

10 November 2015



## Interim Report for the six months ended 30 September 2015

DCC, the international sales, marketing, distribution and business support services group, today announced its results for the six months ended 30 September 2015.

Highlights	2015	2014 <sup>1</sup>	% change
DCC Energy volumes (litres)	5.818b	5.215b	11.6%
Revenue (excl. DCC Energy)	£1.407b	£1.348b	4.3%
Operating profit <sup>2</sup>	£88.4m	£70.1m	26.1%
Adjusted earnings per share <sup>2</sup>	70.3p	59.3p	18.5%
Interim dividend	33.04p	28.73p	15.0%
Operating cash flow	£120.7m	£17.9m	

- 26.1% growth in Group operating profit, driven in particular by the performances of DCC Energy and DCC Healthcare.
- Adjusted earnings per share on a continuing basis up 18.5% to 70.3 pence.
- Interim dividend increased by 15% to 33.04 pence per share.
- Strong cash flow performance with investment in net working capital reducing by 4.6 days.
- Net cash position at 30 September 2015 of £153 million (pro-forma net debt of £170 million adjusting for the consideration for Butagaz).
- Completion of acquisitions of Butagaz (ahead of schedule) and Esso Retail France, with both trading well.
- Further bolt-on acquisitions announced today in DCC Healthcare and DCC Technology.
- Assuming normal winter weather conditions in the balance of the financial year, the Group expects that both operating profit and adjusted earnings per share for the year ending 31 March 2016 will be very significantly ahead of the prior year and modestly ahead of current market consensus expectations.

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

***“I am pleased to report that operating profit of £88.4 million was 26.1% ahead of the prior year in the seasonally less significant first half. This very strong Group performance was achieved through excellent performances from the Energy, Healthcare and Environmental divisions, notwithstanding a more difficult background for the Technology division.***

***Adjusted earnings per share increased by 18.5% to 70.3 pence.***

<sup>1</sup> Income Statement items have been restated to reflect the disposal of DCC Food & Beverage

<sup>2</sup> Excluding net exceptionals and amortisation of intangible assets

***The Board has decided to pay an interim dividend of 33.04 pence per share, which represents a 15% increase on the prior year.***

***The Group continued to be very active from a development perspective. DCC Energy successfully completed the acquisitions of Butagaz and Esso Retail in France and both businesses are performing well. The Healthcare and Technology divisions have also been active, with the acquisition of Design Plus by the Health & Beauty business and CUC by the Continental European Technology business.***

***Assuming normal winter weather conditions in the balance of the financial year, the Group expects that both operating profit and adjusted earnings per share for the year ending 31 March 2016 will be very significantly ahead of the prior year and modestly ahead of current market consensus expectations.***

***The successful completion in May 2015 of the 5% share placing has ensured that the Group retains significant financial capacity for further development while preserving the balance sheet strength that has served it well over many years. DCC remains ambitious to continue the growth and development of its business.”***

#### **Presentation of results and dial-in facility**

There will be a presentation of these results to analysts and investors/fund managers at 8.45 am today in the London Stock Exchange. The slides for this presentation can be downloaded from DCC's website, [www.dcc.ie](http://www.dcc.ie).

A dial-in facility will be available for this meeting:

Ireland: 1800 937 657

UK / International: +44 (0) 203 427 1909

Passcode: 6734192

This report and further information on DCC is available at [www.dcc.ie](http://www.dcc.ie)

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## Group Results

A summary of the Group's results for the six months ended 30 September 2015 is as follows:

	2015 £'m	2014 <sup>1</sup> £'m	% change
Revenue	<b><u>5,066</u></b>	<u>5,425</u>	<b>-6.6%</b>
Operating profit <sup>2</sup>			
DCC Energy	52.9	31.9	<b>+65.6%</b>
DCC Technology	8.6	15.2	<b>-43.6%</b>
DCC Healthcare	18.4	15.9	<b>+16.1%</b>
DCC Environmental	<u>8.5</u>	<u>7.1</u>	<b>+20.0%</b>
Group operating profit <sup>2</sup>	88.4	70.1	<b>+26.1%</b>
Equity accounted investments' profit after tax	0.2	0.1	
Finance costs (net)	<u>(14.6)</u>	<u>(13.3)</u>	
Profit before net exceptionals, amortisation of intangible assets and tax	74.0	56.9	<b>+30.0%</b>
Net exceptional charge	(9.7)	(2.0)	
Amortisation of intangible assets	<u>(11.8)</u>	<u>(12.3)</u>	
Profit before tax from continuing operations	52.5	42.6	<b>+23.1%</b>
Profit before tax from discontinued operations	-	4.9	
Taxation	<u>(10.3)</u>	<u>(5.2)</u>	
Profit after tax	42.2	42.3	
Non-controlling interests	<u>(0.9)</u>	-	
Attributable profit	<u>41.3</u>	<u>42.3</u>	
Adjusted earnings per share <sup>2</sup>	70.3 pence	59.3 pence	<b>+18.5%</b>
Dividend per share	33.04 pence	28.73 pence	<b>+15.0%</b>
Operating cash flow	120.7	17.9	
Net cash / (debt) at 30 September	153.4	(272.8)	
Pro-forma net debt at 30 September <sup>3</sup>	(169.5)	(272.8)	

<sup>1</sup> Income Statement items have been restated to reflect the disposal of DCC Food & Beverage

<sup>2</sup> Excluding net exceptionals and amortisation of intangible assets

<sup>3</sup> Adjusting for the cash cost of the Butagaz acquisition which completed on 2 November 2015

### **Group revenue**

Volumes in DCC Energy increased by 11.6%, driven by the first time contribution from the Esso Retail business in France. On an organic basis, volumes were modestly ahead of the prior year with continuing good organic growth in LPG volumes, partly as a result of oil to LPG conversions. Due to the impact of lower oil prices, DCC Energy's revenue declined by 10.2% (6.7% on a constant currency basis) with average selling prices per litre reducing by 19.6%.

Revenue from continuing operations excluding DCC Energy was up 4.3% (7.2% on a constant currency basis), driven by acquisitions.

Overall, Group revenue from continuing operations decreased by 6.6% (3.2% on a constant currency basis) to £5.1 billion, reflecting the impact of lower oil prices.

### **Group operating profit**

Group operating profit from continuing operations increased by 26.1% to £88.4 million in the seasonally less significant first half. This growth was held back by the movement in the rate used for translating the Group's non-sterling denominated profits into sterling. The average euro/sterling translation rate for the six months ended 30 September 2015 of 0.7193 was 11.1% weaker than the average of 0.8090 in the comparative period. Operating profit growth on a constant currency basis was 29.7% and approximately one third of this growth was organic.

Operating profit in DCC Energy, the Group's largest division, was 65.6% ahead of the prior year (73.2% ahead on a constant currency basis). Approximately half of this growth was organic and the balance was from first time contributions from Esso Retail France, DLG and Butagaz, all of which traded at, or ahead of, expectations.

Operating profit in DCC Technology was back 43.6% (£6.6 million) due to the weak performance of its UK business, despite growth in the Irish, Continental European and Supply Chain businesses. The UK business continued to be impacted by a reduction in sales of products from one large supplier and also experienced weaker than anticipated demand for tablet computing, smartphone and gaming products.

Operating profit in DCC Healthcare was 16.1% ahead of the prior year and benefitted from an improved sales mix and good cost control in DCC Vital and also from a very strong performance in DCC Health & Beauty Solutions.

DCC Environmental recorded excellent organic profit growth, with operating profit increasing to £8.5 million, 20.0% ahead of the prior year.

### **Finance costs (net)**

Net finance costs increased to £14.6 million (2014: £13.3 million) as a result of the incremental interest cost of the additional US Private Placement debt which was drawn down during the first half of the prior year, with the Group's finance costs being driven by the level of gross debt. Average net debt during the period was £60 million compared to £339 million during the six months ended 30 September 2014.

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

Profit before net exceptional items, amortisation of intangible assets and tax increased by 30.0% (32.9% on a constant currency basis) to £74.0 million.

### **Net exceptional charge and amortisation of intangible assets**

The Group incurred a net exceptional charge before tax and non-controlling interests of £9.7 million in the first six months of the year. The net charge principally reflects acquisition and restructuring costs and an IAS 39 charge, offset by a receipt in respect of the Pihsiang legal claim where there was a final cash recovery.

Acquisition related costs amounted to £4.6 million and restructuring costs amounted to £6.5 million. Acquisition costs include the professional fees and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities.

Most of the Group's debt has been raised in the US Private Placement market and swapped, using long term interest, currency and cross currency interest rate derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges, offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the six months ended 30 September 2015, this amounted to an exceptional charge of £3.8 million. The exceptional gains and losses on the Group's private placement debt and related hedging instruments will net to zero on a cumulative basis over their lives.

