



DTEK: INVESTOR PRESENTATION

March 2013



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- **DTEK highlights**
- DTEK operations
- Financial overview
- Appendices

LEADING UKRAINIAN BLUE-CHIP CREDIT

Vertically integrated business model

- Power generation is effectively self-sufficient in low-cost coal feedstock – strong competitive advantage vs. other thermal generators
- Own mining operations offer effective hedge for fuel supply and fuel price risks
- Value creation across the production chain: from coal mining to power distribution

Exposure to non-cyclical end-markets

- Exposure to Ukrainian market with stable demand for electricity
- Diversified customer base: 5.1m household & 133k corporate and other customers
- Growth of electricity tariffs for households and introduction of an RAB-based pricing in distribution will drive cash flow generation

#1 coal miner with sizeable coal reserves

- Dominant proportional share in coal mining: 46.1% of coal production in Ukraine in 2012
- Largest Ukrainian coal exporter*
- Diversified portfolio of long-life coal reserves:
- 31 coal mines and 13 coal enrichment plants, incl. the largest coal mining company in Ukraine

Leader in power generation and electricity distribution

- 28.5% of overall power output in Ukraine
- 37.8% in electricity distribution with presence in densely populated and industrially developed regions
- Largest electricity exporter

Robust financial performance despite challenging operating environment

- Highest EBITDA among Ukrainian corporate issuers in 2012**
- Revenue and EBITDA growth driven by newly acquired assets and organic expansion
- Economies of scale and strong synergies between segments
- Competitive cost position across value chain

Conservative leverage policy

- Track record of sustainable leverage levels despite recent M&A transactions and capex programme
- Comfortable maturity profile with a potential for further improvement

LEADING ENERGY COMPANY IN UKRAINE...



Coal Production

Coal mining volume: **39.7 Mt**
 Coal reserves: **1,700 Mt**
31 coal mines
13 coal enrichment plants



Power Generation

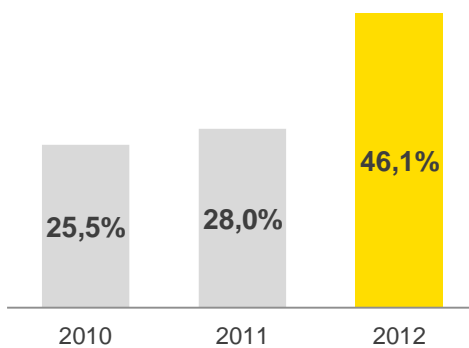
Energy generation: **51.4 TWh**
 Installed capacity: **18.2 GW**
10 TPG and **2** CHP plants
66 power units



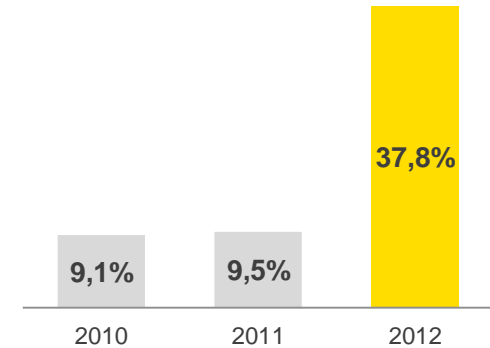
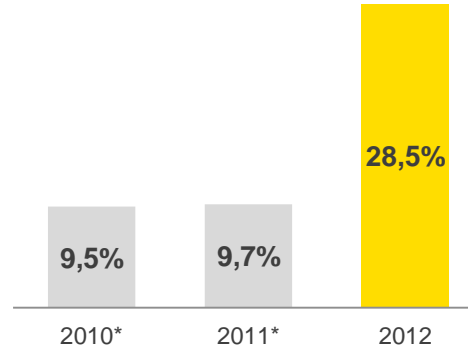
Power Distribution

Electricity supply: **53.9 TWh**
 Grid length: **158,700 km**
6 distribution companies
5.2 mln end customers

DTEK PROPORTIONAL SHARE

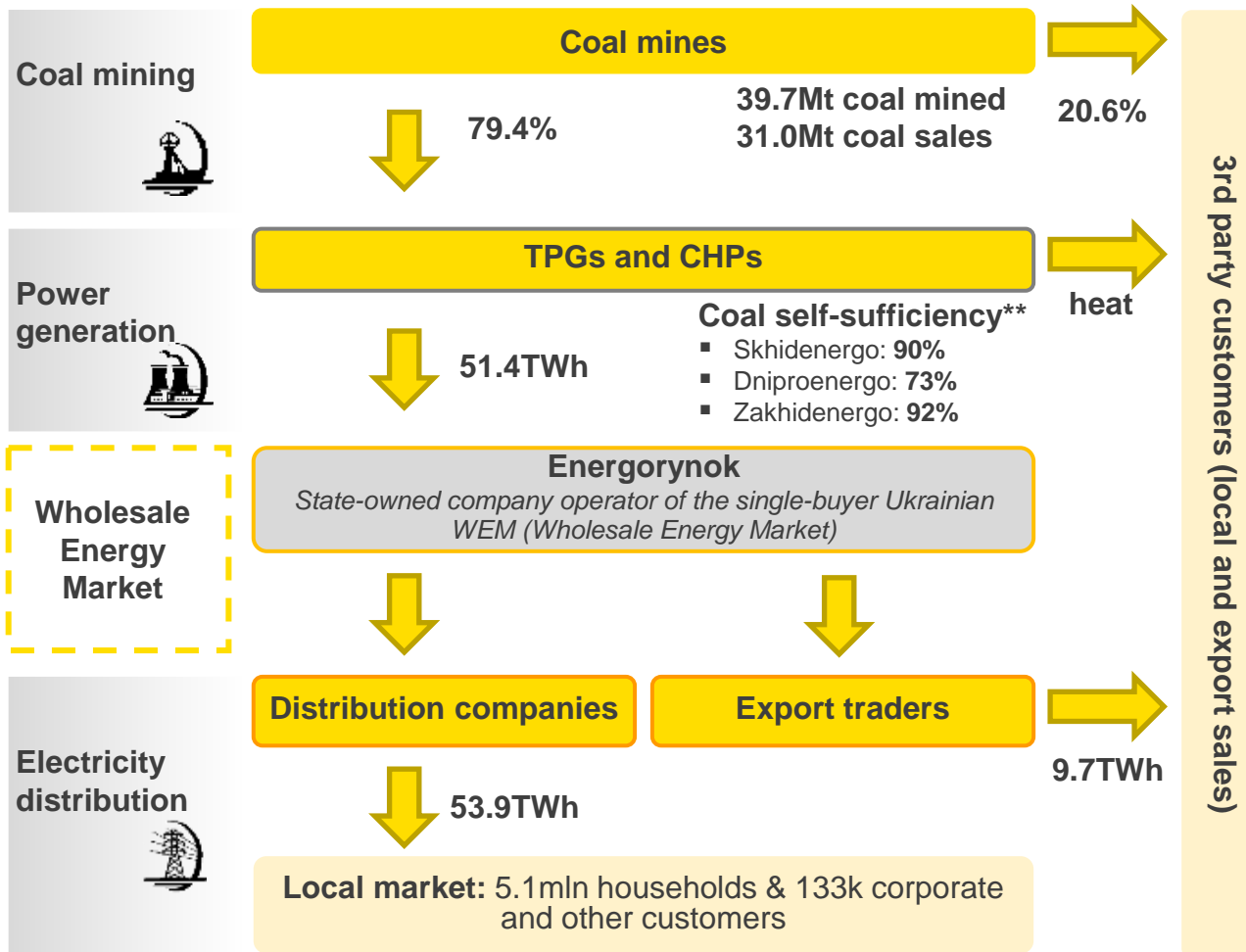


Note: Share in mining volume of raw coal

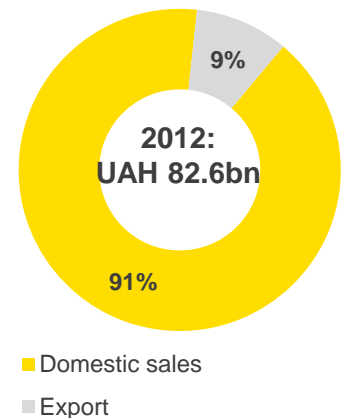
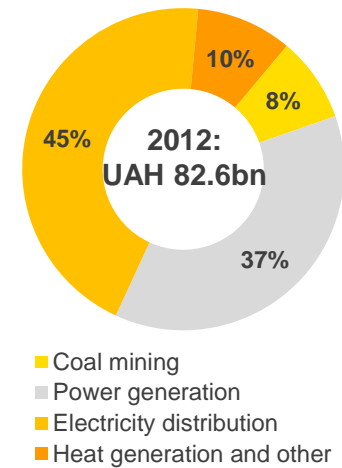


...BENEFITING FROM FULL VERTICAL INTEGRATION...

