Free cash flow		<u>11.4</u>		<u>8.2</u>

Working capital remained tightly controlled with net working capital days at 30 September 2011 of 5.4 days compared to 5.9 days at 30 September 2010.

Interim Management Report (continued)

Acquisition and Capital Expenditure

Including acquisitions committed to since 30 September 2011, committed acquisition and capital expenditure amounted to €145.8 million, as follows:

	Acquisitions	Capex	Total
	€'m	€'m	€'m
DCC Energy	78.2	15.5	93.7
DCC SerCom	-	1.3	1.3
DCC Healthcare	10.5	2.3	12.8
DCC Environmental	31.2	5.3	36.5
DCC Food & Beverage	-	1.5	1.5
Total	<u>119.9</u>	<u>25.9</u>	<u>145.8</u>

Committed acquisition expenditure, from 1 April 2011 up to the date of this report, amounted to €119.9 million.

On 31 October 2011, DCC Energy completed the acquisition of certain oil distribution assets formerly owned by Total in Britain, the Isle of Man and the Channel Islands for a debt/cash free consideration of approximately €67 million. These businesses, which employ 550 people and sold 1.5 billion litres of fuel in 2010, comprise the following:

- the trade, fixed assets, stock and goodwill of Total Butler, a transport, commercial and home heating oil distribution business with sales volumes in 2010 of 670 million litres. Total Butler has a network of 40 depots across England and Wales and a fleet of circa 200 leased delivery vehicles.
- contracts to supply transport fuels to circa 300 dealer owned dealer operated retail service stations (currently branded Total). Volumes sold under these contracts in 2010 amounted to 710 million litres.
- the entire issued share capital of Total's oil distribution and retail service station businesses on the Isle of Man and the Channel Islands. In 2010, together these businesses sold 120 million litres of fuel.

This acquisition represents a further significant step in DCC's growth strategy in oil distribution in Britain and considerably extends DCC Energy's presence in England and Wales. DCC has agreed certain undertakings with the UK Office of Fair Trading ("OFT"), the effect of which is that the Total Butler business will be held separate from DCC's existing oil distribution businesses in Britain pending completion by the OFT of a review of the acquisition of the business.

During the period, DCC Energy also completed the acquisition of a number of smaller oil distributors in Britain, Austria and Northern Ireland.

In May 2011, DCC Healthcare invested €9 million in acquiring the business, product licences and certain other assets of Neolab Limited, a British generic pharmaceuticals business based in Hampshire. The Neolab business is involved in the sourcing, registration, sales, marketing and distribution of generic pharmaceuticals and sells into the British community pharmacy sector under the Neolab and private label brands. Its portfolio covers a broad range of therapy areas including analgesia, respiratory, cardiology and psychiatry. There is a good strategic fit between the Neolab business and DCC Healthcare's existing pharma activities and the two businesses were integrated, which will deepen DCC's product registration expertise, broaden its product portfolio and open up new channels to market and supplier relationships. The Neolab product range and pipeline of new product registrations is well placed to benefit from market trends towards generic prescribing.

Interim Management Report (continued)

On 23 June 2011, DCC Environmental Britain Limited announced the acquisition of Oakwood Fuels Limited for an initial consideration of €11 million with additional amounts to be paid in future years based on the performance of the business. Oakwood is a British waste oil and hazardous waste collection, processing and recycling business based in Nottinghamshire. It collects waste lubricant oil and hazardous waste from businesses in a variety of sectors and converts the waste oil to processed fuel oil which is then sold to customers for use in a number of applications, including road surfacing operations, aggregate drying, industrial and agricultural drying, power stations, large boilers and furnaces. This acquisition broadens DCC Environmental's service offering into additional complementary waste streams in Britain and capitalises on the trend towards more sustainable waste management and in particular increased waste recovery and recycling. In August 2011, DCC Environmental Britain Limited also completed the acquisition of Maxi Waste Limited, a small recycling business operating from two facilities in Leicester.

The cash outflow on acquisitions in the six months to 30 September 2011, which was €65 million, includes only those acquisitions completed during the six months ended 30 September 2011 and deferred acquisition payments already provided for. This includes the completion on 30 September 2011 of the acquisition of Pace Fuelcare, which had been announced in February 2011.

Net capital expenditure in the first half of €25.9 million (2010: €27.4 million) compares to a depreciation charge of €26.8 million (2010: €25.9 million).

Financial Strength

DCC's financial position remains very strong. At 30 September 2011, the Group had net debt of €145.5 million and total equity of €929.5 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 30 September 2011.

Outlook

As DCC enters its seasonally more significant second half, the economic environment within the principal geographies in which the Group operates remains challenging and has become increasingly uncertain. The outlook for the full year to 31 March 2012 is framed against this background and is based on the important assumption that the overall weather pattern for the second half will be that of a normal winter (compared to the extremely cold winter in the prior year), notwithstanding what has been a mild October.

DCC now believes that operating profit and adjusted earnings per share, both on a constant currency basis, will be approximately 5% behind the prior year.

On this basis and assuming an exchange rate of Stg£0.8800 = €1, this would result in operating profit and adjusted earnings per share being approximately 7.5% behind the prior year on a reported basis.

The acquisitions completed over the last twelve months have strengthened DCC's strategic position and with its strong balance sheet the Group remains very well placed to continue the development of its business in existing and new geographies.

Interim Management Report (continued)

Operating review

<u>DCC Energy</u>	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€3,133.3m	€2,808.6m	+11.6%	+15.4%
Operating profit	€18.7m	€30.1m	-37.8%	-35.1%

DCC Energy had a difficult first half, with operating profit 35.1% (€10.6 million) behind the prior year on a constant currency basis, as the business was significantly impacted by the very mild weather conditions in the first quarter.