There was a final receipt of £5.2 million in relation to the Pihsiang legal claim.

The charge for the amortisation of acquisition related intangible assets decreased to £11.8 million from £12.3 million, principally reflecting a number of these intangible assets becoming fully amortised during the period.

#### **Profit before tax**

Profit before tax from continuing operations increased by 23.1% to £52.5 million.

#### **Taxation**

The effective tax rate for the Group in the first half is 16% and is based on the anticipated mix of profits for the full year. This compares to a full year tax rate in the prior year of 12.0%. The increase is primarily due to an increasing proportion of profits generated in Continental Europe.

#### **Adjusted earnings per share**

Adjusted earnings per share increased by 18.5% (21.2% on a constant currency basis) to 70.3 pence and reflects the issue of 4.2 million new ordinary shares in the equity placing completed in May 2015.

#### **Dividend**

The Board has decided to pay an interim dividend of 33.04 pence per share, which represents a 15.0% increase on the prior year interim dividend of 28.73 pence per share. This dividend will be paid on 7 December 2015 to shareholders on the register at the close of business on 20 November 2015.

## Cash flow

As with its operating profit, the Group's operating cash flow is significantly weighted towards the second half of the year. The cash flow of the Group for the six months ended 30 September 2015 can be summarised as follows:

Six months ended 30 September	2015 £'m	2014 £'m
<b>Operating profit</b>	<b>88.4</b>	73.2
Increase in working capital	(4.4)	(82.5)
Depreciation and other	<u>36.7</u>	<u>27.2</u>
<b>Operating cash flow</b>	<b>120.7</b>	17.9
Capital expenditure (net)	<u>(51.3)</u>	<u>(36.3)</u>
<b>Free cash flow</b>	<b>69.4</b>	(18.4)
Dividend from equity accounted investments	-	0.7
Interest and tax paid	<u>(29.8)</u>	<u>(26.2)</u>
<b>Free cash flow after interest and tax</b>	<b>39.6</b>	(43.9)
Acquisitions	(134.2)	(105.5)
Disposals	2.3	-
Dividends	(49.9)	(43.0)
Exceptional items (net)	(10.4)	(3.6)
Share issues	<u>194.0</u>	<u>1.7</u>
<b>Net inflow / (outflow)</b>	<b>41.4</b>	(194.3)
Opening net cash / (debt)	30.0	(87.3)
Translation and other	(7.8)	8.8
Cash acquired - Butagaz	<u>89.8</u>	-
<b>Closing net cash / (debt)</b>	<b>153.4</b>	<u>(272.8)</u>
Consideration for Butagaz	<u>(322.9)</u>	
<b>Pro-forma net debt</b>	<b><u>(169.5)</u></b>	

Operating cash flow in the six months ended 30 September 2015 of £120.7 million compared to £17.9 million in the prior year. Working capital increased by £4.4 million with overall working capital days improving by 4.6 days to a negative 2.3 days sales. Working capital improvements were achieved by each of the Group's divisions with overall Group receivables days reducing from 29.3 days to 27.3 days.

## Acquisitions and capital expenditure

A number of acquisitions, previously announced, were completed in the period from 1 April 2015 up to the date of this report. These included:

### **DCC Energy**

#### **Butagaz**

As announced on 2 November 2015, DCC Energy completed the acquisition of Butagaz, a leading LPG business in France, from Shell. The acquisition of Butagaz represents the largest ever acquisition by DCC and a major step forward in the continuing expansion of its LPG business. The French LPG market is the second largest in Western Europe and approximately twice the size of

the market in Britain. The acquisition of Butagaz has provided DCC Energy with a substantial presence in the French LPG market, an experienced management team and a high quality sales, marketing and operating infrastructure. Following receipt of competition clearance from the EU, the agreement to acquire Butagaz became unconditional in all respects on 1 September 2015, well ahead of the schedule anticipated at the time of announcing the acquisition. The economic risks and benefits and related cash flows have accrued to DCC and the Group has been in control since 1 September 2015; accordingly Butagaz has been consolidated by the DCC Group since that date.

The consideration for the acquisition of Butagaz (inclusive of cash acquired) of €450 million (£323 million) was accrued at 30 September 2015 and substantially all of this amount was paid on 2 November 2015 following the separation of the Butagaz IT infrastructure from Shell's global infrastructure. In addition, certain debt-like items provided for within the business will fall due over the medium term.

### ***Esso Retail France***

As previously announced on 24 June 2015, DCC completed the acquisition of the assets that comprise the Esso Express unmanned retail petrol station network and the Esso branded motorway concessions in France from Esso Société Anonyme Française. The business has annual volumes of approximately 1.9 billion litres and the total consideration, inclusive of stock in tank at the date of acquisition, was €130 million (£94 million).

### ***DLG Denmark***

In July 2015, following the receipt of competition clearance, DCC Energy combined its Danish oil distribution business with the fuel distribution activities of DLG, a leading Danish agricultural business. The transaction resulted in DCC Energy owning 60% of the enlarged business which distributes approximately 400 million litres of fuel and is being managed by DCC Energy's management team.

### ***DCC Technology***

#### ***Computers Unlimited***

In May 2015, DCC Technology acquired Computers Unlimited for an initial enterprise value of £24 million. Computers Unlimited is a consumer technology distributor operating primarily in the UK but also with operations in France and Spain. The business has annual revenue of approximately £140 million and is focused on the 'connected home' and professional design market. The business distributes a range of products that are complementary to those distributed by DCC Technology, including design software, printers, accessories and premium audio systems.

### **Acquisition and capital expenditure committed**

Committed acquisition and capital expenditure in the current period amounted to £91.7 million as follows:

	<b>Acquisitions</b>	<b>Capex</b>	<b>Total</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
DCC Energy	3.5	23.6	27.1
DCC Technology	16.4	16.3	32.7
DCC Healthcare	20.5	4.6	25.1
DCC Environmental	—	<u>6.8</u>	<u>6.8</u>
<b>Total</b>	<b><u>40.4</u></b>	<b><u>51.3</u></b>	<b><u>91.7</u></b>

### **Acquisition activity**

Committed acquisition expenditure amounted to £40.4 million.

## ***DCC Technology***

### ***CUC***

In October 2015, DCC Technology made a binding offer for the acquisition of CUC Groupe ("CUC"), a cabling and connectors distribution business headquartered near Paris. Employing 192 people and with annual revenue of approximately €60 million, CUC sells a broad range of cabling products to over 9,000 customers (resellers, systems integrators and electricians) from its operations in France and Germany. The acquisition, which is expected to complete in the final quarter of the financial year, will add specialist expertise in cabling and connector products and significantly broaden the customer base of the Continental European business.

## ***DCC Healthcare***

### ***Design Plus***

In September 2015, DCC Health & Beauty Solutions strengthened its market position in the contract manufacture of creams and liquids through the acquisition of Design Plus (Holdings) Ltd ("Design Plus") based in Lancashire, England. The consideration, which was paid in cash at completion, was based on an enterprise value of £15 million. Design Plus brings specialist expertise in sachet filling – it is the leader in this market segment in Britain – and strong relationships with a complementary range of health and beauty brand owners and retailers in Britain, Continental Europe and the USA.

## ***Espiner***

In October 2015, DCC Vital acquired Espiner Medical ("Espiner"), a small medical devices company based near Bristol, England, for a modest consideration. Espiner has developed a range of tissue retrieval bags for use in a wide range of laparoscopic surgical procedures. The acquisition will increase DCC Vital's own brand revenues and also provides access to an established network of distributors in Europe, the USA and Australasia.

## **Total cash spend on acquisitions in the six months ended 30 September 2015**

The previously announced acquisitions of Esso Retail France, DLG and Computers Unlimited, along with the acquisition of Design Plus and other smaller acquisitions, were completed during the six month period for a total consideration of £133 million. Inclusive of the payment of deferred and contingent acquisition consideration previously provided of £1 million, the total cash spend on acquisitions in the six months ended 30 September 2015 was £134 million. Substantially all of the consideration for Butagaz (inclusive of cash acquired) of £323 million accrued at 30 September 2015 was paid on 2 November 2015.

## **Capital expenditure**

Net capital expenditure for the six months of £51.3 million (2014: £36.3 million) compares to a depreciation charge of £32.5 million (2014: £30.2 million).

As previously reported, DCC Technology is continuing to integrate its UK businesses under the Exertis brand and as part of this project is significantly upgrading its ERP and logistics infrastructure. DCC Technology has commenced the construction of a new, purpose built, 450,000 sq.ft. UK national distribution centre in the north of England, close to the majority of its existing facilities. The project is progressing well and the relocation to the new facility will take place on a staged basis, beginning in the second half of the year ending 31 March 2017.