- Electricity is DTEK's core product
- Selling predominantly to non-cyclical markets, capturing value across entire value chain
- Coal mining provides for effective hedge for fuel supply and fuel price risks as well as stronger competitive positions

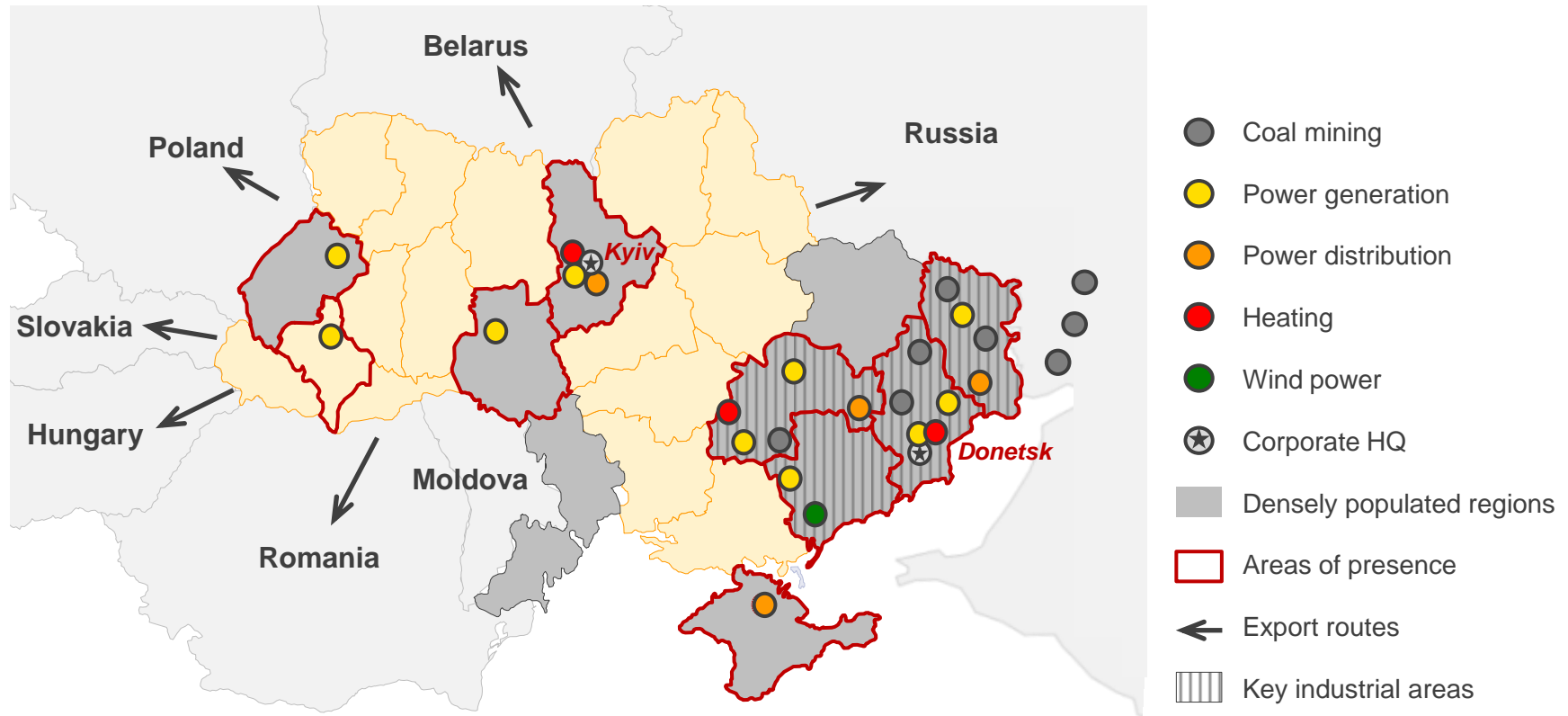


Revenues*



...STRATEGICALLY LOCATED IN KEY UKRAINIAN REGIONS...

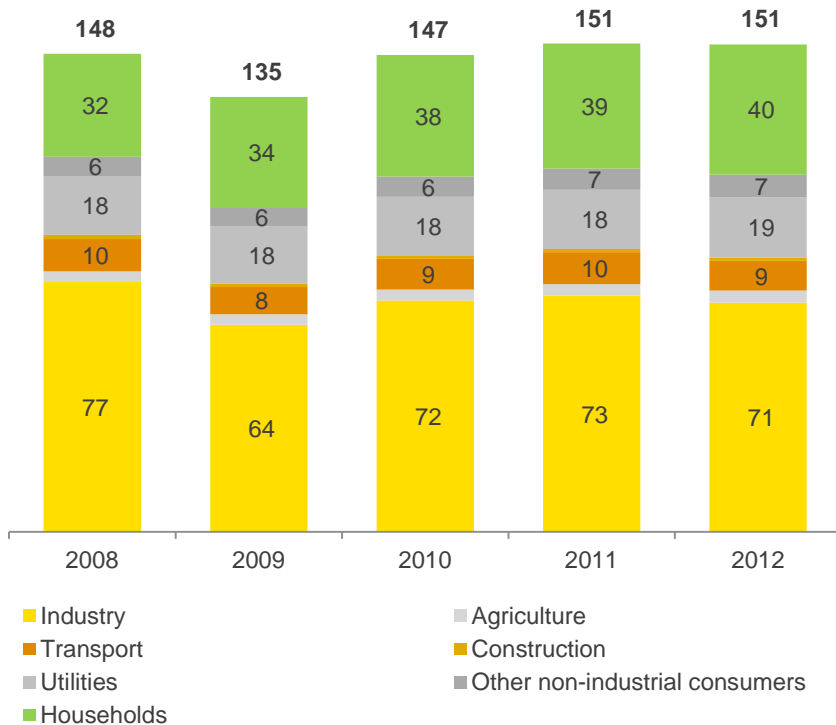
- Proximity to key industrial customers
- Presence in most densely populated regions of Ukraine
- Logistic synergies across business segments
- Constant focus on operational efficiency improvements



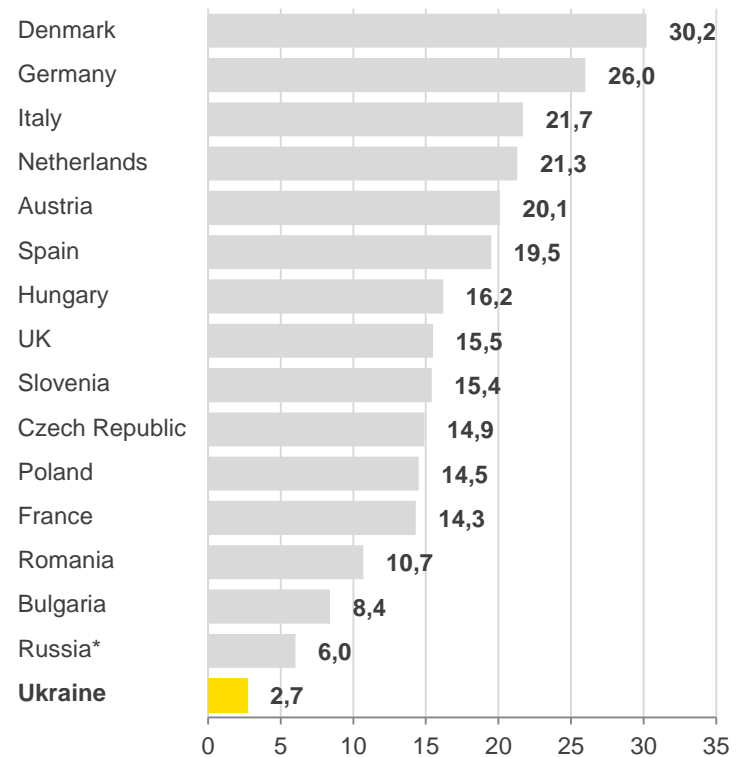
...OFFERING EXPOSURE TO STABLE NON-CYCLICAL END-MARKET WITH VISIBLE CATCH-UP OPPORTUNITIES

- DTEK offers exposure to the Ukrainian electricity market with a stable consumption pattern
- Households is the most stable and the fastest growing group of electricity consumers: its share in total electricity consumption increased from 21.6% in 2008 to 26.7% in 2012. The share of household expenditure for electricity, gas and other fuels in household revenues is noticeably small – 1.44 % in 2011 (vs. 1.51% in 2010)
- Energy consumption has a potential to grow further driven by improvement of living standards and pick-up of industrial activity, primarily in export oriented sectors
- Potential upside in cash flow growth due to current discrepancy in electricity tariffs in Ukraine vs. Russia/EU countries

Electricity consumption by categories (net), Ukraine, GWh



Electricity tariffs, Euro-cent/kWh (households, consumption 3500KWhpa, November 2012)



Source: DTEK, NERC, State Statistics Service of Ukraine, Europe's Energy portal, Rosstat

(* Average tariff for households without electric ovens as of end 2011: RUB249.69 per 100KWh/h; EUR/RUB rate as of 31 Dec 11 was 41.53