Since the start of the calendar year, average temperatures in Britain and Ireland have been significantly warmer than the prior year and the 30 year average. This mild weather, in conjunction with the high price of product and the difficult economic environment, adversely impacted demand which resulted in spare capacity in the industry, leading to pressure on margins generally.

DCC Energy sold 3.2 billion litres of product during the first half, a decrease of 2.7% over the first half of the prior year. Organically, volumes declined by 4.9% on the prior year.

In the oil business in Britain and Ireland, heating oil volumes and margins were lower than the prior year reflecting the impact of the mild weather. DCC Energy's oil distribution businesses in Continental Europe (Denmark and Austria) performed well during the period, being less impacted by weather factors.

As with the oil businesses, demand in the LPG business for heating products was weak, with overall volumes down by 4.6%. The business also experienced a less favourable product pricing environment.

The fuel card business in Britain had a good first half and further strengthened its market share.

DCC Energy made excellent progress towards its key strategic objective of consolidating its position in the British oil distribution market, including the completion of the acquisition of Pace Fuelcare, a 455 million litre oil distribution business which operates from 19 locations across southern England (completed on 30 September 2011). On 31 October 2011, DCC Energy completed the acquisition of certain oil distribution assets previously owned by Total in Britain, the Isle of Man and the Channel Islands. The Total businesses sold in aggregate 1.5 billion litres of product in 2010 to a broad range of dealer owned dealer operated retail service stations, commercial, industrial, agricultural and domestic customers.

DCC Energy is at the very early stages of developing a presence in the alternative energy sector with an initial focus on the provision of energy solutions to customers across the division, allowing them to reduce their carbon footprint. DCC Energy has recently acquired a small business in Britain which distributes a broad range of alternative energy products including ground and air source heat pumps, solar panels and energy control systems to domestic and commercial customers.

DCC Energy has welcomed the publication (on 18 October 2011) by the UK Office of Fair Trading ("OFT") of its Market Study into the off-grid energy sector. In particular DCC Energy welcomes the following findings from the study in relation to the Heating Oil market:

Interim Management Report (continued)

- *that on the whole competition works well, with consumers offered a good choice of suppliers and the off-grid sector does not need price regulation*
- *that 97% of off-grid households live in a location served by at least four known suppliers*
- *that competition has constrained prices over the year as a whole and profit margins have not been excessive*

The full Market Study Report can be found at <http://www.ofg.gov.uk/OFTwork/markets-work/completed/off-grid>.

The outlook for DCC Energy, as it enters the seasonally more significant second half of its financial year, is set against the important assumption that there will be a return to a more normal weather pattern compared to the very mild conditions encountered so far this year. On this basis, DCC Energy continues to anticipate that operating profit on a constant currency basis for the year to 31 March 2012 will be behind the prior year, which benefited from an extremely cold winter.

Interim Management Report (continued)

<u>DCC SerCom</u>	2011	2010	<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€910.5m	€799.2m	+13.9%	+16.9%
Operating profit	€15.2m	€14.3m	+6.7%	+10.3%
Operating margin	1.7%	1.8%		

DCC SerCom achieved strong operating profit growth of 10.3% on a constant currency basis driven by another excellent performance in SerCom Distribution which generated revenue growth of 20.1% and operating profit growth of 28.0% also both on a constant currency basis, reflecting the benefit of acquisitions completed in the prior year and good organic growth.

DCC SerCom's Retail distribution business achieved strong profit growth as a result of a full six months contribution from Comtrade in France (which was acquired in the prior year). The businesses in Britain and Ireland continued to invest in their product and service offerings, including logistics and web fulfilment, but were held back somewhat by the weak home entertainment market. The Retail business in France had an excellent result reflecting good organic growth and the acquisition of Comtrade.

DCC SerCom's Reseller distribution business had an excellent first half, achieving significant profit growth with strong organic growth complemented by the acquisition of Advent Data (announced in March 2011). The business made further market share gains in the distribution of consumer IT products and also benefited from a number of development initiatives undertaken during the first half, including the introduction of new suppliers to support its networking and mobile communications business units.

DCC SerCom's Enterprise business achieved excellent operating profit growth with improved performances in France and Spain and the benefit of a full six months contribution from Codework, the UK business acquired in September 2010.

DCC SerCom's Supply Chain Management business experienced a very challenging first half and operating profit declined significantly as a result of reduced demand from a number of its major customers. Steps have been taken to address the cost base and the business has recently won a new contract which will contribute to the second half.

Despite a challenging economic environment in its principal markets, DCC SerCom anticipates that strong constant currency operating profit growth will be achieved for the year to 31 March 2012, reflecting the benefit of recent acquisitions and good business development activity.

Interim Management Report (continued)

<u>DCC Healthcare</u>	2011	2010	<i>Change on prior year</i>	
			<i>Reported</i>	<i>Constant Currency</i>
Revenue	€153.8m	€166.3m	-7.5%	-4.6%
Operating profit	€10.5m	€11.1m	-5.9%	-3.9%
Operating margin	6.8%	6.7%		

Continuing activities (excluding Mobility & Rehabilitation)

Revenue	€153.8m	€153.9m	+0.0%	+3.1%
Operating profit	€10.5m	€10.4m	+0.6%	+2.8%
Operating margin	6.8%	6.8%		

DCC Healthcare increased operating profit from continuing activities by 2.8% on a constant currency basis, against a challenging trading background, particularly in Ireland.

DCC Hospital Supplies & Services operated in a difficult environment in Ireland, where budgetary constraints within the public healthcare system have continued to reduce demand and increase price pressure. DCC strengthened its position in the Pharma sector in Britain in May through the acquisition of the business and certain assets of Neolab, a British generic pharma business, which boosted revenues in the first half and will contribute to profitability in the second half. While DCC Hospital Supplies & Services maintained its revenue levels, including achieving good growth in certain categories of medical consumables, margin was impacted by the market conditions in Ireland.