## **Financial strength**

An integral part of the Group's strategy is the maintenance of a strong and liquid balance sheet to leave it well placed to take advantage of opportunities as they arise. To that end, and cognisant that the Group had already committed to acquire both the Esso Retail and Butagaz businesses in France, the Group successfully completed a placing of new ordinary shares representing 5% of its issued share capital in May 2015. The shares were placed at a premium to the previous day's closing price, raising a net £193 million.



As a result of the placing and the continuing strong focus on operating cash flow, DCC's financial position remains very strong. At 30 September 2015, the Group had pro-forma net debt (allowing for the cash cost for Butagaz) of £170 million and total equity of £1.2 billion. At the same date, DCC had pro-forma cash resources, net of overdrafts, of £951 million and a further £140 million of undrawn committed debt facilities. The Group's outstanding term debt at 30 September 2015 had an average maturity of 6.6 years. Substantially all of the Group's debt has been raised in the US Private Placement market with an average credit margin of 1.66% over floating Euribor/Libor.

**Outlook**

Assuming normal winter weather conditions in the balance of the financial year, the Group expects that both operating profit and adjusted earnings per share for the year ending 31 March 2016 will be very significantly ahead of the prior year and modestly ahead of current market consensus expectations.

## Performance Review – Divisional Analysis

<b>DCC Energy</b>	<b>2015</b>	<b>2014</b>	<b>% change</b>
<b>Volumes (litres)</b>	<b>5.818b</b>	<b>5.215b</b>	<b>11.6%</b>
<b>Revenue</b>	<b>£3.660b</b>	<b>£4.077b</b>	<b>-10.2%</b>
<b>Operating profit</b>	<b>£52.9m</b>	<b>£31.9m</b>	<b>65.6%</b>

DCC Energy had an excellent first half with operating profit 65.6% ahead of the prior year (73.2% ahead on a constant currency basis). Approximately half of this growth was organic, benefitting from a strong performance in LPG.

DCC Energy sold 5.8 billion litres of product, an increase of 11.6% over the prior year (+0.5% organic).

DCC Energy made significant progress in its strategy to expand both its LPG and Retail & Fuel Card businesses through the acquisitions of Butagaz and the Esso Retail business in France.

The **LPG** business performed particularly well. Strong organic volume growth was achieved, driven by growth in sales to commercial and industrial customers, and the business also benefitted from a favourable product pricing environment. The acquisition of Butagaz became unconditional in all respects on 1 September 2015 following the receipt of competition clearance and has been consolidated in DCC's results since that date. Butagaz significantly strengthens DCC's LPG business and positions it as the strong number two player in the French market.

The **Oil Distribution** business performed well in the first half. In July, following receipt of competition clearance, DCC Energy combined its Danish oil distribution business with the fuel distribution business of DLG, a leading Danish agricultural group, and the enlarged business contributed strongly in the first half. DCC Energy now owns 60% of the enlarged group which distributes c. 400 million litres of oil in the Danish market.

DCC Energy made excellent progress in the development of its **Retail & Fuel Card** business. On 24 June 2015, DCC completed the acquisition of the Esso Retail petrol station business in France, comprising 272 unmanned Esso Express sites and concessions to operate 47 Esso branded motorway sites. The migration of the business onto DCC's newly developed operating platform went smoothly and the business has performed strongly since acquisition. DCC continued to expand its retail petrol station business in Sweden where it operates 324 sites. DCC's Fuel Card business continued its track record of excellent organic volume and profit growth and is now the largest reseller of fuel cards in Britain.

DCC Energy has significantly expanded its business since the start of the financial year and now operates across 10 countries in Europe and remains well positioned to grow in these markets and to continue to expand into new geographies.

<b>DCC Technology</b>	<b>2015</b>	<b>2014</b>	<b>% change</b>
<b>Revenue</b>	<b>£1.089b</b>	<b>£1.038b</b>	<b>4.9%</b>
<b>Operating profit</b>	<b>£8.6m</b>	<b>£15.2m</b>	<b>-43.6%</b>
<b>Operating margin</b>	<b>0.8%</b>	<b>1.5%</b>	

While revenue was in line with the prior year organically, operating profit in DCC Technology was significantly impacted by a weak performance in its UK business.

Revenue in the UK, DCC Technology's largest market, declined by approximately 8% organically. While the gross profit percentage on a like-for-like basis was only modestly behind the prior year, the operating margin declined more significantly as costs within the business are typically fixed in nature in the short term and activity levels are significantly weighted to the second half.

The business in the UK continued to be impacted by a reduction in sales of mobile computing and communications products of one large supplier. As previously reported, these effects were first felt at the beginning of the second half of the prior year and consequently are expected to have less impact in the second half of the current year. In addition, the business experienced weaker than anticipated demand in its market for tablet computing, smartphone and gaming products.

The UK business continued to progress the development of its new national distribution centre, located in Lancashire, and the upgrade of its IT infrastructure. These developments, which will improve the efficiency of the business and support future growth, are expected to be completed by 31 March 2017.

DCC Technology's business in Ireland recorded strong growth and benefitted from improved demand across a number of product segments, partly reflecting the ongoing recovery in the Irish economy.

The business in Continental Europe achieved good growth, reflecting the acquisition of CapTech in Sweden in the prior year and strong organic growth in that business since acquisition. DCC Technology is focused on broadening the product and service offering of its business in Continental Europe in areas such as mobile, smart home and supplies as well as developing its SME reseller proposition where it is currently under-represented. To this end, DCC Technology has made a binding offer to acquire CUC, a cabling and connectors distribution business headquartered near Paris with operations in France and Germany. The acquisition, which is expected to complete in the final quarter of the financial year, will add specialist expertise in cabling and connector products and significantly broaden the customer base of the Continental European business.

The Supply Chain Services business recorded good organic revenue and profit growth as business development activity drove increased volumes in lower margin finished goods programmes.

DCC Technology has strong positions in its key markets and a clear focus on capital and operational efficiency and remains confident that the development of its service and product portfolio leaves the business well positioned for renewed growth.

<b>DCC Healthcare</b>	<b>2015</b>	<b>2014</b>	<b>% change</b>
<b>Revenue</b>	<b>£239.1m</b>	<b>£236.9m</b>	<b>0.9%</b>
<b>Operating profit</b>	<b>£18.4m</b>	<b>£15.9m</b>	<b>16.1%</b>
<b>Operating margin</b>	<b>7.7%</b>	<b>6.7%</b>	

DCC Healthcare continued its track record of strong operating profit growth in the first half with profits up 16.1%. The business generated good organic profit growth, benefitting from an improved sales mix and cost control in DCC Vital and organic sales growth in DCC Health & Beauty Solutions. Approximately half of the overall profit growth was from acquisitions completed in the current and prior year.

DCC Vital, which is focused on the sales, marketing and distribution of pharmaceuticals and medical devices in Britain and Ireland, recorded good operating profit growth across each of its business areas. In pharma, excellent organic growth was achieved in hospital injectables, including a strong performance from the Beacon Pharmaceuticals portfolio acquired in November 2014. In medical devices, the focus on increasing the proportion of sales generated by its own branded products and streamlining the agency portfolio drove an increase in contribution. The bolt-on acquisition in October 2015 of Espiner Medical, a specialist consumables business, further strengthened DCC Vital's own brand offering. Williams Medical, the leading provider of medical supplies and services to GP surgeries in Britain, continued to perform well and delivered growth across its portfolio of equipment, consumables and related services.

DCC Health & Beauty Solutions, which provides outsourced solutions to nutrition and beauty brand owners in Europe, generated very strong organic operating profit growth. In nutrition, the business benefitted from strong sales growth with a number of European customers as well as further efficiencies from the successful integration of its Swedish tablet manufacturing and packing operations into its larger facility in Britain. The final phase of this integration is on course to be completed in the second half of the year. In beauty, the business benefitted from a number of successful new product development projects on behalf of international brand owners.

In September 2015, DCC Health & Beauty Solutions completed the acquisition of Design Plus, the market leader in Britain in sachet filling for health and beauty brand owners, which enhances its service offering and provides access to a range of new customers.

<b>DCC Environmental</b>	<b>2015</b>	<b>2014</b>	<b>% change</b>
<b>Revenue</b>	<b>£78.3m</b>	<b>£73.6m</b>	<b>6.5%</b>
<b>Operating profit</b>	<b>£8.5m</b>	<b>£7.1m</b>	<b>20.0%</b>
<b>Operating margin</b>	<b>10.8%</b>	<b>9.6%</b>	

DCC Environmental performed very strongly during the first half of the year, increasing its operating profit by 20.0% to £8.5 million.