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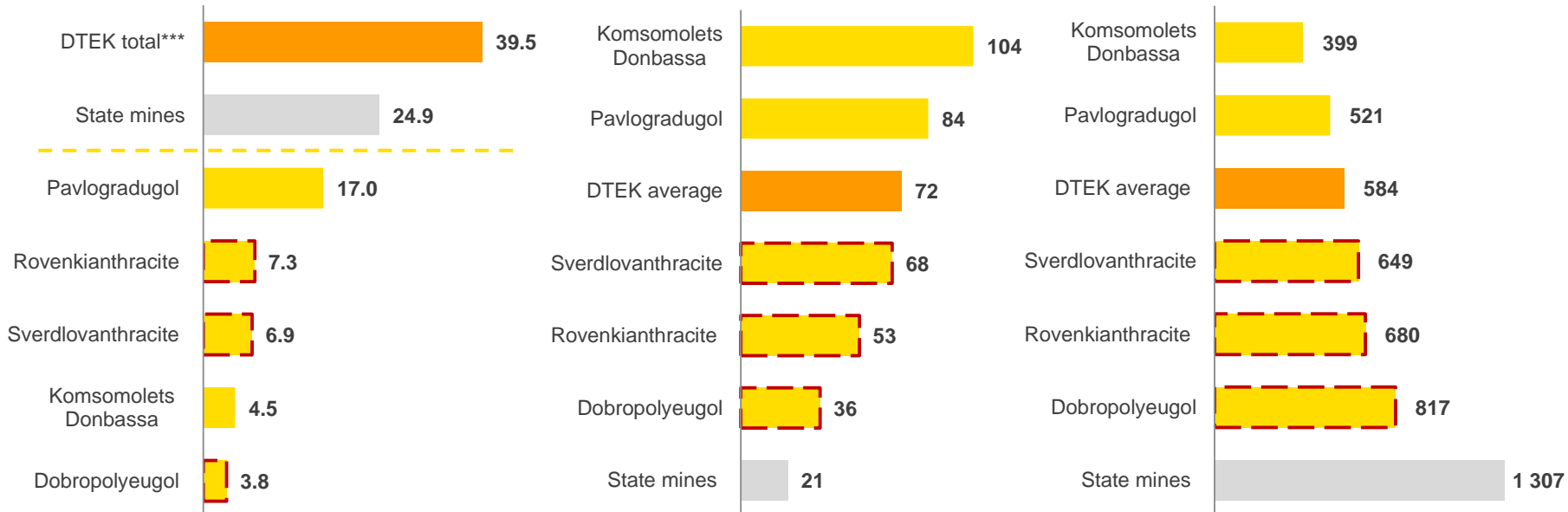
COAL MINING: INDUSTRY LEADER

- **Largest coal producer** in Ukraine:
 - 46.1% of all coal mined in Ukraine in 2012
 - Pavlogradugol – largest coal mining company in Ukraine*
- **Protection from foreign competition** due to technical features of local thermal power generation which were designed for specific types of domestic coals
- DTEK runs among the **most efficient and high quality mines** in Ukraine**, maintaining constant focus on enhancing operations, cost efficiency and labor safety
- **Potential for cost optimization and productivity growth** at recently acquired mines backed by a track record of efficiency management

Coal producers in Ukraine, Mt

Labor productivity, t / worker / month

Cost of production, UAH/t



Source: DTEK, Ministry of Energy and Coal Industry, Energobiznes
 Newly acquired assets

(*) Based on output

(**) Based on labor productivity and cost of production

(***) DTEK mines in Ukraine, not including three mines in Russia. Dobropolyeugol includes results of Bilozerska mine

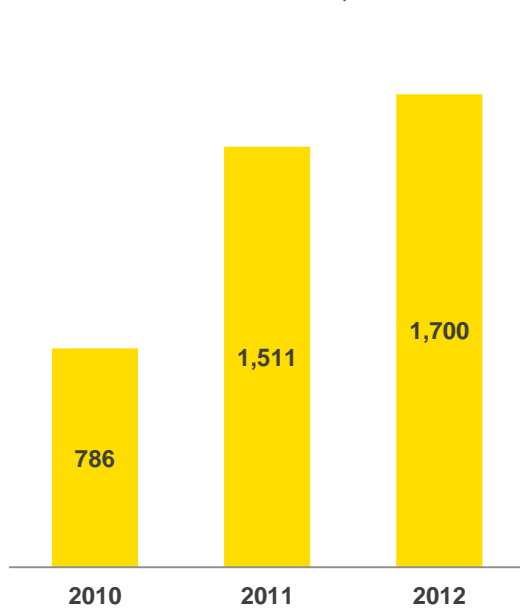


COAL MINING: DYNAMIC GROWTH

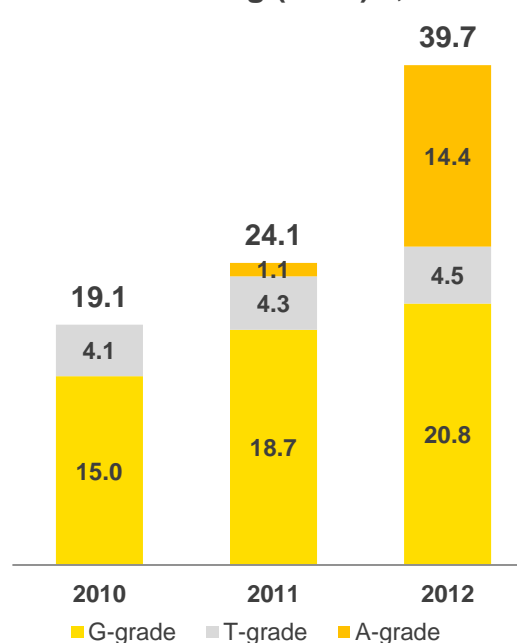
Coal mining is a solid foundation for DTEK's power business competitiveness and profitability

- **Sizeable and long-life reserves**
 - Coal reserves of 1,700 Mt
- Significant growth of production volumes to 39.7 Mt in 2012:
 - +64.7% YoY including companies consolidated in 2012
 - +8% YoY organic growth* (excluding new assets)
- **Protective customer mix** with 79.4% of total coal sales going to own power generation assets in 2012

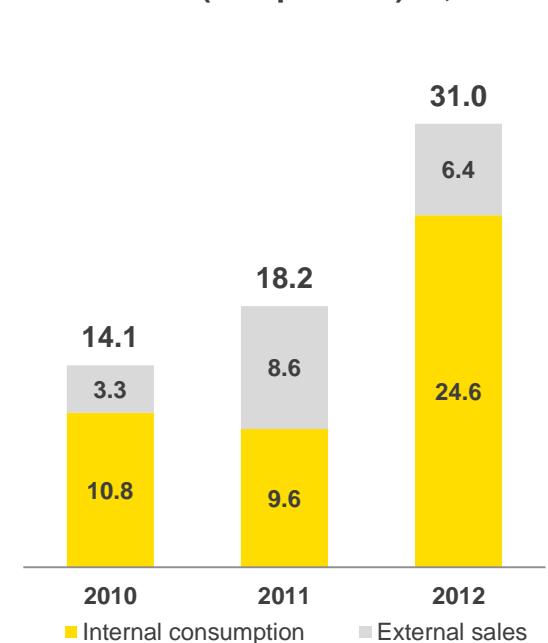
Coal reserves, Mt



Coal mining (ROM)**, Mt



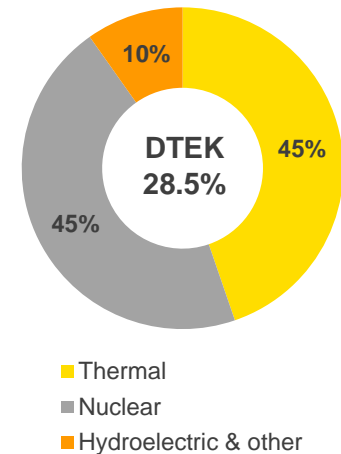
Coal sales (end product)***, Mt



POWER GENERATION

- Ukrainian leading private thermal power generation company
 - Installed capacity of 18.2GW
 - Total TPG output in 2012: 51.4 TWh (+200% YoY)
- Strong competitive advantage** vs. other thermal power generators: reliable fuel supplies from own efficient and low cost coal mining operations
- Significant **growth of ICUR** on acquired TPGs:
 - Average capacity utilization rate (key TPGs*): 34.7%
- Skhidenergo is **industry efficiency leader**: considerably higher ICUR and the lowest fuel consumption vs. competitors
- Potential for further cost and production efficiencies** at recently acquired TPGs

