

CODE OF BUSINESS CONDUCT AND ETHICS

**(as adopted February 3, 2004)
(revised September 19, 2006)**

This Code of Business Conduct and Ethics is a guide to assist the directors, Chief Executive Officer, Chief Financial Officer, senior executive officers and all employees of DPL Inc. and its subsidiaries (the "Company") to meet and adhere to the high ethical standards of the Company. This Code is neither a contract nor a comprehensive manual that covers every situation employees might encounter. Rather, it is a guide that highlights key issues and identifies policies and resources to help employees make appropriate decisions.

In addition, for purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the Securities and Exchange Commission (the "SEC") promulgated thereunder, this Code shall constitute the Company's code of ethics for "Senior Financial Officers" (as defined herein).

RESPONSIBILITY AND ACCOUNTABILITY

Each director, officer and employee of the Company has the personal responsibility to make sure that his or her actions abide by this Code and the laws that apply to the Company's business. The Company expects compliance with this Code and any applicable law by directors and all employees at every level. If you have any questions or concerns about this Code or illegal or unethical acts, you should consult with the Corporate Governance Counsel. Each director and employee is expected to read the entire Code and certify compliance with this Code. Keep in mind that employees who violate the spirit or letter of this Code or applicable law are subject to disciplinary and/or corrective measures appropriate to the violation, up to and including termination of employment. Violation of this Code can also mean breaking the law, subjecting the employee and the Company to criminal penalties (fines or jail sentences) or civil actions (damage awards or fines).

As to executive officers and directors of the Company, the requirement that you adhere to this Code may only be waived by the Board of Directors of the Company, and, in accordance with applicable law and the listing standards of the New York Stock Exchange ("NYSE"), the Company will promptly disclose to the Company's stockholders any waiver of the Code made by the Board of Directors on behalf of any executive officer or director.

Although all directors, officers and employees should strive to advance the Company's goals of conducting its business and affairs in accordance with applicable laws, rules and regulations and maintaining the highest standards of ethical conduct, the Company's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer (collectively, the "Senior Financial Officers") have an enhanced responsibility to create an environment within the Company in which compliance with the Code is treated as a serious obligation and in which violations of the Code are not tolerated. In addition, the Senior Financial Officers will establish and, if necessary, modify the procedures by which violations of the Code are to be reported.

OUR RESPONSIBILITY TO EMPLOYEES

Constant Respect. We are committed to providing equal employment and advancement opportunities for all individuals without distinction or discrimination based upon an individual's race, color, sex, national origin, age, religion, creed, disability, marital status, pregnancy, sexual orientation, veteran status, citizenship or any other characteristic protected by law. We evaluate all our employees on the basis of their performance and provide them with honest and fair feedback in this regard. We cannot accept false and malicious statements or similar actions by our employees, which may cause damage to our customers, employees or stockholders, the Company itself or the community.

Based on our values and commitment, we always aim at resolving problems in a way that is respectful to the individual and pursue solutions which, to the extent possible, adequately take into account the interests and requirements of the individuals concerned. We ensure that appropriate procedures are in place to resolve any employment-related problem seriously, confidentially and as quickly as possible.

Harassment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. We encourage you to speak out when a coworker's conduct makes you uncomfortable, and to report harassment to a supervisor when it occurs.

Safety and Health. We are all responsible for maintaining a safe workplace by following safety and health rules and practices. We are all responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person.

OUR RESPONSIBILITY TO BUSINESS PARTNERS

Agents and Consultants. Commission rates or fees paid to dealers, distributors, agents, finders or consultants must be reasonable in relation to the value of the product or work that is actually being done. We will not pay commissions or fees that we have reason to believe will become bribes.

Subcontractors. Subcontractors play a vital role in the fulfillment of many of our contracts. In some cases, the subcontractor is highly visible to our customers. It is therefore very important to communicate to our subcontractors that we expect them to comply with this Code in performing services on behalf of the Company.