This performance was driven by business development initiatives, the improving economic environment in Ireland and continued growth in the construction sector in Britain. Despite declines in commodity prices, the business generated good operating leverage due to cost control. The business in Scotland relocated its Edinburgh operations to a new, larger facility which will enable the further development of DCC Environmental in this region.

### **Forward-looking statements**

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

### **Principal risks and uncertainties**

The Board of DCC is responsible for the Group's risk management and internal control systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. The Board has approved a Risk Management Policy which sets out delegated responsibilities and procedures for the management of risk across the Group.

The principal risks and uncertainties facing the Group in the short to medium term, as set out on pages 12 to 15 of the 2015 Annual Report (together with the principal mitigation measures), continue to be the principal risks and uncertainties facing the Group for the remaining six months of the financial year.

This is not an exhaustive statement of all relevant risks and uncertainties. Matters which are not currently known to the Board or events which the Board considers to be of low likelihood could emerge and give rise to material consequences. The mitigation measures that are maintained in relation to these risks are designed to provide a reasonable and not an absolute level of protection against the impact of the events in question.

## Group Income Statement

		Unaudited 6 months ended 30 September 2015			Restated Unaudited 6 months ended 30 September 2014			Audited year ended 31 March 2015		
		Pre exceptionals £'000	Exceptionals (note 6) £'000	Total £'000	Pre exceptionals £'000	Exceptionals £'000	Total £'000	Pre exceptionals £'000	Exceptionals £'000	Total £'000
Notes										
<b>Continuing operations</b>										
Revenue	5	5,066,240	-	5,066,240	5,425,332	-	5,425,332	10,606,080	-	10,606,080
Cost of sales		(4,638,535)	-	(4,638,535)	(5,046,509)	-	(5,046,509)	(9,781,910)	-	(9,781,910)
<b>Gross profit</b>		<b>427,705</b>	<b>-</b>	<b>427,705</b>	<b>378,823</b>	<b>-</b>	<b>378,823</b>	<b>824,170</b>	<b>-</b>	<b>824,170</b>
Administration expenses		(147,726)	-	(147,726)	(130,462)	-	(130,462)	(262,923)	-	(262,923)
Selling and distribution expenses		(194,441)	-	(194,441)	(183,370)	-	(183,370)	(350,978)	-	(350,978)
Other operating income		5,916	5,291	11,207	7,528	1,159	8,687	19,657	3,798	23,455
Other operating expenses		(3,067)	(11,154)	(14,221)	(2,421)	(3,635)	(6,056)	(8,210)	(23,602)	(31,812)
<b>Operating profit before amortisation of intangible assets</b>		<b>88,387</b>	<b>(5,863)</b>	<b>82,524</b>	<b>70,098</b>	<b>(2,476)</b>	<b>67,622</b>	<b>221,716</b>	<b>(19,804)</b>	<b>201,912</b>
Amortisation of intangible assets		(11,884)	-	(11,884)	(12,320)	-	(12,320)	(24,057)	-	(24,057)
<b>Operating profit</b>	5	<b>76,503</b>	<b>(5,863)</b>	<b>70,640</b>	<b>57,778</b>	<b>(2,476)</b>	<b>55,302</b>	<b>197,659</b>	<b>(19,804)</b>	<b>177,855</b>
Finance costs		(32,161)	(3,819)	(35,980)	(29,164)	-	(29,164)	(60,216)	(2,191)	(62,407)
Finance income		17,532	-	17,532	15,894	471	16,365	31,288	-	31,288
Equity accounted investments' profit after tax		279	-	279	118	-	118	402	-	402
<b>Profit before tax from continuing operations</b>		<b>62,153</b>	<b>(9,682)</b>	<b>52,471</b>	<b>44,626</b>	<b>(2,005)</b>	<b>42,621</b>	<b>169,133</b>	<b>(21,995)</b>	<b>147,138</b>
Profit before tax from discontinued operations		-	-	-	2,623	2,224	4,847	5,088	11,079	16,167
<b>Profit before tax</b>		<b>62,153</b>	<b>(9,682)</b>	<b>52,471</b>	<b>47,249</b>	<b>219</b>	<b>47,468</b>	<b>174,221</b>	<b>(10,916)</b>	<b>163,305</b>
Income tax expense	7	(9,232)	(1,037)	(10,269)	(5,173)	-	(5,173)	(18,881)	-	(18,881)
<b>Profit after tax for the financial period</b>		<b>52,921</b>	<b>(10,719)</b>	<b>42,202</b>	<b>42,076</b>	<b>219</b>	<b>42,295</b>	<b>155,340</b>	<b>(10,916)</b>	<b>144,424</b>
<b>Profit attributable to:</b>										
Owners of the Parent				41,270			42,310			144,427
Non-controlling interests				932			(15)			(3)
				<u>42,202</u>			<u>42,295</u>			<u>144,424</u>
<b>Earnings per ordinary share</b>										
Basic - continuing operations	8			<u>47.32p</u>			<u>45.26p</u>			<u>153.20p</u>
Basic - total operations	8			<u>47.32p</u>			<u>50.40p</u>			<u>171.97p</u>
Adjusted - continuing operations	8			<u>70.29p</u>			<u>59.30p</u>			<u>202.22p</u>
Adjusted - total operations	8			<u>70.29p</u>			<u>62.53p</u>			<u>209.19p</u>
<b>Diluted earnings per ordinary share</b>										
Diluted - continuing operations	8			<u>46.91p</u>			<u>44.93p</u>			<u>152.10p</u>
Diluted - total operations	8			<u>46.91p</u>			<u>50.03p</u>			<u>170.73p</u>
Adjusted - continuing operations	8			<u>69.69p</u>			<u>58.87p</u>			<u>200.76p</u>
Adjusted - total operations	8			<u>69.69p</u>			<u>62.07p</u>			<u>207.67p</u>

## Group Statement of Comprehensive Income

	Unaudited 6 months ended 30 Sept. 2015 £'000	Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
<b>Group profit for the period</b>	<b>42,202</b>	42,295	144,424
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation:			
- arising in the period	6,956	(7,903)	(15,007)
- recycled to the Income Statement on disposal	-	-	(2,721)
Movements relating to cash flow hedges	(3,881)	(4,004)	(6,942)
Movement in deferred tax liability on cash flow hedges	1,337	20	324
	<u>4,412</u>	<u>(11,887)</u>	<u>(24,346)</u>
<b>Items that will not be reclassified to profit or loss</b>			
Group defined benefit pension obligations:			
- remeasurements	8,041	(12,129)	(19,302)
- movement in deferred tax asset	(1,132)	1,443	2,187
	<u>6,909</u>	<u>(10,686)</u>	<u>(17,115)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>11,321</u>	<u>(22,573)</u>	<u>(41,461)</u>
<b>Total comprehensive income for the period</b>	<u>53,523</u>	<u>19,722</u>	<u>102,963</u>
<b>Attributable to:</b>			
Owners of the Parent	51,996	20,034	103,555
Non-controlling interests	1,527	(312)	(592)
	<u>53,523</u>	<u>19,722</u>	<u>102,963</u>

# Group Balance Sheet

	Notes	Unaudited 30 Sept. 2015 £'000	Unaudited 30 Sept. 2014 £'000	Audited 31 March 2015 £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		723,360	483,919	464,689
Intangible assets		1,115,861	784,608	759,179
Equity accounted investments		5,329	5,305	4,963
Deferred income tax assets		12,338	10,431	9,380
Derivative financial instruments		194,133	95,709	233,150
		<u>2,051,021</u>	<u>1,379,972</u>	<u>1,471,361</u>
<b>Current assets</b>				
Inventories		402,658	399,395	320,655
Trade and other receivables		898,780	938,228	847,274
Derivative financial instruments		5,900	5,747	5,395
Cash and cash equivalents		1,458,748	1,075,909	1,260,942
		<u>2,766,086</u>	<u>2,419,279</u>	<u>2,434,266</u>
Assets classified as held for sale		-	57,624	12,196
		<u>2,766,086</u>	<u>2,476,903</u>	<u>2,446,462</u>
<b>Total assets</b>		<u>4,817,107</u>	<u>3,856,875</u>	<u>3,917,823</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to owners of the Parent</b>				
Share capital		15,443	14,688	14,688
Share premium		274,339	83,032	83,032
Share based payment reserve	10	13,623	11,649	12,756
Cash flow hedge reserve	10	(13,006)	(7,828)	(10,462)
Foreign currency translation reserve	10	39,044	42,216	32,683
Other reserves	10	932	932	932
Retained earnings		849,323	776,509	849,119
<b>Equity attributable to owners of the Parent</b>		<u>1,179,698</u>	<u>921,198</u>	<u>982,748</u>
Non-controlling interests		24,314	4,525	4,245
<b>Total equity</b>		<u>1,204,012</u>	<u>925,723</u>	<u>986,993</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings		1,285,721	1,209,269	1,314,386
Derivative financial instruments		1,083	16,177	92
Deferred income tax liabilities		75,060	26,892	30,533
Post employment benefit obligations	12	(79)	15,053	10,230
Provisions for liabilities and charges		220,531	36,213	29,016
Deferred and contingent acquisition consideration		40,319	40,285	40,149
Government grants		1,098	1,461	1,272
		<u>1,623,733</u>	<u>1,345,350</u>	<u>1,425,678</u>
<b>Current liabilities</b>				
Trade and other payables		1,383,587	1,287,277	1,312,136
Current income tax liabilities		27,952	25,057	16,095
Borrowings		199,657	218,222	149,472
Derivative financial instruments		18,891	7,992	7,902
Provisions for liabilities and charges		24,799	5,335	8,096
Deferred and contingent acquisition consideration		334,476	10,389	3,235
		<u>1,989,362</u>	<u>1,554,272</u>	<u>1,496,936</u>
Liabilities associated with assets classified as held for sale		-	31,530	8,216
		<u>1,989,362</u>	<u>1,585,802</u>	<u>1,505,152</u>
<b>Total liabilities</b>		<u>3,613,095</u>	<u>2,931,152</u>	<u>2,930,830</u>
<b>Total equity and liabilities</b>		<u>4,817,107</u>	<u>3,856,875</u>	<u>3,917,823</u>
<b>Net cash/(debt) included above (including cash attributable to assets held for sale)</b>				
	11	<u>153,429</u>	<u>(272,828)</u>	<u>29,987</u>