DCC Health & Beauty Solutions generated excellent revenue and profit growth in nutraceuticals driven by further revenue growth in international markets; however, overall profit was held back by the impact on its beauty operations of destocking by one of its important customers.

While pressure on healthcare spending in Ireland will continue to impact DCC Hospital Supplies & Services, DCC Health & Beauty Solutions expects to generate profit growth in the second half. Overall, DCC Healthcare expects operating profit from continuing activities for the year to 31 March 2012, on a constant currency basis, to be broadly in line with the prior year.

Interim Management Report (continued)

<u>DCC Environmental</u>			<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
	2011	2010		
Revenue	€65.4m	€53.4m	+22.5%	+27.1%
Operating profit	€7.9m	€7.0m	+12.2%	+17.0%
Operating margin	12.0%	13.1%		

DCC Environmental generated an increase in operating profit of 17.0% on a constant currency basis, benefiting from the first time contribution from Oakwood, which has performed strongly since its acquisition in June 2011.

Overall the business in Britain performed satisfactorily in the first half and successfully increased the volume of waste diverted from landfill. Oakwood is a waste oil and hazardous waste collection, processing and recycling business. The waste lubricant oil collected is converted to processed fuel oil, which is then sold to customers for use in a number of industrial applications. This acquisition broadens DCC Environmental's service offering in Britain into additional complementary waste streams and capitalises on the trend towards more sustainable waste management and in particular increased waste recovery and recycling. The business also added two materials recycling facilities in Leicester through the acquisition of Maxi Waste in August 2011.

The business in Ireland performed in line with the prior year in what continues to be a challenging market.

DCC Environmental anticipates that it will report a very strong increase in constant currency operating profit for the year to 31 March 2012.

<u>DCC Food & Beverage</u>			<u>Change on prior year</u>	
			<i>Reported</i>	<i>Constant Currency</i>
	2011	2010		
Revenue	€132.0m	€138.3m	-4.5%	-3.5%
Operating profit	€6.0m	€5.4m	+11.0%	+11.5%
Operating margin	4.5%	3.9%		

Operating profit in DCC Food & Beverage for the first half increased by 11.5% on a constant currency basis, primarily as a result of a good performance in Indulgence Foods.

Indulgence Foods delivered very good operating profit growth benefiting from the prior year's acquisition of the Goodall's and YR brands and tight cost control. In Healthfoods, the Kelkin brand continues to grow as it expands its range of "healthy choice" products, although sales of certain third party agency brands declined.

The Frozen & Chilled logistics business performed in line with the prior year. However, since the end of the first half it has lost a major contract and consequently DCC Food & Beverage anticipates a decline in operating profit in the year to 31 March 2012.

Interim Management Report (continued)

Forward-looking statements

This report contains some forward-looking statements that represent DCC's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. DCC believes that its expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve risk and uncertainty, which are in some cases beyond DCC's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.

Principal Risks and Uncertainties

The Board is responsible for the Group's risk management systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. Details of the principal strategic, operational, compliance and financial risks facing the Group are set out on pages 54 to 55 of the 2011 Annual Report. These risks continue to be the principal risks and uncertainties facing the Group for the remaining six months of the financial year.

Group Income Statement

	Notes	Unaudited 6 months ended 30 September 2011			Unaudited 6 months ended 30 September 2010			Audited year ended 31 March 2011		
		Pre exceptionals €'000	Exceptionals (note 6) €'000	Total €'000	Pre exceptionals €'000	Exceptionals €'000	Total €'000	Pre exceptionals €'000	Exceptionals €'000	Total €'000
Revenue	5	4,395,045	-	4,395,045	3,965,771	-	3,965,771	8,680,573	-	8,680,573
Cost of sales		(4,075,294)	-	(4,075,294)	(3,632,966)	-	(3,632,966)	(7,925,798)	-	(7,925,798)
Gross profit		319,751	-	319,751	332,805	-	332,805	754,775	-	754,775
Administration expenses		(109,869)	-	(109,869)	(122,795)	-	(122,795)	(257,899)	-	(257,899)
Selling and distribution expenses		(156,698)	-	(156,698)	(148,632)	-	(148,632)	(289,748)	-	(289,748)
Other operating income		7,175	2,795	9,970	7,588	-	7,588	25,423	7,177	32,600
Other operating expenses		(2,103)	(10,695)	(12,798)	(1,095)	(7,573)	(8,668)	(2,931)	(19,827)	(22,758)
Operating profit before amortisation of intangible assets		58,256	(7,900)	50,356	67,871	(7,573)	60,298	229,620	(12,650)	216,970
Amortisation of intangible assets		(5,337)	-	(5,337)	(5,042)	-	(5,042)	(10,962)	-	(10,962)
Operating profit	5	52,919	(7,900)	45,019	62,829	(7,573)	55,256	218,658	(12,650)	206,008
Finance costs		(24,404)	-	(24,404)	(26,598)	(602)	(27,200)	(50,517)	(1,623)	(52,140)
Finance income		16,130	1,730	17,860	19,249	-	19,249	35,939	-	35,939
Share of associates' loss after tax		(27)	(1,068)	(1,095)	(146)	-	(146)	(239)	-	(239)
Profit before tax		44,618	(7,238)	37,380	55,334	(8,175)	47,159	203,841	(14,273)	189,568
Income tax expense	7	(8,818)	-	(8,818)	(11,208)	(1,354)	(12,562)	(42,417)	(1,354)	(43,771)
Profit after tax for the financial period		35,800	(7,238)	28,562	44,126	(9,529)	34,597	161,424	(15,627)	145,797
Profit attributable to: Owners of the Parent				28,227			34,218			145,109
Non-controlling interests				335			379			688
Profit after tax for the financial period				28,562			34,597			145,797
Earnings per ordinary share	8			33.86c			41.19c			174.48c
Basic	8			33.75c			41.05c			173.90c
Diluted	8									
Adjusted earnings per ordinary share	8			47.53c			57.65c			203.15c
Basic	8			47.38c			57.46c			202.48c
Diluted	8									