Ukraine's power generation, %

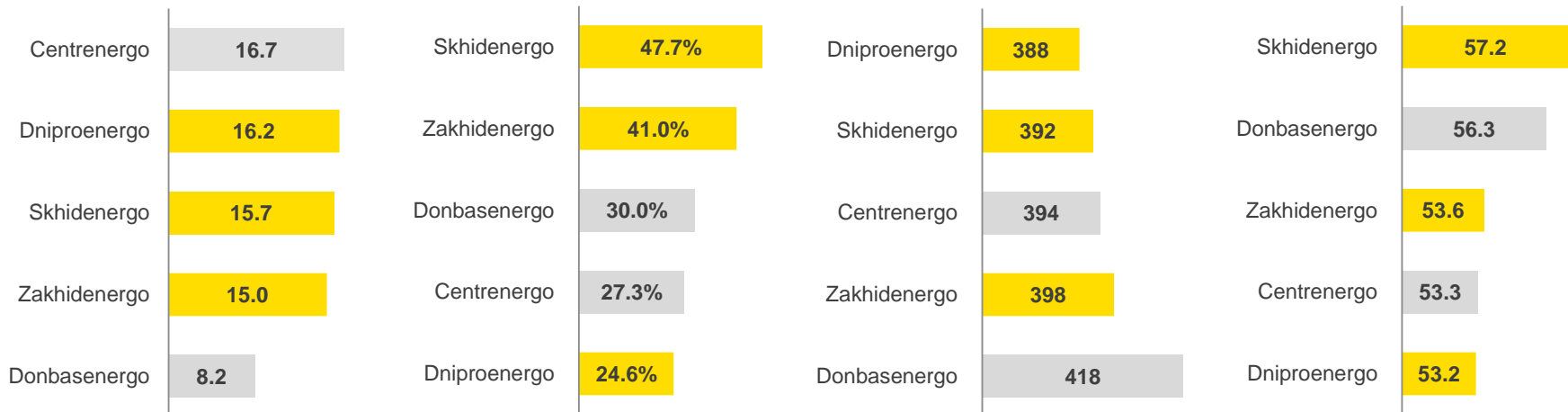


Ukraine's TPG output, TWh

Installed capacity utilisation rate (ICUR**), %

Average fuel consumption, g/TWh

Average supply tariff, UAH/MWh



Source: NJS Energy Company of Ukraine

(* Key DTEK TPGs = Dniproenergo + Skhidenergo + Zakhidenergo

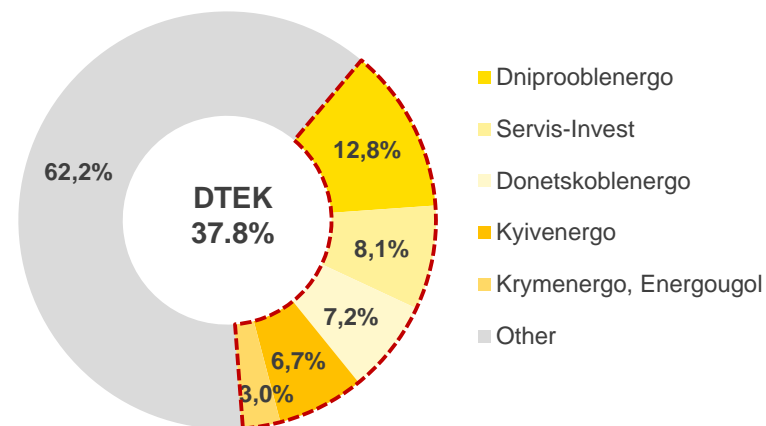
(**) Dniproenergo's installed capacity is net of suspended oil & gas power units, and out of service units (8,185MWt incl. all units); Centrenerg's installed capacity is net of suspended oil & gas power units (7,600MWt incl. all units)



POWER DISTRIBUTION

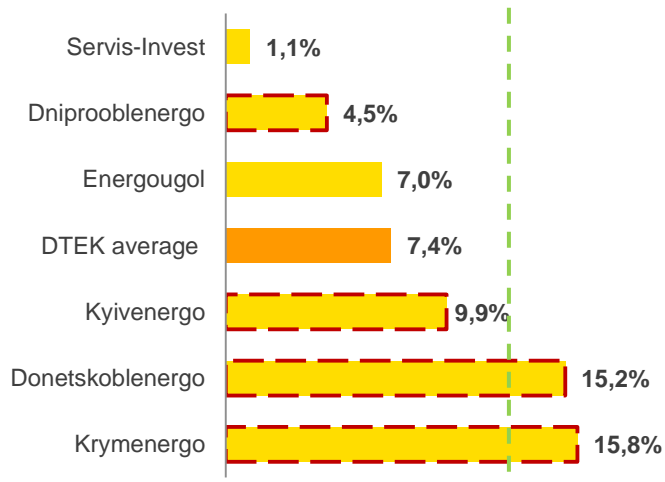
- **Largest electricity distribution company** in Ukraine based on the volume of electricity distributed to end customers
 - power distribution and sales in 2012: 53.9 TWh*
 - 37.8% of electricity distribution in Ukraine
- **Efficiency leader:** average losses of 7.4% - better than 11.8% average level in Ukraine
- **Potential for further cost and operating efficiencies** at recently acquired companies
- Significant **hike in tariff** for high-consuming households (more than 800 kWh/month): tariff set at 80 Kopecks /kWh
- Expected introduction of an RAB-based pricing for distribution companies may boost DTEK's cash flows

Power distribution in Ukraine (143TWh in 2012)

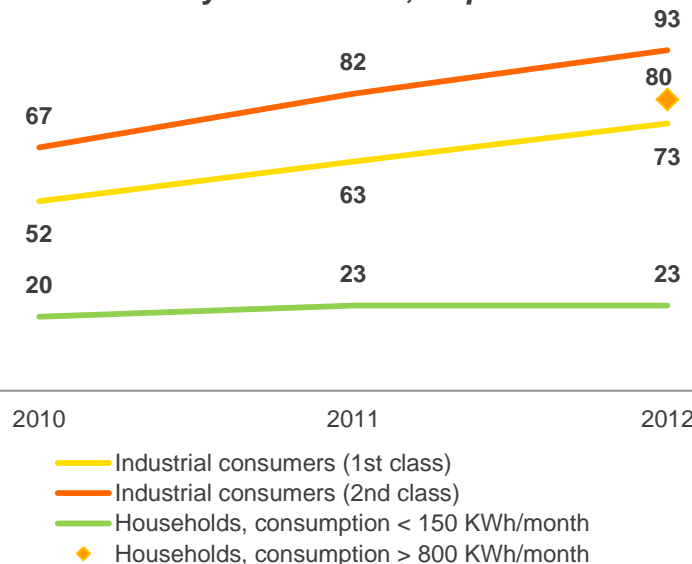


Electricity distribution losses (% of network)