# Group Statement of Changes in Equity

For the six months ended 30 September 2015

	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 10) £'000	Total £'000		
<b>At 1 April 2015</b>	<b>14,688</b>	<b>83,032</b>	<b>849,119</b>	<b>35,909</b>	<b>982,748</b>	<b>4,245</b>	<b>986,993</b>
Profit for the period	-	-	41,270	-	41,270	932	42,202
Currency translation	-	-	-	6,361	6,361	595	6,956
Group defined benefit pension obligations:							
- remeasurements	-	-	8,041	-	8,041	-	8,041
- movement in deferred tax asset	-	-	(1,132)	-	(1,132)	-	(1,132)
Movements relating to cash flow hedges	-	-	-	(3,881)	(3,881)	-	(3,881)
Movement in deferred tax liability on cash flow hedges	-	-	-	1,337	1,337	-	1,337
<b>Total comprehensive income</b>	-	-	<b>48,179</b>	<b>3,817</b>	<b>51,996</b>	<b>1,527</b>	<b>53,523</b>
Issue of share capital (net of expenses)	755	191,307	-	-	192,062	-	192,062
Re-issue of treasury shares	-	-	1,922	-	1,922	-	1,922
Share based payment	-	-	-	867	867	-	867
Dividends	-	-	(49,897)	-	(49,897)	-	(49,897)
Non-controlling interests arising on acquisition	-	-	-	-	-	18,542	18,542
<b>At 30 September 2015</b>	<b>15,443</b>	<b>274,339</b>	<b>849,323</b>	<b>40,593</b>	<b>1,179,698</b>	<b>24,314</b>	<b>1,204,012</b>

For the six months ended 30 September 2014

	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 10) £'000	Total £'000		
<b>At 1 April 2014</b>	<b>14,688</b>	<b>83,032</b>	<b>786,158</b>	<b>57,540</b>	<b>941,418</b>	<b>4,837</b>	<b>946,255</b>
Profit for the period	-	-	42,310	-	42,310	(15)	42,295
Currency translation	-	-	-	(7,606)	(7,606)	(297)	(7,903)
Group defined benefit pension obligations:							
- remeasurements	-	-	(12,129)	-	(12,129)	-	(12,129)
- movement in deferred tax asset	-	-	1,443	-	1,443	-	1,443
Movements relating to cash flow hedges	-	-	-	(4,004)	(4,004)	-	(4,004)
Movement in deferred tax liability on cash flow hedges	-	-	-	20	20	-	20
<b>Total comprehensive income</b>	-	-	<b>31,624</b>	<b>(11,590)</b>	<b>20,034</b>	<b>(312)</b>	<b>19,722</b>
Re-issue of treasury shares	-	-	1,717	-	1,717	-	1,717
Share based payment	-	-	-	1,019	1,019	-	1,019
Dividends	-	-	(42,990)	-	(42,990)	-	(42,990)
<b>At 30 September 2014</b>	<b>14,688</b>	<b>83,032</b>	<b>776,509</b>	<b>46,969</b>	<b>921,198</b>	<b>4,525</b>	<b>925,723</b>

For the year ended 31 March 2015

	Attributable to owners of the Parent					Non-controlling interests £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 10) £'000	Total £'000		
<b>At 1 April 2014</b>	<b>14,688</b>	<b>83,032</b>	<b>786,158</b>	<b>57,540</b>	<b>941,418</b>	<b>4,837</b>	<b>946,255</b>
Profit for the financial year	-	-	144,427	-	144,427	(3)	144,424
Currency translation:							
- arising in the year	-	-	-	(14,418)	(14,418)	(589)	(15,007)
- recycled to the Income Statement on disposal	-	-	-	(2,721)	(2,721)	-	(2,721)
Group defined benefit pension obligations:							
- remeasurements	-	-	(19,302)	-	(19,302)	-	(19,302)
- movement in deferred tax asset	-	-	2,187	-	2,187	-	2,187
Movements relating to cash flow hedges	-	-	-	(6,942)	(6,942)	-	(6,942)
Movement in deferred tax liability on cash flow hedges	-	-	-	324	324	-	324
<b>Total comprehensive income</b>	-	-	<b>127,312</b>	<b>(23,757)</b>	<b>103,555</b>	<b>(592)</b>	<b>102,963</b>
Re-issue of treasury shares	-	-	1,699	-	1,699	-	1,699
Share based payment	-	-	-	2,126	2,126	-	2,126
Dividends	-	-	(66,050)	-	(66,050)	-	(66,050)
<b>At 31 March 2015</b>	<b>14,688</b>	<b>83,032</b>	<b>849,119</b>	<b>35,909</b>	<b>982,748</b>	<b>4,245</b>	<b>986,993</b>

## Group Cash Flow Statement

	Unaudited 6 months ended 30 Sept. 2015 £'000	Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
<b>Cash flows from operating activities</b>			
Profit for the period	42,202	42,295	144,424
Add back non-operating expenses/(income)			
- tax	10,269	5,173	18,881
- share of equity accounted investments' profit	(279)	(401)	(489)
- net operating exceptionals	5,863	252	8,725
- net finance costs	18,448	12,915	31,313
Group operating profit before exceptionals	76,503	60,234	202,854
Share-based payments expense	867	1,019	2,126
Depreciation	32,534	30,222	59,710
Amortisation of intangible assets	11,884	13,009	25,345
Loss/(profit) on disposal of property, plant and equipment	208	(643)	(3,256)
Amortisation of government grants	(176)	(179)	(358)
Other	3,346	(3,342)	(11,159)
(Increase)/decrease in working capital	(4,427)	(82,462)	102,556
<b>Cash generated from operations before exceptionals</b>	<b>120,739</b>	<b>17,858</b>	<b>377,818</b>
Exceptionals	(10,386)	(3,631)	(16,454)
<b>Cash generated from operations</b>	<b>110,353</b>	<b>14,227</b>	<b>361,364</b>
Interest paid	(31,348)	(27,513)	(59,678)
Income tax paid	(15,927)	(13,066)	(32,361)
<b>Net cash flows from operating activities</b>	<b>63,078</b>	<b>(26,352)</b>	<b>269,325</b>
<b>Investing activities</b>			
Inflows:			
Proceeds from disposal of property, plant and equipment	3,439	3,249	16,054
Government grants received	-	52	52
Dividends received from equity accounted investments	-	647	828
Disposal of subsidiaries and equity accounted investments	2,296	-	55,090
Interest received	17,479	14,383	31,222
	23,214	18,331	103,246
Outflows:			
Purchase of property, plant and equipment	(54,695)	(39,588)	(79,401)
Acquisition of subsidiaries	(134,744)	(91,448)	(101,738)
Net cash/(debt) acquired on acquisition of subsidiaries	91,429	(5,812)	(5,485)
Deferred and contingent acquisition consideration paid	(1,059)	(8,215)	(16,326)
	(99,069)	(145,063)	(202,950)
<b>Net cash flows from investing activities</b>	<b>(75,855)</b>	<b>(126,732)</b>	<b>(99,704)</b>
<b>Financing activities</b>			
Inflows:			
Proceeds from issue of shares	193,984	1,717	1,699
Increase in interest-bearing loans and borrowings	-	448,989	448,989
Increase in finance lease liabilities	68	-	-
	194,052	450,706	450,688
Outflows:			
Repayment of interest-bearing loans and borrowings	-	(124,305)	(169,631)
Repayment of finance lease liabilities	(83)	(551)	(486)
Net cash outflow on derivative financial instruments	-	(13,869)	(9,832)
Dividends paid to owners of the Parent	(49,897)	(42,990)	(66,050)
	(49,980)	(181,715)	(245,999)
<b>Net cash flows from financing activities</b>	<b>144,072</b>	<b>268,991</b>	<b>204,689</b>
Change in cash and cash equivalents	131,295	115,907	374,310
Translation adjustment	13,322	(26,222)	(58,206)
Cash and cash equivalents at beginning of period	1,129,665	813,561	813,561
<b>Cash and cash equivalents at end of period</b>	<b>1,274,282</b>	<b>903,246</b>	<b>1,129,665</b>
<b>Cash and cash equivalents consists of:</b>			
Cash and short term bank deposits	1,458,748	1,075,909	1,260,942
Overdrafts	(184,466)	(174,130)	(133,629)
Cash and short term deposits attributable to assets held for sale	-	1,467	2,352
	1,274,282	903,246	1,129,665