Group Statement of Comprehensive Income

	Unaudited 6 months ended 30 Sept. 2011 €'000	Unaudited 6 months ended 30 Sept. 2010 €'000	Audited year ended 31 March 2011 €'000
Profit for the period	28,562	34,597	145,797
Other comprehensive income:			
Currency translation effects	14,533	25,278	4,636
Group defined benefit pension obligations:			
- actuarial loss	(7,612)	(11,262)	(2,590)
- movement in deferred tax asset	997	1,433	336
(Losses)/gains relating to cash flow hedges	(119)	2,197	1,623
Movement in deferred tax liability on cash flow hedges	43	(437)	(341)
Other comprehensive income for the period, net of tax	7,842	17,209	3,664
Total comprehensive income for the period	36,404	51,806	149,461
Attributable to:			
Owners of the Parent	36,069	51,427	148,773
Non-controlling interests	335	379	688
	36,404	51,806	149,461

Group Balance Sheet

	Unaudited 30 Sept. 2011 €'000	Unaudited 30 Sept. 2010 €'000	Audited 31 March 2011 €'000
Notes			
ASSETS			
Non-current assets			
Property, plant and equipment	409,918	385,027	395,485
Intangible assets	708,989	625,379	636,114
Investments in associates	1,186	2,247	2,281
Deferred income tax assets	9,783	9,961	9,328
Derivative financial instruments	150,804	136,017	84,376
	<u>1,280,680</u>	<u>1,158,631</u>	<u>1,127,584</u>
Current assets			
Inventories	295,662	254,940	248,129
Trade and other receivables	1,026,838	873,241	1,034,275
Derivative financial instruments	2,356	3,304	3,562
Cash and cash equivalents	617,617	682,046	700,340
	<u>1,942,473</u>	<u>1,813,531</u>	<u>1,986,306</u>
Total assets	<u>3,223,153</u>	<u>2,972,162</u>	<u>3,113,890</u>
EQUITY			
Capital and reserves attributable to owners of the Parent			
Equity share capital	22,057	22,057	22,057
Share premium account	124,687	124,687	124,687
Other reserves - share options	10 9,999	9,704	10,537
Cash flow hedge reserve	10 911	1,465	987
Foreign currency translation reserve	10 (110,603)	(104,494)	(125,136)
Other reserves	10 1,400	1,400	1,400
Retained earnings	877,590	796,024	895,108
	<u>926,041</u>	<u>850,843</u>	<u>929,640</u>
Non-controlling interests	3,501	1,976	2,234
Total equity	<u>929,542</u>	<u>852,819</u>	<u>931,874</u>
LIABILITIES			
Non-current liabilities			
Borrowings	845,587	838,077	762,244
Derivative financial instruments	19,322	21,042	30,142
Deferred income tax liabilities	24,831	21,188	25,434
Retirement benefit obligations	12 23,740	34,789	19,335
Provisions for liabilities and charges	13,009	13,385	14,256
Deferred acquisition consideration	73,322	59,027	65,188
Government grants	2,151	2,847	2,864
Total non-current liabilities	<u>1,001,962</u>	<u>990,355</u>	<u>919,463</u>
Current liabilities			
Trade and other payables	1,179,858	981,599	1,149,786
Current income tax liabilities	40,828	67,395	59,427
Borrowings	48,502	59,715	40,542
Derivative financial instruments	2,898	1,125	533
Provisions for liabilities and charges	4,822	2,217	3,109
Deferred acquisition consideration	14,741	16,937	9,156
Total current liabilities	<u>1,291,649</u>	<u>1,128,988</u>	<u>1,262,553</u>
Total liabilities	<u>2,293,611</u>	<u>2,119,343</u>	<u>2,182,016</u>
Total equity and liabilities	<u>3,223,153</u>	<u>2,972,162</u>	<u>3,113,890</u>
Net debt	11 (145,532)	(98,592)	(45,183)

Group Statement of Changes in Equity

For the six months ended 30 September 2011

For the six months ended 30 September 2011	Attributable to owners of the Parent					Non-controlling interests €'000	Total equity €'000
	Equity share capital €'000	Share premium account €'000	Retained earnings €'000	Other reserves (note 10) €'000	Total €'000		
At beginning of period	22,057	124,687	895,108	(112,212)	929,640	2,234	931,874
Profit for the period	-	-	28,227	-	28,227	335	28,562
Currency translation	-	-	-	14,533	14,533	-	14,533
Group defined benefit pension obligations:							
- actuarial loss	-	-	(7,612)	-	(7,612)	-	(7,612)
- movement in deferred tax asset	-	-	997	-	997	-	997
Losses relating to cash flow hedges	-	-	-	(119)	(119)	-	(119)
Movement in deferred tax liability on cash flow hedges	-	-	-	43	43	-	43
Total comprehensive income	-	-	21,612	14,457	36,069	335	36,404
Re-issue of treasury shares	-	-	931	-	931	-	931
Share based payment	-	-	-	(538)	(538)	-	(538)
Dividends	-	-	(40,061)	-	(40,061)	-	(40,061)
Other movements in non-controlling interests	-	-	-	-	-	932	932
At end of period	22,057	124,687	877,590	(98,293)	926,041	3,501	929,542