Ukraine average 11.8%



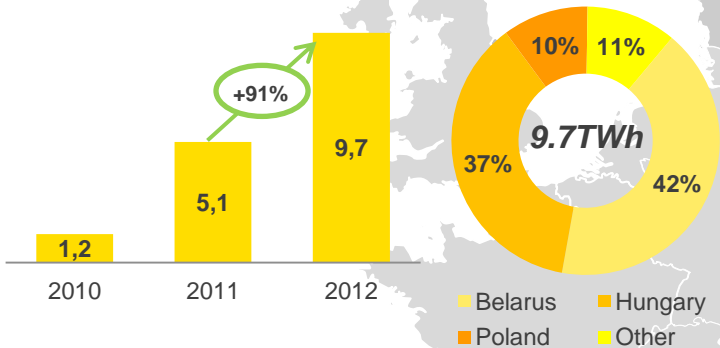
Electricity tariff trends, Kopecks/KWh



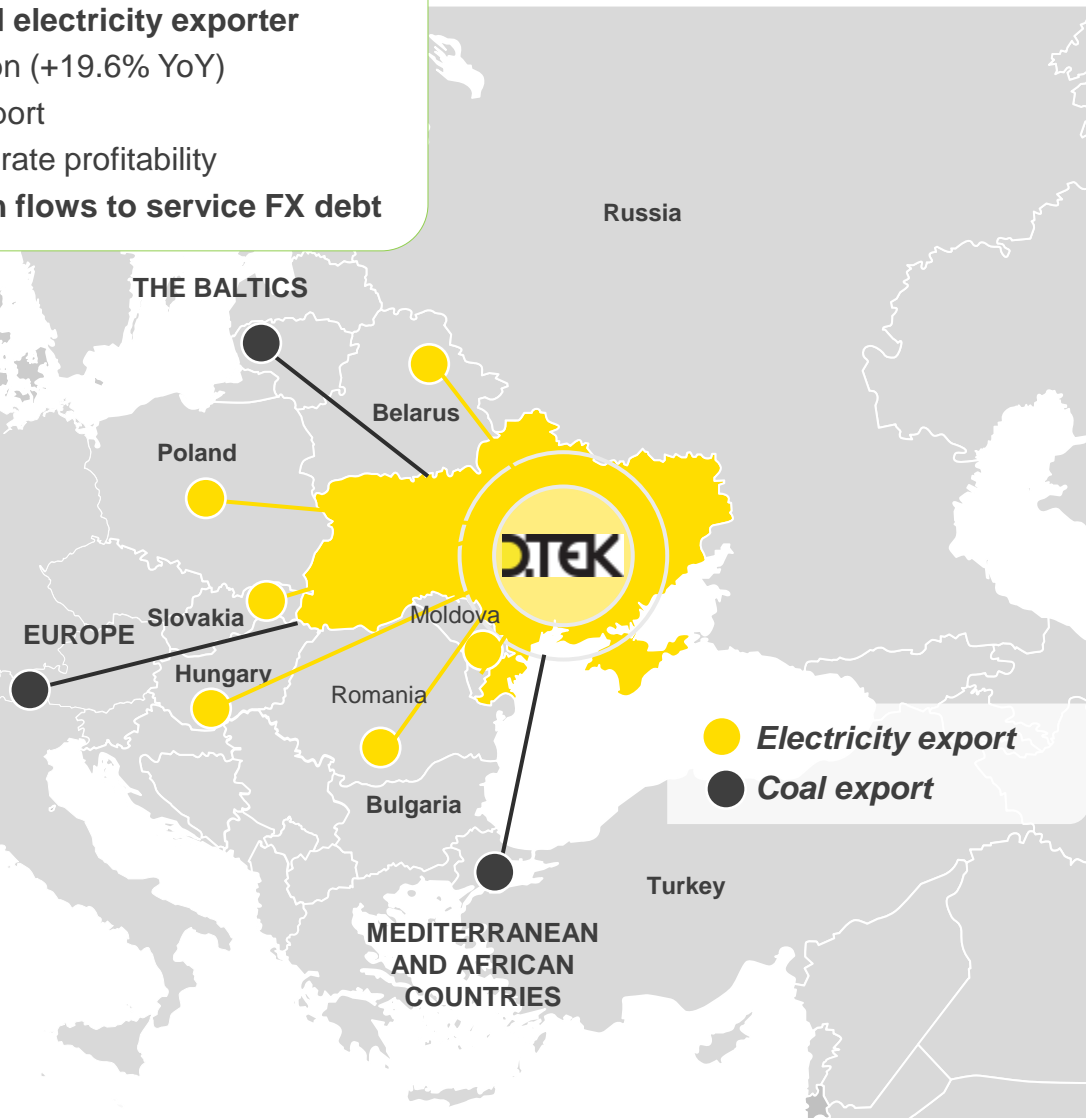
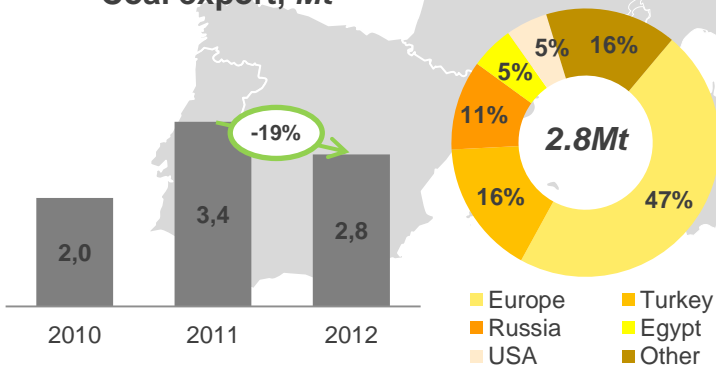
ELECTRICITY & COAL EXPORTS

- DTEK is the largest Ukrainian private coal and electricity exporter
- FY2012 revenue from exports reached UAH 7.8bn (+19.6% YoY)
- Significant growth potential for Ukrainian coal export
- **Focus on electricity export** due to higher corporate profitability
- Export sales historically provided **sufficient cash flows to service FX debt**

Electricity export, TWh



Coal export, Mt



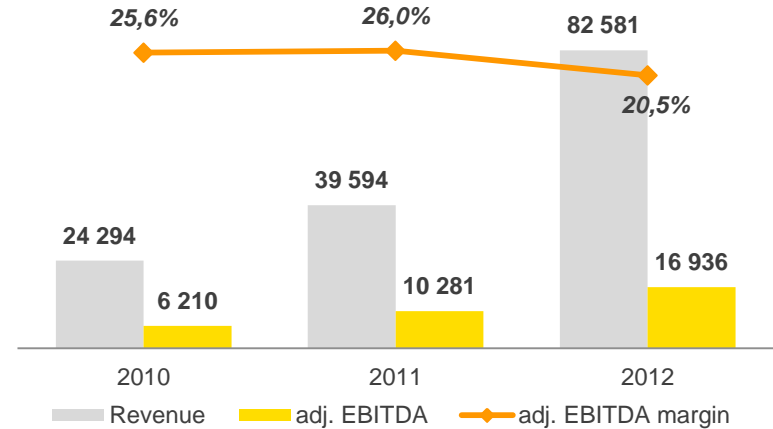
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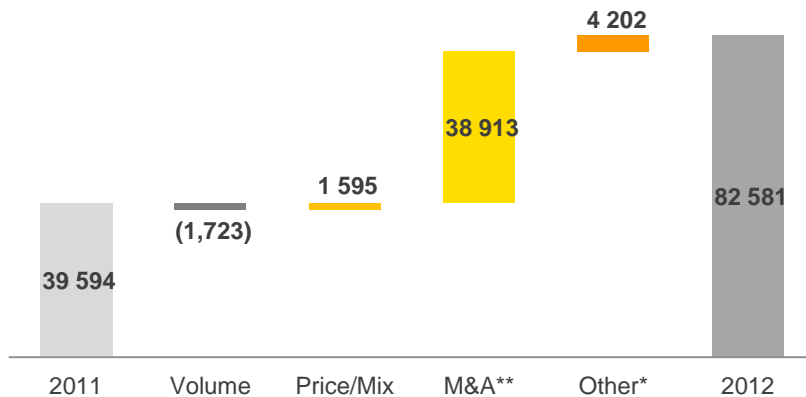
SUSTAINABLE PROFITABLE GROWTH

- Revenue growth in 2012 was primarily driven by acquisition of new assets as well as positive price and tariff dynamics in existing assets
- Diversified end customer mix in coal sales and electricity distribution: more than 5.2mln customers
- Potential for further diversification following expected liberalization of the wholesale market
- EBITDA growth primarily driven by acquisition of new assets as well as sustained efficiency of existing operations
- EBITDA margin affected by significant expansion of low-margin electricity distribution segment, but remains at comfortable levels and may benefit from efficiency improvements at newly acquired assets, introduction of an RAB-based pricing and increase of export

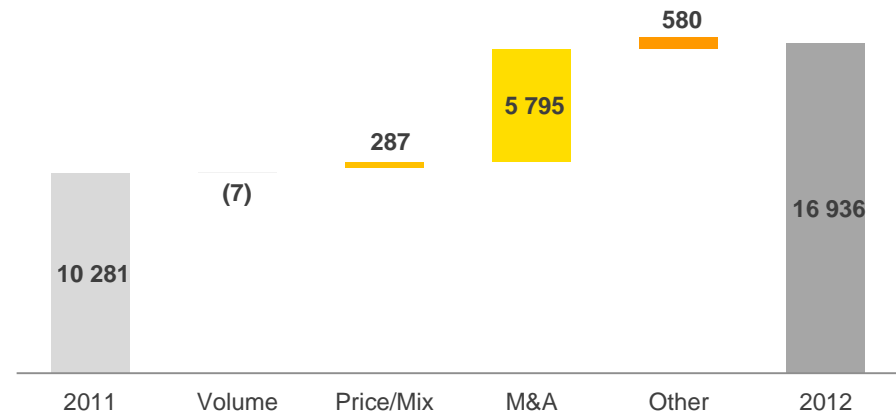
Revenue* and adj. EBITDA* dynamics, UAH mln adj. EBITDA* margin dynamics, %