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 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 2015 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 2015 and the comparative figures for the six months ended 30 September 2014 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2015 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.

## 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 2015 and are described in those financial statements on pages 123 to 132.

The Group has adopted the following amendments to existing standards during the period which did not result in a material change to the Group's consolidated financial statements:

- IAS 19 *Defined Benefit Plans: Employee Contributions*;
- Annual Improvements 2010-2012 Cycle; and
- Annual Improvements 2011-2013 Cycle.

There were a number of other amendments to existing standards which became effective for the Group for the first time from 1 April 2015. None of these had a material impact on the Group.

## 3. Going Concern

Having reassessed the principal risks facing the Group (as detailed on pages 12 to 15 of the Annual Report for the year ended 31 March 2015), the Directors believe that the Group is well placed to manage these risks successfully.

The Directors have a reasonable expectation that the Group has 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 of accounting in preparing the condensed interim financial statements.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 4. Reporting Currency

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

	Average rate			Closing rate		
	6 months ended	6 months ended	Year ended	6 months ended	6 months ended	Year ended
	30 Sept. 2015	30 Sept. 2014	31 March 2015	30 Sept. 2015	30 Sept. 2014	31 March 2015
	Stg£1=	Stg£1=	Stg£1=	Stg£1=	Stg£1=	Stg£1=
Euro	<b>1.3902</b>	1.2361	1.2674	<b>1.3541</b>	1.2865	1.3749
Danish Krone	<b>10.3763</b>	9.2234	9.4577	<b>10.1013</b>	9.5756	10.2705
Swedish Krona	<b>13.0057</b>	11.2682	11.6866	<b>12.7397</b>	11.7670	12.7734
Norwegian Krone	<b>12.2304</b>	10.2270	10.7266	<b>12.8971</b>	10.4451	11.9669

## 5. Segmental Reporting

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 and his executive management team. The Group is organised into four operating segments: DCC Energy, DCC Technology, DCC Healthcare and DCC Environmental.

**DCC Energy** sells, markets and distributes oil products and services for transport, commercial/industrial, marine, aviation and home heating use in Europe. DCC Energy sells, markets and distributes liquefied petroleum gas for similar uses in Europe. DCC Energy also owns, operates and supplies unmanned and manned retail service stations in Europe.

**DCC Technology** sells, markets and distributes a broad range of consumer and SME focused technology products in Europe.

**DCC Healthcare** sells, markets and distributes pharmaceutical and medical devices in Britain and Ireland. DCC Healthcare also provides outsourced product development, manufacturing, packaging 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.

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

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

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 5. Segmental Reporting (continued)

An analysis of the Group's performance by segment and geographic location is as follows:

### (a) By operating segment

Unaudited six months ended 30 September 2015					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	Total £'000
<b>Segment revenue</b>	<b>3,659,729</b>	<b>1,089,055</b>	<b>239,120</b>	<b>78,336</b>	<b>5,066,240</b>
<b>Operating profit*</b>	<b>52,885</b>	<b>8,570</b>	<b>18,465</b>	<b>8,467</b>	<b>88,387</b>
Amortisation of intangible assets	(7,246)	(1,092)	(3,307)	(239)	(11,884)
Net operating exceptionals (note 6)	(6,221)	(2,503)	3,586	(725)	(5,863)
<b>Operating profit</b>	<b>39,418</b>	<b>4,975</b>	<b>18,744</b>	<b>7,503</b>	<b>70,640</b>

  

Unaudited six months ended 30 September 2014 (restated)					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	Total £'000
<b>Segment revenue</b>	<b>4,076,971</b>	<b>1,037,877</b>	<b>236,922</b>	<b>73,562</b>	<b>5,425,332</b>
<b>Operating profit*</b>	<b>31,934</b>	<b>15,204</b>	<b>15,902</b>	<b>7,058</b>	<b>70,098</b>
Amortisation of intangible assets	(7,450)	(1,402)	(3,074)	(394)	(12,320)
Net operating exceptionals (note 6)	(1,788)	(965)	308	(31)	(2,476)
<b>Operating profit</b>	<b>22,696</b>	<b>12,837</b>	<b>13,136</b>	<b>6,633</b>	<b>55,302</b>

  

Audited year ended 31 March 2015					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	Total £'000
<b>Segment revenue</b>	<b>7,624,082</b>	<b>2,350,284</b>	<b>488,114</b>	<b>143,600</b>	<b>10,606,080</b>
<b>Operating profit*</b>	<b>119,392</b>	<b>49,341</b>	<b>39,689</b>	<b>13,294</b>	<b>221,716</b>
Amortisation of intangible assets	(14,334)	(2,794)	(6,143)	(786)	(24,057)
Net operating exceptionals (note 6)	(7,137)	(11,101)	(1,161)	(405)	(19,804)
<b>Operating profit</b>	<b>97,921</b>	<b>35,446</b>	<b>32,385</b>	<b>12,103</b>	<b>177,855</b>

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

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 5. Segmental Reporting (continued)

### (b) By geography

	Unaudited six months ended 30 September 2015				
	UK £'000	France £'000	Republic of Ireland £'000	Rest of the World £'000	Total £'000
<b>Segment revenue</b>	<b>3,537,671</b>	<b>485,229</b>	<b>318,768</b>	<b>724,572</b>	<b>5,066,240</b>
<b>Operating profit*</b>	<b>59,610</b>	<b>11,180</b>	<b>3,762</b>	<b>13,835</b>	<b>88,387</b>
Amortisation of intangible assets	(7,095)	(1,095)	(551)	(3,143)	(11,884)
Net operating exceptionals (note 6)	477	(3,515)	(1,648)	(1,177)	(5,863)
<b>Operating profit</b>	<b>52,992</b>	<b>6,570</b>	<b>1,563</b>	<b>9,515</b>	<b>70,640</b>

	Unaudited six months ended 30 September 2014 (restated)				
	UK £'000	France £'000	Republic of Ireland £'000	Rest of the World £'000	Total £'000
<b>Segment revenue</b>	<b>4,086,447</b>	<b>95,802</b>	<b>327,627</b>	<b>915,456</b>	<b>5,425,332</b>
<b>Operating profit*</b>	<b>56,490</b>	<b>999</b>	<b>1,105</b>	<b>11,504</b>	<b>70,098</b>
Amortisation of intangible assets	(7,784)	(231)	(590)	(3,715)	(12,320)
Net operating exceptionals (note 6)	(1,482)	(309)	(344)	(341)	(2,476)
<b>Operating profit</b>	<b>47,224</b>	<b>459</b>	<b>171</b>	<b>7,448</b>	<b>55,302</b>

	Audited year ended 31 March 2015				
	UK £'000	France £'000	Republic of Ireland £'000	Rest of the World £'000	Total £'000
<b>Segment revenue</b>	<b>8,023,403</b>	<b>210,275</b>	<b>717,077</b>	<b>1,655,325</b>	<b>10,606,080</b>
<b>Operating profit*</b>	<b>170,014</b>	<b>4,246</b>	<b>17,671</b>	<b>29,785</b>	<b>221,716</b>
Amortisation of intangible assets	(15,200)	(451)	(1,164)	(7,242)	(24,057)
Net operating exceptionals (note 6)	(12,822)	(1,731)	(5,222)	(29)	(19,804)
<b>Operating profit</b>	<b>141,992</b>	<b>2,064</b>	<b>11,285</b>	<b>22,514</b>	<b>177,855</b>