For the six months ended 30 September 2010

For the six months ended 30 September 2010	Attributable to owners of the Parent					Non-controlling interests €'000	Total equity €'000
	Equity share capital €'000	Share premium account €'000	Retained earnings €'000	Other reserves (note 10) €'000	Total €'000		
At beginning of period	22,057	124,687	806,452	(119,519)	833,677	3,249	836,926
Profit for the period	-	-	34,218	-	34,218	379	34,597
Currency translation	-	-	-	25,278	25,278	-	25,278
Group defined benefit pension obligations:							
- actuarial loss	-	-	(11,262)	-	(11,262)	-	(11,262)
- movement in deferred tax asset	-	-	1,433	-	1,433	-	1,433
Gains relating to cash flow hedges	-	-	-	2,197	2,197	-	2,197
Movement in deferred tax liability on cash flow hedges	-	-	-	(437)	(437)	-	(437)
Total comprehensive income	-	-	24,389	27,038	51,427	379	51,806
Re-issue of treasury shares	-	-	1,479	-	1,479	-	1,479
Share based payment	-	-	-	556	556	-	556
Dividends	-	-	(36,296)	-	(36,296)	-	(36,296)
Other movements in non-controlling interests	-	-	-	-	-	(1,652)	(1,652)
At end of period	22,057	124,687	796,024	(91,925)	850,843	1,976	852,819

For the year ended 31 March 2011

For the year ended 31 March 2011	Attributable to owners of the Parent					Non-controlling interests €'000	Total equity €'000
	Equity share capital €'000	Share premium account €'000	Retained earnings €'000	Other reserves (note 10) €'000	Total €'000		
At beginning of period	22,057	124,687	806,452	(119,519)	833,677	3,249	836,926
Profit for the period	-	-	145,109	-	145,109	688	145,797
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 end of period	22,057	124,687	895,108	(112,212)	929,640	2,234	931,874

Group Cash Flow Statement

	Unaudited 6 months ended 30 Sept. 2011 €'000	Unaudited 6 months ended 30 Sept. 2010 €'000	Audited year ended 31 March 2011 €'000
Cash flows from operating activities			
Profit for the period	28,562	34,597	145,797
Add back non-operating (income)/expense			
- tax	8,818	12,562	43,771
- share of loss from associates	1,095	146	239
- net operating exceptionals	7,900	7,573	12,650
- net finance costs	6,544	7,951	16,201
Group operating profit before exceptionals	52,919	62,829	218,658
Share-based payment	(538)	556	1,389
Depreciation	26,785	25,908	52,906
Amortisation of intangible assets	5,337	5,042	10,962
Profit on disposal of property, plant and equipment	(435)	(491)	(818)
Amortisation of government grants	(299)	(318)	(730)
Other	(2,085)	2,244	(1,927)
Increase in working capital	(10,642)	(35,963)	(10,868)
Cash generated from operations	71,042	59,807	269,572
Exceptionals	(5,254)	(5,688)	(8,935)
Interest paid	(20,064)	(21,812)	(43,276)
Income tax paid	(27,511)	(19,035)	(56,343)
Net cash flows from operating activities	18,213	13,272	161,018
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment	2,023	2,397	5,586
Government grants received	-	-	626
Proceeds on disposal of subsidiaries	-	28,503	28,431
Interest received	13,872	16,682	30,809
	15,895	47,582	65,452
Outflows			
Purchase of property, plant and equipment	(27,971)	(29,837)	(83,381)
Acquisition of subsidiaries	(58,696)	(38,713)	(74,614)
Deferred acquisition consideration paid	(6,331)	(3,447)	(3,709)
	(92,998)	(71,997)	(161,704)
Net cash flows from investing activities	(77,103)	(24,415)	(96,252)
Financing activities			
Inflows			
Re-issue of treasury shares	931	1,479	3,835
Increase in interest-bearing loans and borrowings	-	815	658
	931	2,294	4,493
Outflows			
Repayment of interest-bearing loans and borrowings	(5,558)	(13,529)	(21,157)
Repayment of finance lease liabilities	(319)	(975)	(1,234)
Dividends paid to owners of the Parent	(40,061)	(36,296)	(58,034)
Dividends paid to non-controlling interests	(196)	(196)	(219)
	(46,134)	(50,996)	(80,644)
Net cash flows from financing activities	(45,203)	(48,702)	(76,151)
Change in cash and cash equivalents	(104,093)	(59,845)	(11,385)
Translation adjustment	7,741	16,167	2,552
Cash and cash equivalents at beginning of period	666,128	674,961	674,961
Cash and cash equivalents at end of period	569,776	631,283	666,128
Cash and cash equivalents consists of:			
Cash and short term bank deposits	617,617	682,046	700,340
Overdrafts	(47,841)	(50,763)	(34,212)
	569,776	631,283	666,128

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

1. Basis of Preparation

The Group Condensed Interim Financial Statements which should be read in conjunction with the annual financial statements for the year ended 31 March 2011 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency rules of the Irish Financial Services Regulatory Authority and in accordance with International Accounting Standard 34, *Interim Financial Reporting* (IAS 34) as adopted by the EU.

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

These condensed interim financial statements for the six months ended 30 September 2011 and the comparative figures for the six months ended 30 September 2010 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2011 represent an abbreviated version of the Group's full accounts for that year, on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

As detailed on page 81 of the Annual Report for the financial year ended 31 March 2011 the Group has amended its disclosure of the interest expense and income receivable arising on Group borrowings and related swaps. The comparative amounts for the six months ended 30 September 2010 have been presented on a consistent basis. This adjustment has no impact on the operating profit, net finance cost, profit before taxation, earnings per share or net cash flows previously reported for the six months ended 30 September 2010.