2012 vs. 2011 Revenue* changes, UAH mln

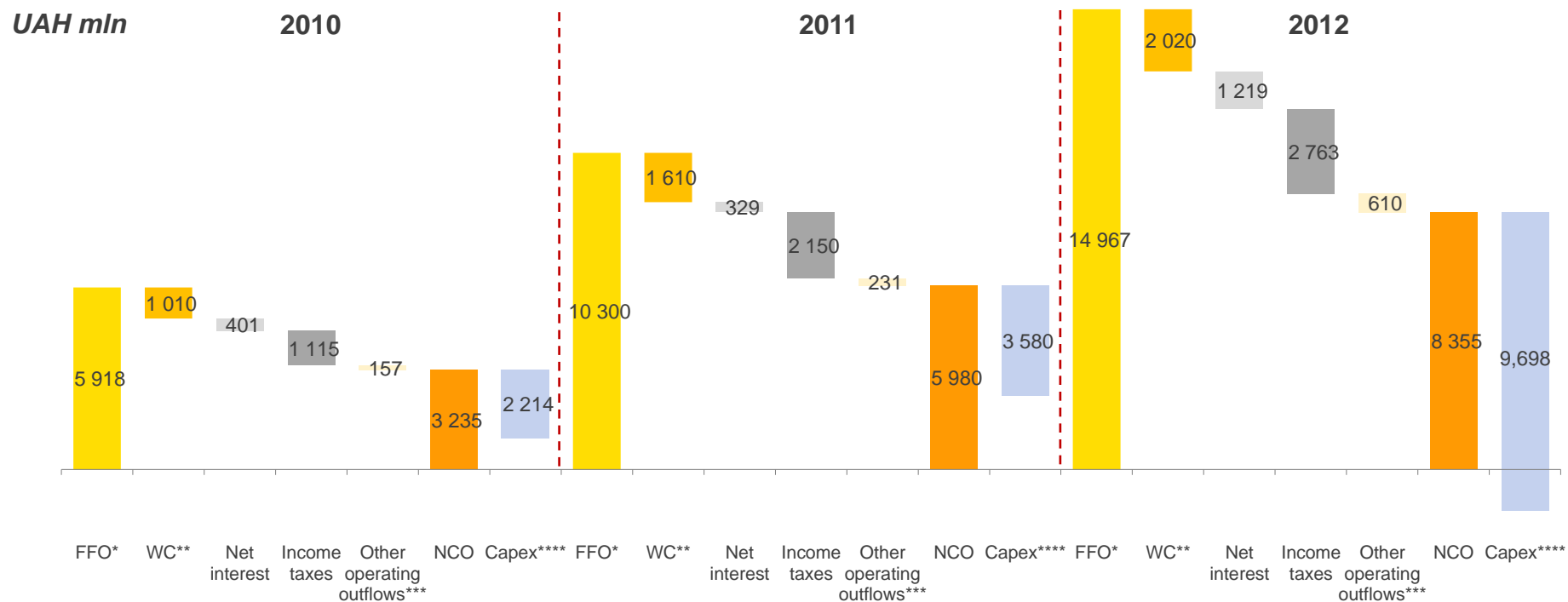


2012 vs. 2011 adj. EBITDA* changes, UAH mln



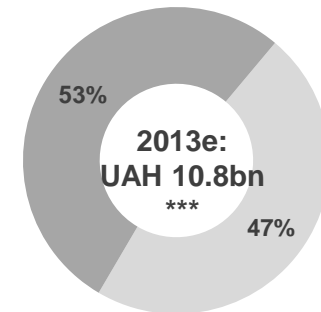
CASH FLOW DYNAMICS

- Key Net Cash from Operations (NCO) drivers:
 - Growth in earnings as a result of business growth
 - Increase in the working capital primarily due to consolidation of the new assets
 - Changes in interest payments in line with credit portfolio growth
- Prudent capex management:
 - Growth in capex reflect investments in the new acquired companies and Botievo Wind Power project
 - Capital expenditures covered by cash flows generated
- Cash and equivalents at the end of 2012 amount UAH 5,360 million



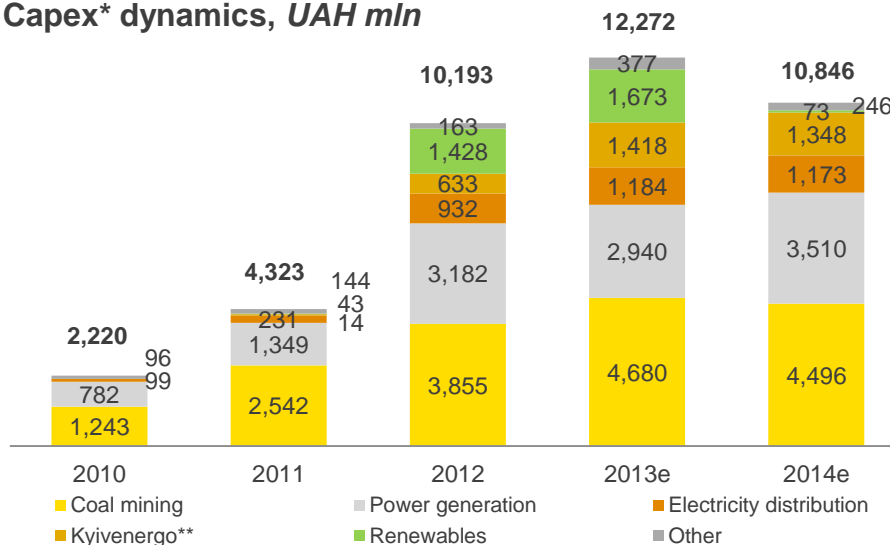
- 2012 Capex* increased by UAH 5.9bn, driven by business expansion and the need to invest in newly acquired assets:
 - Organic growth of existing assets - UAH 1.3bn
 - Investments in recently purchased assets - UAH 3.2bn
 - Botievo Wind Farm project - UAH 1.4bn
- Main areas for investments in 2013-14 – improvement of new assets’ efficiency to the level of existing ones and further retrofit of existing asset base:
 - Coal mining: mine ventilation, air supply increase capacity and production
 - Power generation: upgrade of power units at TPGs
 - Electricity distribution: improvement of transmission grids, construction of additional substations, investments in metering
- Capex flexibility: possibility to cancel / delay discretionary planned capex if required
- Investment mark-up in tariffs fully funds capex for electricity distribution assets and partially funds retrofits of TPGs

CAPEX breakdown

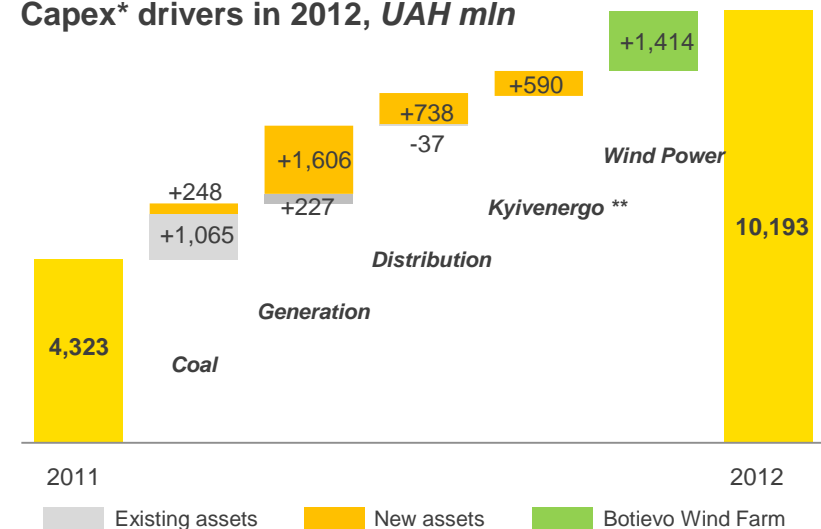


- Discretionary (expansion of production)
- Maintenance (sustaining current production level)

Capex* dynamics, UAH mln



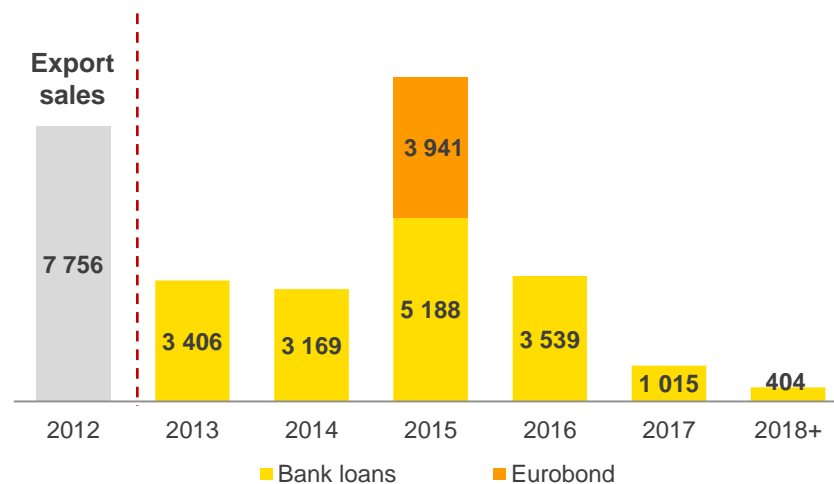
Capex* drivers in 2012, UAH mln



DEBT PROFILE

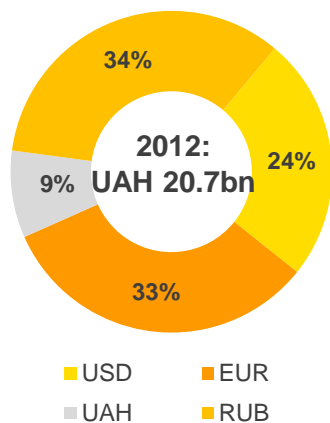
- 98% of debt is unsecured
- FX debt service requirements fully covered by FX revenues
- Comfortable maturity profile with a potential for further improvement as a result of a partial buy-back of Eurobonds due 2015 funded by issuance of a longer-term instrument