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

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 6. Exceptionals

	Unaudited 6 months ended 30 Sept. 2015 £'000	Restated Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
Restructuring costs	(6,458)	(1,227)	(15,027)
Impairment of goodwill	-	-	(5,637)
Acquisition and related costs	(4,633)	(2,174)	(3,396)
Impairment of property, plant and equipment	-	-	(1,508)
Adjustments to deferred and contingent acquisition consideration	-	202	415
Gain arising from the Pihsiang legal claim	5,201	-	894
Restructuring of Group defined benefit pension schemes	-	-	6,381
Legal and other operating exceptional items	27	723	(1,926)
Net operating exceptional items	<u>(5,863)</u>	<u>(2,476)</u>	<u>(19,804)</u>
Mark to market of swaps and related debt	(3,819)	471	(2,191)
Net exceptional items before taxation	<u>(9,682)</u>	<u>(2,005)</u>	<u>(21,995)</u>
Tax on the Pihsiang legal claim	(1,037)	-	-
Net exceptional items after taxation (continuing operations)	<u>(10,719)</u>	<u>(2,005)</u>	<u>(21,995)</u>
Net profit on disposal of Food & Beverage division	-	-	8,214
Other net exceptional items relating to discontinued operations	-	2,224	2,865
Net exceptional items	<u>(10,719)</u>	<u>219</u>	<u>(10,916)</u>

The analysis of the net operating exceptional items is as follows:

	Unaudited 6 months ended 30 Sept. 2015 £'000	Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
Exceptional operating income	5,291	1,159	3,798
Exceptional operating expense	<u>(11,154)</u>	<u>(3,635)</u>	<u>(23,602)</u>
	<u>(5,863)</u>	<u>(2,476)</u>	<u>(19,804)</u>

The Group incurred a net exceptional charge after tax of £10.719 million in the first six months of the year. The net charge principally reflects acquisition and restructuring costs and an IAS 39 charge, offset by a receipt in respect of the Pihsiang legal claim where there was a final cash recovery.

Acquisition costs include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities. During the six month period, acquisition related costs amounted to £4.633 million and restructuring costs amounted to £6.458 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 interest rate derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges, offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the six months ended 30 September 2015 this amounted to an exceptional charge of £3.819 million.

There was a final net receipt of £4.164 million in relation to the Pihsiang legal claim.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 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 16.0% (six months ended 30 September 2014: 13.0% and year ended 31 March 2015: 12.0%). The increase in the Group's effective tax rate is primarily due to an increasing proportion of profits generated in Continental Europe.

## 8. Earnings per Ordinary Share

	6 months ended 30 September 2015			6 months ended 30 September 2014		
	Continuing operations £'000	Discontinued operations £'000	Total £'000	Continuing operations £'000	Discontinued operations £'000	Total £'000
Profit attributable to owners of the Parent	41,270	-	41,270	37,999	4,311	42,310
Amortisation of intangible assets after tax	9,315	-	9,315	9,780	621	10,401
Exceptionals after tax (note 6)	10,719	-	10,719	2,005	(2,224)	(219)
Adjusted profit after taxation and non-controlling interests	61,304	-	61,304	49,784	2,708	52,492

	6 months ended 30 September 2015			6 months ended 30 September 2014		
	Continuing operations pence	Discontinued operations pence	Total pence	Continuing operations pence	Discontinued operations pence	Total pence
<b>Basic earnings per ordinary share</b>						
Basic earnings per ordinary share	47.32p	-	47.32p	45.26p	5.14p	50.40p
Amortisation of intangible assets after tax	10.68p	-	10.68p	11.65p	0.74p	12.39p
Exceptionals after tax	12.29p	-	12.29p	2.39p	(2.65p)	(0.26p)
Adjusted basic earnings per ordinary share	70.29p	-	70.29p	59.30p	3.23p	62.53p

Weighted average number of ordinary shares in issue (thousands)	87,216	83,948
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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 period, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

	6 months ended 30 September 2015			6 months ended 30 September 2014		
	Continuing operations pence	Discontinued operations pence	Total pence	Continuing operations pence	Discontinued operations pence	Total pence
<b>Diluted earnings per ordinary share</b>						
Diluted earnings per ordinary share	46.91p	-	46.91p	44.93p	5.10p	50.03p
Amortisation of intangible assets after tax	10.59p	-	10.59p	11.57p	0.73p	12.30p
Exceptionals after tax	12.19p	-	12.19p	2.37p	(2.63p)	(0.26p)
Adjusted diluted earnings per ordinary share	69.69p	-	69.69p	58.87p	3.20p	62.07p

Weighted average number of ordinary shares in issue (thousands)	87,968	84,565
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# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 8. Earnings per Ordinary Share (continued)

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 and awards are the Company's only category of dilutive potential ordinary shares.

Employee share options and awards, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability 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.

The weighted average number of ordinary shares used in calculating the diluted earnings per share for the six months ended 30 September 2015 was 87.968 million (six months ended 30 September 2014: 84.565 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:

	<b>Unaudited 6 months ended 30 Sept. 2015 '000</b>	Unaudited 6 months ended 30 Sept. 2014 '000
Weighted average number of ordinary shares in issue	<b>87,216</b>	83,948
Dilutive effect of options and awards	<b>752</b>	617
Weighted average number of ordinary shares for diluted earnings per share	<b><u>87,968</u></b>	<u>84,565</u>

## 9. Dividends

	<b>Unaudited 6 months ended 30 Sept. 2015 £'000</b>	Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
Interim - paid 28.73 pence per share on 28 November 2014	-	-	24,123
Final - paid 55.81 pence per share on 23 July 2015 (paid 50.73 pence per share on 24 July 2014)	<b><u>49,897</u></b>	<u>42,990</u>	<u>41,927</u>
	<b><u>49,897</u></b>	<u>42,990</u>	<u>66,050</u>

On 9 November 2015, the Board approved an interim dividend of 33.04 pence per share (£29.220 million). These condensed interim financial statements do not reflect this dividend payable.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 10. Other Reserves

For the six months ended 30 September 2015

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2015	12,756	(10,462)	32,683	932	35,909
Currency translation	-	-	6,361	-	6,361
Movements relating to cash flow hedges	-	(3,881)	-	-	(3,881)
Movement in deferred tax liability on cash flow hedges	-	1,337	-	-	1,337
Share based payment	867	-	-	-	867
At 30 September 2015	13,623	(13,006)	39,044	932	40,593

For the six months ended 30 September 2014

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2014	10,630	(3,844)	49,822	932	57,540
Currency translation	-	-	(7,606)	-	(7,606)
Movements relating to cash flow hedges	-	(4,004)	-	-	(4,004)
Movement in deferred tax liability on cash flow hedges	-	20	-	-	20
Share based payment	1,019	-	-	-	1,019
At 30 September 2014	11,649	(7,828)	42,216	932	46,969

For the year ended 31 March 2015

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2014	10,630	(3,844)	49,822	932	57,540
Currency translation					
- arising in the year	-	-	(14,418)	-	(14,418)
- recycled to the Income Statement on disposal of subsidiary	-	-	(2,721)	-	(2,721)
Movements relating to cash flow hedges	-	(6,942)	-	-	(6,942)
Movement in deferred tax liability on cash flow hedges	-	324	-	-	324
Share based payment	2,126	-	-	-	2,126
At 31 March 2015	12,756	(10,462)	32,683	932	35,909

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 11. Analysis of Net Cash/(Debt)

	Unaudited 30 Sept. 2015 £'000	Unaudited 30 Sept. 2014 £'000	Audited 31 March 2015 £'000
<b>Non-current assets:</b>			
Derivative financial instruments	194,133	95,709	233,150
<b>Current assets:</b>			
Derivative financial instruments	5,900	5,747	5,395
Cash and cash equivalents	1,458,748	1,075,909	1,260,942
	<u>1,464,648</u>	<u>1,081,656</u>	<u>1,266,337</u>
<b>Non-current liabilities:</b>			
Finance leases	(199)	(205)	(213)
Derivative financial instruments	(1,083)	(16,177)	(92)
Unsecured Notes	(1,285,522)	(1,209,064)	(1,314,173)
	<u>(1,286,804)</u>	<u>(1,225,446)</u>	<u>(1,314,478)</u>
<b>Current liabilities:</b>			
Bank borrowings	(184,466)	(174,130)	(133,629)
Finance leases	(358)	(344)	(357)
Derivative financial instruments	(18,891)	(7,992)	(7,902)
Unsecured Notes	(14,833)	(43,748)	(15,486)
	<u>(218,548)</u>	<u>(226,214)</u>	<u>(157,374)</u>
Net cash/(debt) excluding cash attributable to assets held for sale	153,429	(274,295)	27,635
Cash and short term deposits attributable to assets held for sale	-	1,467	2,352
<b>Net cash/(debt) including cash attributable to assets held for sale</b>	<u>153,429</u>	<u>(272,828)</u>	<u>29,987</u>

## 12. Post Employment Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 30 September 2015. The defined benefit pension schemes' liabilities at 30 September 2015 were updated to reflect material movements in underlying assumptions.