2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group Condensed Interim Financial Statements are consistent with those applied in the Annual Report for the financial year ended 31 March 2011 and are described in those financial statements on pages 80 to 88.

The following interpretations or amended standards are mandatory for the first time for the financial year beginning 1 April 2011 but do not have any significant impact on the Group Condensed Interim Financial Statements:

- IAS 24 Revised *Related Party Disclosures*;
- IFRIC Interpretation 14 (Amendment) *Prepayments of a Minimum Funding Requirement*;
- IFRIC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*.

The Group has also adopted the *Improvements to IFRS* issued by the IASB. This standard amends a number of other standards, basis of conclusions and guidance. The improvements include changes in presentation, recognition and measurement plus terminology and editorial changes. These amendments do not have a significant impact on the Group Condensed Interim Financial Statements.

3. Going Concern

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

4. Reporting Currency

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

	6 months ended 30 Sept. 2011 €1=Stg£	6 months ended 30 Sept. 2010 €1=Stg£	Year ended 31 March 2011 €1=Stg£
Balance Sheet (closing rate)	0.867	0.860	0.884
Income Statement (average rate)	0.885	0.848	0.852

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

5. Segmental Reporting

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 primarily organised into five main operating segments: DCC Energy, DCC SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

DCC Energy markets and sells oil products for commercial/industrial, transport and domestic 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 markets and sells a broad range of IT and consumer electronic products in Britain, Ireland and Continental Europe to computer resellers, high street retailers, computer superstores, on-line retailers and mail order companies. DCC SerCom also includes a supply chain management business.

DCC Healthcare markets and sells medical, surgical, laboratory and intravenous pharmaceutical products and provides related value added services to the acute care, community care and scientific sectors in Ireland and Britain. DCC Healthcare is also a provider of outsourced services to the health and beauty industry 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 also has a frozen and chilled food distribution business in Ireland.

Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis below.

The consolidated total assets of the Group as at 30 September 2011 of €3.223 billion were not materially different from the equivalent figure at 31 March 2011 and therefore the related segmental disclosure note has been omitted in accordance with IAS 34 *Interim Financial Reporting*.

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

(a) By operating segment

	Unaudited six months ended 30 September 2011					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental & €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	<u>3,133,325</u>	<u>910,483</u>	<u>153,835</u>	<u>65,370</u>	<u>132,032</u>	<u>4,395,045</u>
Operating profit*	18,697	15,246	10,489	7,858	5,966	58,256
Amortisation of intangible assets	(2,819)	(1,160)	(318)	(590)	(450)	(5,337)
Net operating exceptionals (note 6)	<u>(5,008)</u>	<u>(548)</u>	<u>(781)</u>	<u>(170)</u>	<u>(1,393)</u>	<u>(7,900)</u>
Operating profit	<u>10,870</u>	<u>13,538</u>	<u>9,390</u>	<u>7,098</u>	<u>4,123</u>	<u>45,019</u>

	Unaudited six months ended 30 September 2010					
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	Total €'000
Segment revenue	<u>2,808,638</u>	<u>799,150</u>	<u>166,324</u>	<u>53,352</u>	<u>138,307</u>	<u>3,965,771</u>
Operating profit*	30,067	14,283	11,145	7,001	5,375	67,871
Amortisation of intangible assets	(3,528)	(244)	(327)	(943)	-	(5,042)
Net operating exceptionals (note 6)	<u>(3,335)</u>	<u>(508)</u>	<u>(2,878)</u>	<u>-</u>	<u>(852)</u>	<u>(7,573)</u>
Operating profit	23,204	13,531	7,940	6,058	4,523	55,256

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

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

5. Segmental Reporting - continued

(a) By operating segment - continued

	Audited year ended 31 March 2011					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'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 6)	(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

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

(b) By geography

	Unaudited six months ended 30 September 2011			
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	Total €'000
Segment revenue	459,390	3,246,160	689,495	4,395,045
Operating profit*	8,481	39,993	9,782	58,256
Amortisation of intangible assets	(562)	(3,773)	(1,002)	(5,337)
Net operating exceptionals (note 6)	(2,763)	(4,896)	(241)	(7,900)
Operating profit	5,156	31,324	8,539	45,019

	Unaudited six months ended 30 September 2010			
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	Total €'000
Segment revenue	427,801	2,966,770	571,200	3,965,771
Operating profit*	11,662	46,867	9,342	67,871
Amortisation of intangible assets	(358)	(3,967)	(717)	(5,042)
Net operating exceptionals (note 6)	(1,018)	(6,134)	(421)	(7,573)
Operating profit	10,286	36,766	8,204	55,256

	Audited year ended 31 March 2011			
	Republic of Ireland €'000	UK €'000	Rest of the World €'000	Total €'000
Segment revenue	919,966	6,388,742	1,371,865	8,680,573
Operating profit*	34,236	164,541	30,843	229,620
Amortisation of intangible assets	(470)	(8,773)	(1,719)	(10,962)
Net operating exceptionals (note 6)	(3,076)	(8,582)	(992)	(12,650)
Operating profit	30,690	147,186	28,132	206,008

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

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

6. Exceptional Items

	Unaudited 6 months ended 30 Sept. 2011 €'000	Unaudited 6 months ended 30 Sept. 2010 €'000	Audited year ended 31 March 2011 €'000
Restructuring of Group defined benefit pension schemes	2,684	-	4,976
Impairment of subsidiary goodwill	(2,000)	-	-
Acquisition related fees	(1,736)	(1,746)	(3,566)
(Loss)/profit on disposal of subsidiaries	-	(311)	894
Cumulative foreign exchange translation losses relating to subsidiaries disposed of	-	(3,145)	(3,145)
Impairment of property, plant and equipment	-	-	(6,074)
Restructuring costs and other	(6,848)	(2,371)	(5,735)
Operating exceptional items	(7,900)	(7,573)	(12,650)
Mark to market gains/(losses) (included in interest)	1,730	(602)	(1,623)
Impairment of associate company investment	(1,068)	-	-
Net exceptional items before taxation	(7,238)	(8,175)	(14,273)
Exceptional taxation charge	-	(1,354)	(1,354)
Net exceptional items after taxation	(7,238)	(9,529)	(15,627)

The Group incurred a net exceptional charge of €7.238 million during the six months ended 30 September 2011.