Debt maturity profile as of 31 Dec 2012**, UAH mln

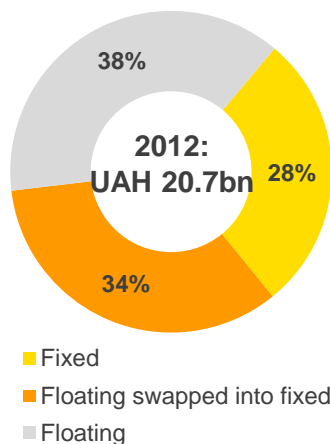


Debt composition*

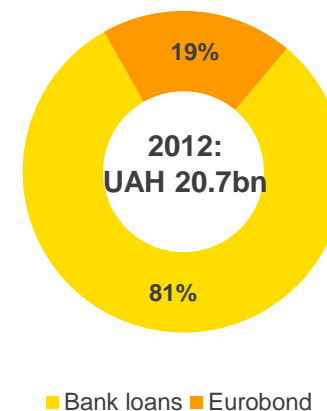
by currency*



by interest rate*



by source

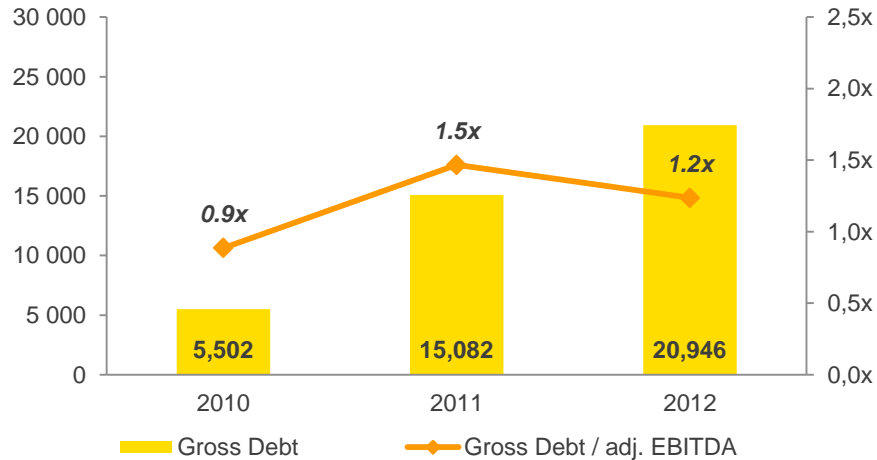


(*) Debt composition excluding fair value loss on the gross-settled derivative financial instruments (UAH 284 mln in 2012)

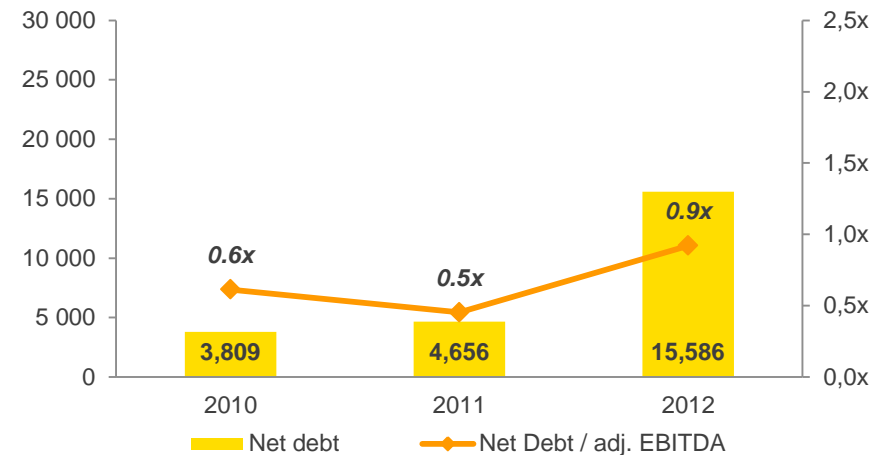
(**) Based on maturities of tranches within revolving facilities as of 31 Dec 2012, final maturities of revolving facilities not taken into account; based on the carrying amount of borrowings, incl. accrued interest

LEVERAGE METRICS

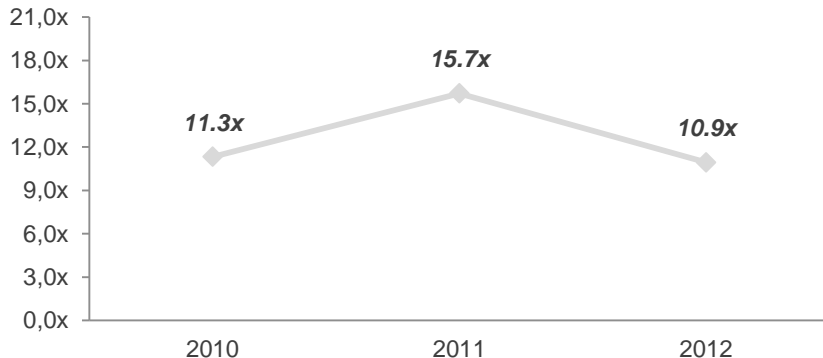
Gross Debt (UAH mln) and Gross Debt / adj. EBITDA (x)



Net debt (UAH mln) and Net Debt / adj. EBITDA (x)



Interest coverage ratio



- Track record of sustainable leverage levels despite M&A activity and sizeable investment programme
- Ample covenant headroom as of end of 2012
- Supportive shareholder, historically low dividend payouts

(*) Gross debt represents borrowings both current and non-current and fair value loss of the gross-settled derivative financial instruments – UAH 284 mln in 2012 (2011: nil);

(**) Adjusted EBITDA represents our profit for the year after excluding the following non-operating income statement items: foreign exchange losses less gains from borrowings, certain finance costs, income tax expense, depreciation and amortization, recognition of loss from fair valuation of associate on transfer to subsidiary, recognition of AFS reserve on transfer to associate, impairment of investment in associates, gain on a bargain purchase, impairment of property, plant and equipment and certain foreign exchange differences;

(***) Net debt represents gross debt less cash and cash equivalents;

(****) Interest expense represents interest expense on borrowings (both current and non-current) and bonds issued

DTEK IS WELL POSITIONED TO FACE KEY BUSINESS CHALLENGES

Key business challenges

Macroeconomic situation in Ukraine

DTEK's response / Mitigating factors

- DTEK services key industrial areas and strong companies with more sustainable demand
- Energy consumption has been stable recently, no negative tendencies observed at the moment
- Track record of the healthy profitability margins

Hryvnia devaluation

- FX revenues provide natural hedge for hard-currency denominated debt service
- Devaluation may result in tariff hikes to keep attractiveness of coal supply to TPGs (vs. export)
- Hryvnia devaluation would be expected to have a positive effect on export revenues and EBITDA
- Due to low volumes of debt, leverage is not expected to increase substantially

Unfavorable changes in tariffs

- Low cost generator with own feedstock base – least affected by tariff declines
- Government is not interested in decrease of energy system reliability
- Option to sell coal in the export markets instead of supplying to the power generation segment

Aging production assets

- Availability of spare capacities to replace aging production assets
- Sufficient cash flows to invest in modernization and retrofits (partially supported by investment mark-ups in tariffs)
- Expected implementation of RAB-based tariffs will allow for additional investments in electricity distribution

Liquidity access and funding conditions

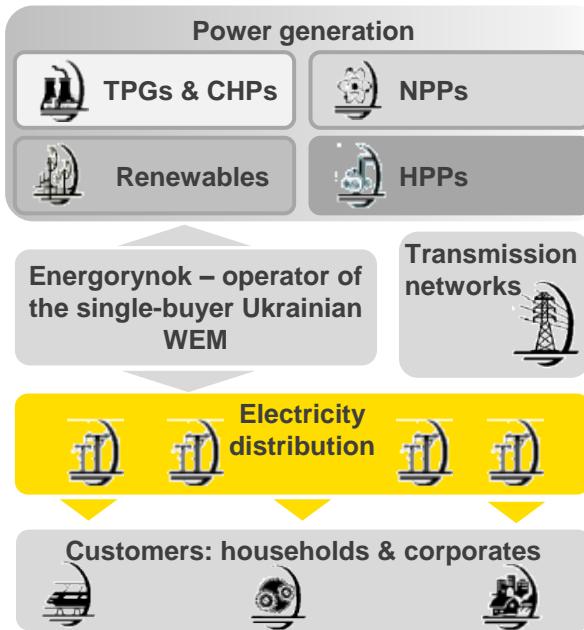
- One of the strongest credits in Ukraine favored by both local and international creditors
- Historically healthy operating cash flow generation
- Comfortable repayment schedule during 2013-14
- Track record of funding during loan and bond market downturns

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UKRAINE ENERGY MARKET EVOLUTION