The net deficit on the Group's post employment benefit obligations decreased from £10.230 million at 31 March 2015 to a net asset position of £79,000 at 30 September 2015. The decrease in the deficit was primarily driven by an actuarial gain on liabilities which arose from an increase in the discount rate used to value these liabilities together with contributions in excess of the current service cost.

The following actuarial assumptions have been made in determining the Group's retirement benefit obligation for the six months ended 30 September 2015:

	Unaudited 6 months ended 30 Sept. 2015	Unaudited 6 months ended 30 Sept. 2014	Audited year ended 31 March 2015
Discount rate			
- Republic of Ireland	2.50%	2.50%	1.50%
- UK	<u>4.00%</u>	<u>4.00%</u>	<u>3.35%</u>

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 13. Business Combinations

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

- the acquisition in May 2015 of 100% of Computers Unlimited, a consumer technology distributor operating primarily in the UK but also with operations in France and Spain;
- the acquisition of 100% of the assets that comprise Esso's unmanned and motorway retail petrol station network in France ('Esso Retail France'), completed in June 2015;
- the combination of the Group's Danish oil distribution business with the fuel distribution activities of DLG, a leading Danish agricultural business. The transaction, which completed in July 2015, resulted in DCC Energy owning 60% of the enlarged business;
- the consideration for the acquisition of 100% of Butagaz S.A.S. ('Butagaz'), a leading liquefied petroleum gas business in France, was paid on 2 November 2015.

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:

	Butagaz 2015 £'000	Esso Retail France 2015 £'000	Others 2015 £'000	Total 2015 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	160,146	70,862	4,735	235,743
Intangible assets - other intangible assets	99,466	10,664	10,323	120,453
Deferred income tax assets	42	-	-	42
Total non-current assets	259,654	81,526	15,058	356,238
<b>Current assets</b>				
Inventories	9,885	18,852	15,683	44,420
Trade and other receivables	68,694	1,193	19,009	88,896
Total current assets	78,579	20,045	34,692	133,316
<b>Equity</b>				
Non-controlling interests	-	-	(18,542)	(18,542)
Total equity	-	-	(18,542)	(18,542)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred income tax liabilities	(37,797)	(4,053)	(2,591)	(44,441)
Provisions for liabilities and charges	(172,557)	(17,004)	(78)	(189,639)
Total non-current liabilities	(210,354)	(21,057)	(2,669)	(234,080)
<b>Current liabilities</b>				
Trade and other payables	(53,078)	(2,612)	(19,675)	(75,365)
Provisions for liabilities and charges	(18,328)	-	-	(18,328)
Current income tax liability	(13,012)	-	(320)	(13,332)
Total current liabilities	(84,418)	(2,612)	(19,995)	(107,025)
Identifiable net assets acquired	43,461	77,902	8,544	129,907
Intangible assets - goodwill	189,628	16,050	31,696	237,374
<b>Total consideration</b>	233,089	93,952	40,240	367,281
<b>Satisfied by:</b>				
Cash	-	93,952	40,792	134,744
Cash and cash equivalents acquired	(89,777)	-	(1,652)	(91,429)
Net cash (inflow)/outflow	(89,777)	93,952	39,140	43,315
Deferred acquisition consideration	322,866	-	1,100	323,966
<b>Total consideration</b>	233,089	93,952	40,240	367,281

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 13. Business Combinations (continued)

The acquisitions of Butagaz and Esso Retail France have been deemed to be substantial transactions 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 period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Butagaz</b>			
Non-current assets (excluding goodwill)	291,519	(31,865)	259,654
Current assets	81,456	(2,877)	78,579
Non-current liabilities	(249,552)	39,198	(210,354)
Current liabilities	(84,418)	-	(84,418)
Identifiable net assets acquired	39,005	4,456	43,461
Goodwill arising on acquisition	194,084	(4,456)	189,628
Total consideration	233,089	-	233,089
	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Esso Retail France</b>			
Non-current assets (excluding goodwill)	70,862	10,664	81,526
Current assets	20,045	-	20,045
Non-current liabilities	(17,004)	(4,053)	(21,057)
Current liabilities	(2,612)	-	(2,612)
Identifiable net assets acquired	71,291	6,611	77,902
Goodwill arising on acquisition	22,661	(6,611)	16,050
Total consideration	93,952	-	93,952
	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Others</b>			
Non-current assets (excluding goodwill)	4,735	10,323	15,058
Current assets	34,692	-	34,692
Non-current liabilities and non-controlling interests	(18,935)	(2,276)	(21,211)
Current liabilities	(19,995)	-	(19,995)
Identifiable net assets acquired	497	8,047	8,544
Goodwill arising on acquisition	39,743	(8,047)	31,696
Total consideration	40,240	-	40,240
	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Total</b>			
Non-current assets (excluding goodwill)	367,116	(10,878)	356,238
Current assets	136,193	(2,877)	133,316
Non-current liabilities and non-controlling interests	(285,491)	32,869	(252,622)
Current liabilities	(107,025)	-	(107,025)
Identifiable net assets acquired	110,793	19,114	129,907
Goodwill arising on acquisition	256,488	(19,114)	237,374
Total consideration	367,281	-	367,281

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 13. Business Combinations (continued)

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 Group's condensed interim financial statements for the six months ending 30 September 2016 as stipulated by IFRS 3.

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.

Acquisition related costs included in other operating expenses in the Group Income Statement amounted to £4.633 million (2014: £2.174 million).

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

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £90.004 million. The fair value of these receivables is £88.896 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £1.108 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. There was no contingent consideration attaching to any of the acquisitions completed in the period.

There were no adjustments processed during the period to the fair value of business combinations completed during the year ended 31 March 2015 where those fair values were not readily determinable as at 31 March 2015.

The acquisitions during the period contributed £532.9 million to revenues and £8.0 million to profit after tax. 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 2015 would be £5,539.6 million and total Group profit after tax would be £53.7 million.

## 14. Seasonality of Operations

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

## 15. 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 2015 that could have a material impact on the financial position or performance of the Group in the six months ended 30 September 2015.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2015

## 16. Discontinued Operations

The Group's discontinued operations for the six months ended 30 September 2014 and the year ended 31 March 2015 comprise the results of the Group's former DCC Food & Beverage segment. The conditions for the businesses disposed of to be classified as discontinued operations were fulfilled in the second half of the year ended 31 March 2015 and, consequently, the results for the six months ended 30 September 2014 have been restated. The following table details the results of discontinued operations included in the Group Income Statement:

	Unaudited 6 months ended 30 Sept. 2014 £'000	Audited year ended 31 March 2015 £'000
<b>Revenue</b>	<b>89,024</b>	<b>143,360</b>
Operating profit before amortisation of intangible assets and exceptional items	3,145	6,483
Amortisation of intangible assets	(689)	(1,288)
Operating profit before exceptional items	2,456	5,195
Net finance costs	(116)	(194)
Share of equity accounted investments' profit after tax	283	87
Profit before exceptional items and tax	2,623	5,088
Exceptional items	2,224	2,865
Profit on disposal of discontinued operations	-	8,214
<b>Profit before tax</b>	<b>4,847</b>	<b>16,167</b>
Income tax expense	(536)	(404)
<b>Profit from discontinued operations after tax</b>	<b>4,311</b>	<b>15,763</b>

There were no discontinued operations in the six months ended 30 September 2015.

## 17. Events after the Balance Sheet Date

### CUC

In October 2015 DCC Technology further expanded its European footprint with its binding offer for the acquisition of CUC, a cabling and connectors distribution business headquartered near Paris. The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis given the timing of closure of the transaction. 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 were as follows:

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	432	2,542	2,974
Current assets	12,384	-	12,384
Non-current liabilities	(72)	(966)	(1,038)
Current liabilities	(4,392)	-	(4,392)
Identifiable net assets acquired	8,352	1,576	9,928
Goodwill arising on acquisition	7,848	(1,576)	6,272
Total consideration (enterprise value)	16,200	-	16,200

## 18. Board Approval

This report was approved by the Board of Directors of DCC plc on 9 November 2015.

## 19. Distribution of Interim Report

This report and further information on DCC is available at the Company's website [www.dcc.ie](http://www.dcc.ie). A printed copy is available to the public at the Company's registered office at DCC House, Leopardstown Road, Foxrock, Dublin 18, 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

John Moloney  
Chairman

Tommy Breen  
Chief Executive

9 November 2015