Restructuring of certain of the Group's pension arrangements during the year gave rise to an exceptional gain of €2.684 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 six months ended 30 September 2011 this amounted to a total exceptional credit of €1.730 million.

IFRS 3 (revised) requires that the professional and tax costs (such as stamp duty) relating to the evaluation and completion of an acquisition are expensed in the Income Statement whereas previously they were capitalised as part of the acquisition cost. During the first half these costs amounted to €1.736 million.

There was a non-cash charge of €3.068 million in relation to the impairment of the carrying value of an associated company and the carrying value of a subsidiary which was disposed of after the half year end.

The balance of the net exceptional charge relates primarily to restructuring costs arising from the restructuring of one of the Group's Irish Food & Beverage subsidiaries and the integration of recently acquired businesses.

7. Taxation

The taxation expense for the interim period is based on management's best estimate of the weighted average tax rate that is expected to be applicable for the full year. The Group's effective tax rate for the period was 20.0% (six months ended 30 September 2010: 20.0% and year ended 31 March 2011: 21.0%). The decrease in the effective tax rate versus the year ended 31 March 2011 is primarily due to a decrease in the standard rate of corporation tax in the UK which reduced from 28% to 26% on 1 April 2011.

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

8. Earnings per Ordinary Share and Adjusted Earnings per Ordinary Share

	Unaudited 6 months ended 30 Sept. 2011 €'000	Unaudited 6 months ended 30 Sept. 2010 €'000	Audited year ended 31 March 2011 €'000
Profit attributable to owners of the Parent	28,227	34,218	145,109
Amortisation of intangible assets after tax	4,159	4,146	8,220
Exceptionals after tax	7,238	9,529	15,627
Adjusted profit after taxation and non-controlling interests	39,624	47,893	168,956
Basic earnings per ordinary share	cent	cent	cent
Basic earnings per ordinary share	33.86c	41.19c	174.48c
Adjusted basic earnings per ordinary share	47.53c	57.65c	203.15c
Weighted average number of ordinary shares in issue (thousands)	83,362	83,077	83,167
Diluted earnings per ordinary share	cent	cent	cent
Diluted earnings per ordinary share	33.75c	41.05c	173.90c
Adjusted diluted earnings per ordinary share	47.38c	57.46c	202.48c
Diluted weighted average number of ordinary shares in issue (thousands)	83,629	83,351	83,445

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

9. Dividends

	Unaudited 6 months ended 30 Sept. 2011 €'000	Unaudited 6 months ended 30 Sept. 2010 €'000	Audited year ended 31 March 2011 €'000
Interim - paid 26.11 cent per share on 3 December 2010	-	-	21,738
Final - paid 48.07 cent per share on 21 July 2011 (paid 43.70 cent per share on 22 July 2010)	40,061	36,296	36,296
	40,061	36,296	58,034

On 7 November 2011, the Board approved an interim dividend of 27.42 cent per share (2010/2011 interim dividend: 26.11 cent per share). These condensed consolidated interim financial statements do not reflect this dividend payable.

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

10. Other Reserves

For the six months ended 30 September 2011

	Share options €'000	Cash flow hedge reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Total other reserves €'000
At beginning of period	10,537	987	(125,136)	1,400	(112,212)
Currency translation	-	-	14,533	-	14,533
Losses relating to cash flow hedges	-	(119)	-	-	(119)
Movement in deferred tax liability on cash flow hedges	-	43	-	-	43
Share based payment	(538)	-	-	-	(538)
At end of period	9,999	911	(110,603)	1,400	(98,293)

For the six months ended 30 September 2010

	Share options €'000	Cash flow hedge reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Total other reserves €'000
At beginning of period	9,148	(295)	(129,772)	1,400	(119,519)
Currency translation	-	-	25,278	-	25,278
Gains relating to cash flow hedges	-	2,197	-	-	2,197
Movement in deferred tax liability on cash flow hedges	-	(437)	-	-	(437)
Share based payment	556	-	-	-	556
At end of period	9,704	1,465	(104,494)	1,400	(91,925)

For the year ended 31 March 2011

	Share options €'000	Cash flow hedge reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Total other reserves €'000
At beginning of period	9,148	(295)	(129,772)	1,400	(119,519)
Currency translation	-	-	4,636	-	4,636
Gains relating to cash flow hedges	-	1,623	-	-	1,623
Movement in deferred tax liability on cash flow hedges	-	(341)	-	-	(341)
Share based payment	1,389	-	-	-	1,389
At end of period	10,537	987	(125,136)	1,400	(112,212)

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

11. Analysis of Net Debt

	Unaudited 30 Sept. 2011 €'000	Unaudited 30 Sept. 2010 €'000	Audited 31 March 2011 €'000
Non-current assets:			
Derivative financial instruments	150,804	136,017	84,376
Current assets:			
Derivative financial instruments	2,356	3,304	3,562
Cash and cash equivalents	617,617	682,046	700,340
	619,973	685,350	703,902
Non-current liabilities:			
Borrowings	(553)	(93)	(763)
Derivative financial instruments	(19,322)	(21,042)	(30,142)
Unsecured Notes due 2013 to 2022	(845,034)	(837,984)	(761,481)
	(864,909)	(859,119)	(792,386)
Current liabilities:			
Borrowings	(48,502)	(59,715)	(35,263)
Derivative financial instruments	(2,898)	(1,125)	(533)
Unsecured Notes due 2011	-	-	(5,279)
	(51,400)	(60,840)	(41,075)
Net debt (including Group share of joint ventures' net cash)	(145,532)	(98,592)	(45,183)
Group share of joint ventures' net cash	1,339	1,163	1,603

12. Retirement Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 30 September 2011. The defined benefit pension schemes' liabilities at 30 September 2011 have been updated to reflect material movements in the discount rate from the 31 March 2011 position.