Current model - Single buyer pool



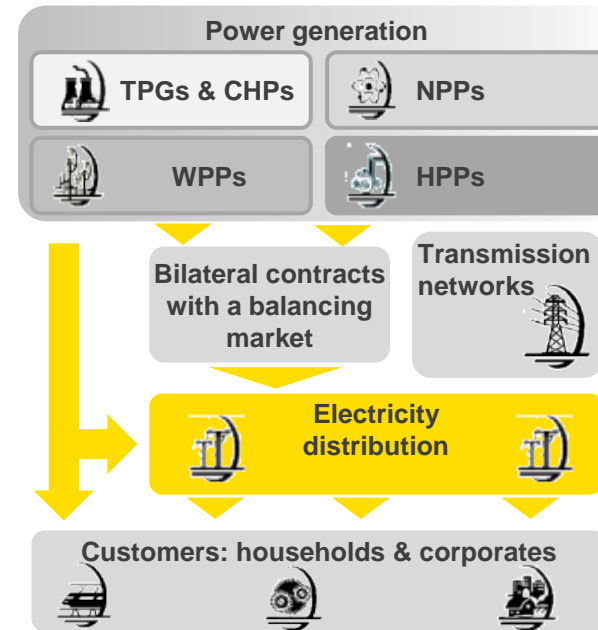
Advantages of the current model:

- Simple in arrangements and price-setting. Pricing mechanism:
 - day-ahead bidding system for thermal power generators
 - regulated tariffs imposed on nuclear and hydro-power generators
 - electricity tariffs for end customers set by state on a cost-plus basis
 - inclusion of investment mark-ups into generation and distribution tariffs on a case-by-case basis
- Practically guaranteed purchases of electricity from generation companies

Drawbacks of the current model:

- High level of administrative interference
- Imperfect price-setting system, cross-subsidies
- No market system and ancillary services

New model - Bilateral contracts with a balancing market



New market model characteristics:

- Based on the concept of bilateral contracts between generation companies and electricity suppliers
- Suppliers, at an unregulated tariff, supply electricity to qualified consumers, suppliers, at a regulated tariff, supply it to unqualified consumers
- The process of centralized planning and managing of electricity generation schedules by the market is replaced with a process of load schedules being compiled based on consumer use, supplier load and volume
- The balancing mechanism provides for balancing deviations in the declared amounts of electricity generation and actual consumption. The operator controls fulfillment of load schedules and can manage imbalances in the system

Advantages of the new market model:

- Competition-based
- Low administrative interference
- Favorable investment climate

OWNERSHIP STRUCTURE*

Experienced and committed strategic ownership of DTEK:

- Substantial benefit from the experience and strategic vision of the Group's UBO – Mr. Akhmetov
- DTEK is part of SCM – leading financial and industrial group in Ukraine



Coal Production

DTEK Pavlogradugol PJSC	99.92%
DTEK Mine Komsomolets Donbasa PJSC	94.64%
DTEK Dobropolyeugol LLC**	100%
Bilozeska Mine ALC	95.44%
DTEK Rovenkianthracite LLC**	100%
DTEK Sverdlovanthracite LLC**	100%
DTEK Dobropolskaya CEP PJSC	60.06%
DTEK Oktyabrskaya CEP PJSC	60.85%
CCM Pavlogradskaya LLC	99%
CCM Kurahovskaya LLC	99%
Mospino CPE LLC	99%
Pershotravensky RMZ LLC	99.92%
Ekoenergoresurs LLC	99%
Public Company Don-Anthracite	100%
Sulinanthracite LLC	100%
Public Mining Corporation Obukhovskaya	100%



Power Generation

DTEK Skhidenergo LLC	100%
Tehrempostavka LLC	100%
Wind Power LLC	100%
DTEK Dniproenergo PJSC	73.30%
DTEK Zakhidenergo PJSC	72.19%
Kyivenergo JSC	72.33%



Power Distribution

Servis-Invest LLC	100%
DTEK Energougol ENE PJSC	94.24%
DTEK Donetskoblenergo PJSC	71.35%
Kyivenergo JSC	72.33%
DTEK Dniprooblenergo PJSC	51.51%
DTEK Krymenergo PJSC	57.60%

(*) Legal names are given as per constituent documents; (**) Dobropolyeugol has a 49 year lease on mining assets. Rovenkianthracite and Sverdlovanthracite have 49 year concessions in relation to the mining assets they operate
Ownership data as of December 31, 2012

DTEK IS FAVORABLY POSITIONED AMONG CEEMEA INDUSTRY PEERS (FY2012)

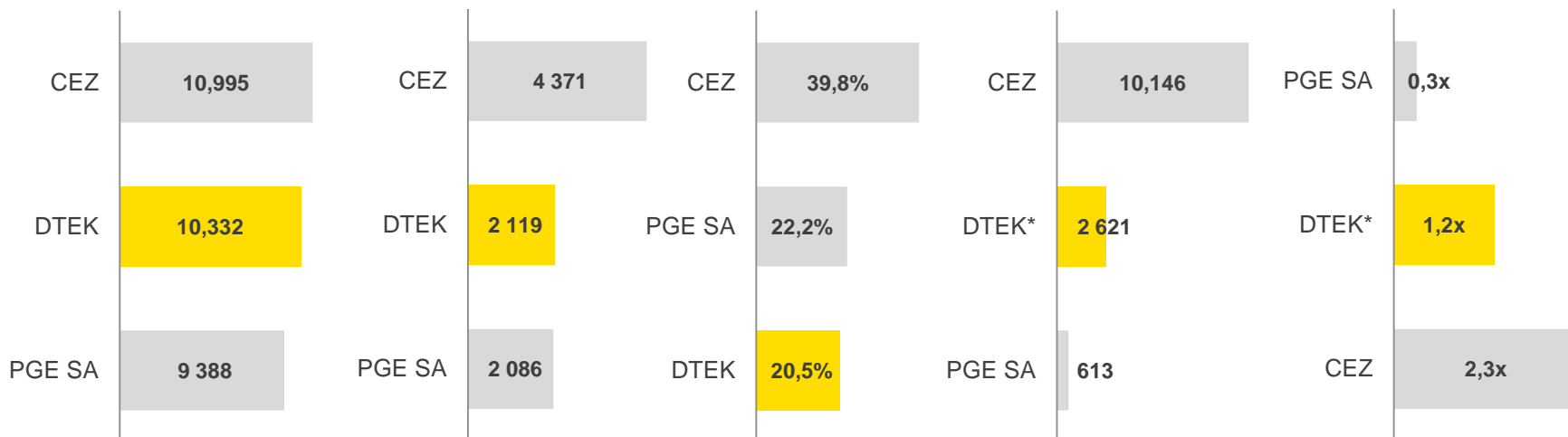
Revenue, *USD mln*

EBITDA, *USD mln*

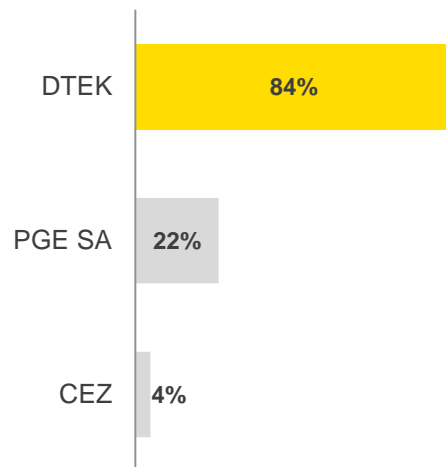
EBITDA margin, %

Gross debt, *USD mln*

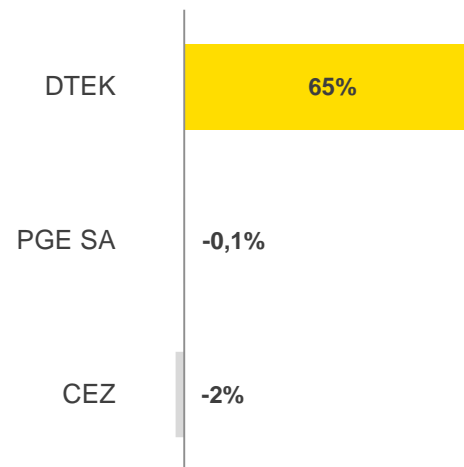
Gross Debt/EBITDA, x



Revenue dynamics, CAGR 2010-2012



EBITDA dynamics, CAGR 2010-2012



Source: Companies' reported data as of FY'2012;

(*) Gross debt for DTEK in 2012 represents borrowings both current and non-current and fair value loss of the gross-settled derivative financial instruments – UAH 284 mln in 2012
 FX rates used for translation purposes: USD/UAH FY2012 average rate – 7.991, FY2012 period end rate – 7.993; USD/CZK FY2012 average rate – 19.563, FY2012 period end rate – 19.013; USD/PLN FY2012 average rate – 3.255, FY2012 period end rate – 3.095



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