The deficit on the Group's retirement benefit obligations increased from €19.335 million at 31 March 2011 to €23.740 million at 30 September 2011. The increase in the deficit was primarily driven by an actuarial loss on liabilities which arose from a reduction in the discount rate used to value liabilities.

13. Changes in Estimates and Assumptions

The following actuarial assumptions have been made in determining the Group's retirement benefit obligation for the six months ended 30 September 2011:

	Unaudited 6 months ended 30 Sept. 2011	Unaudited 6 months ended 30 Sept. 2010	Audited year ended 31 March 2011
Discount rate			
- Republic of Ireland	5.20%	4.80%	5.50%
- UK	5.25%	4.95%	5.45%

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

14. Business Combinations

The principal acquisitions completed by the Group during the six months ended 30 September 2011 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 100% of Oakwood Fuels Limited, a British waste oil and hazardous waste collection, processing and recycling business, completed in June 2011; and
- the acquisition of Pace Fuelcare Limited, a British oil distribution business, completed on 30 September 2011.

The carrying amounts of the assets and liabilities acquired (excluding net cash acquired), determined in accordance with IFRS before completion of the business combinations, together with the fair value adjustments made to those carrying values were as follows:

	Unaudited 30 Sept. 2011 €'000
Assets	
Non-current assets	
Property, plant and equipment	8,973
Intangible assets - other intangible assets	1,384
Total non-current assets	<u>10,357</u>
Current assets	
Inventories	7,466
Trade and other receivables	43,810
Total current assets	<u>51,276</u>
Equity	
Non-controlling interests	<u>(1,097)</u>
	<u>(1,097)</u>
Liabilities	
Non-current liabilities	
Deferred income tax liabilities	(153)
Provisions for liabilities and charges	(314)
Total non-current liabilities	<u>(467)</u>
Current liabilities	
Trade and other payables	(53,499)
Current income tax liabilities	(612)
Provisions for liabilities and charges	(124)
Total current liabilities	<u>(54,235)</u>
Identifiable net assets acquired	5,834
Intangible assets - goodwill	70,986
Total consideration (enterprise value)	<u>76,820</u>
Satisfied by:	
Cash	73,570
Net cash acquired	<u>(14,874)</u>
Net cash outflow	58,696
Deferred and contingent acquisition consideration	18,124
Total consideration	<u>76,820</u>

None of the business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

There were no material adjustments made to the carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combinations during the financial period.

The initial assignments of fair values to identifiable net assets acquired have been performed on a provisional basis given the timing of closure of these acquisitions, with any amendments to these fair values to be finalised within a twelve month timeframe from the dates of acquisition. There were no adjustments processed during the six months ended 30 September 2011 to the fair value of business combinations completed during the preceding twelve months.

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

14. Business Combinations - continued

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

Acquisition related costs included in the Group Income Statement amounted to €1.736 million.

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

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to €44.581 million. The fair value of these receivables was €43.810 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of €0.771 million.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions in the current period range from nil to €28.384 million.

The acquisitions during the period contributed €14.520 million to revenues and €1.633 million to operating profit before amortisation of intangible assets and net operating exceptionals. Had all the business combinations effected during the period occurred at the beginning of the period, total Group revenue for the six months ended 30 September 2011 would be €4,706.557 million and total Group operating profit before amortisation of intangible assets and net operating exceptionals would be €58.318 million.

15. Seasonality of Operations

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

16. Goodwill

Goodwill is subject to impairment testing on an annual basis and more frequently if an indicator of impairment is considered to exist. Apart from the impairment of goodwill detailed in note 6, there were no other indicators of impairment during the six months ended 30 September 2011. The Board is satisfied that the carrying value of goodwill at 30 September 2011 has not been impaired.

17. Related Party Transactions

There have been no related party transactions or changes in related party transactions other than those described in the Annual Report in respect of the year ended 31 March 2011 that could have a material impact on the financial position or performance of the Group in the six months ended 30 September 2011.

18. Events After the Balance Sheet Date

On 31 October 2011, DCC Energy completed the acquisition of certain oil distribution assets formerly owned by Total in Britain, the Isle of Man and the Channel Islands for a debt/cash free consideration of approximately €67.306 million. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination were as follows:

	Fair value €'000
Non-current assets (excluding goodwill)	20,384
Current assets	4,500
Current liabilities	(923)
Identifiable net assets acquired	23,961
Goodwill arising on acquisition	43,345
Total consideration (enterprise value)	67,306

The initial assignment of fair values to the identifiable net assets acquired has been performed on a provisional basis given the timing of closure of this transaction. There were no fair value adjustments made to the book value of assets acquired. Any amendment to these fair values will be disclosable in the 2012 Annual Report.

Notes to the Group Condensed Interim Financial Statements

For the six months ended 30 September 2011

19. Distribution of Interim Report

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

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

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

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

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

On behalf of the Board

Michael Buckley
Chairman

Tommy Breen
Chief Executive

7 November 2011

DCC plc

Directors

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Tommy Breen, Chief Executive
Róisín Brennan*
David Byrne*
Kevin Melia*
John Moloney*
Donal Murphy
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