Purchasing Practices. Purchasing decisions must be made based solely on the Company's best interests. Third parties win Company business based on product or service suitability, price, delivery and quality. Purchasing agreements should be documented and clearly identify the requirements or other services to be provided, the basis for earning payment, and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided.

OUR RESPONSIBILITY TO STOCKHOLDERS

Protecting Company Assets. All directors, officers and employees have a responsibility to protect the Company's assets entrusted to us from loss, damage, misuse or theft and to ensure their efficient use. Company assets, such as cash, investments, funds, inventories, equipment, or computers, may only be used for legitimate business purposes. Company assets may never be used for illegal purposes.

All employees have a responsibility to prevent and detect fraud. Fraud is any act or omission, constituting an illegal act, theft, dishonesty or intentional deception which may result in financial loss to DPL, its customers, or shareholders, whether or not there is personal benefit to the employee or individual committing the fraud.

The responsibility to prevent and detect fraud also includes reporting all suspicions of fraudulent activity. Employees should also report all weaknesses in internal controls or business processes that could allow a fraud to be perpetrated. Any suspicious activity or control weakness should be immediately reported to the employee's supervisor, the Legal Department, or the Employee Hotline.

Corporate Opportunities. Directors, officers and employees are prohibited from (1) taking for themselves personally any opportunities that are discovered through the use of Company property, information or position; (2) using corporate property, information or position for personal gain; and (3) competing with the Company, including engaging in outside jobs or other business activities involving a firm which is competing with, selling to, or buying (except for electric services) from the Company. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

It may be difficult to decipher whether or not a particular personal benefit is proper, as sometimes both personal and Company benefits may be derived from certain activities. The best course of action in these circumstances is to consult with the appropriate Company officer.

Confidential Information. Confidential information includes any information that is not generally known to the public and is helpful to the Company or would be harmful to the Company if it were disclosed to competitors. Confidential information also includes information that suppliers and customers have entrusted to us. Confidential information includes, for example, any nonpublic information concerning the Company, including its business, properties, financial performance, results or prospects, and any nonpublic information provided by a third party with the expectation or contractual agreement that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Directors, officers and employees must safeguard all confidential information, keep it secure and limit access to those who have a need to know in order to do their jobs. Directors, officers and employees shall not, without proper authority, give or release to anyone confidential information of the Company, its subsidiaries or their customers.

Information generated in our business is a valuable company asset. Typical of such information are business, research and new product plans; objectives and strategies; trade secrets; unpublished financial or pricing information; processes and formulas; computer programs; salary and benefits data; employee medical information; and employee, customer and vendor lists.

In addition, it is the Company's policy to only use customer information for the Company's business and to not release such information for any other purpose, unless required by law or a court order. The obligation to preserve confidential information continues even after employment ends. In this regard, directors, officers and employees, are prohibited from taking confidential information with them upon termination of employment with the Company or from using or disclosing such information for any purpose elsewhere, including with a different employer or company. Any confidential information must be promptly returned to the Company upon termination of employment or affiliation with the Company.

Inside Information and Securities Trading. It is a violation of the federal securities laws and Company policy for any person to buy or sell securities of the Company if he or she is in possession of material, non-public information. Information is "material" if it could affect a reasonable person's investment decision whether to buy, sell or hold a company's securities. Information is non-public if it has not been disclosed to the public and, even after disclosure has been made, until a reasonable time has passed after it has been disclosed by means likely to result in widespread public awareness. Material information includes, for example, a company's anticipated earnings, plans to acquire or sell significant assets and changes in senior executives. Directors, officers and employees should try to limit transactions to times when it can reasonably be assumed that all material information about the Company has been disclosed. Officers and directors of the Company, in particular, should consult with the Chief Executive Officer regarding the safest times to trade in the Company's securities.

Furthermore, it is illegal for any person in possession of material, non-public information to provide another person with such information or to recommend that he or she buy or sell the Company's stock. In that case, both the "tippee" and the "tipper" may be liable. It also violates Company policy for any person to use such non-public information for personal benefit or to improperly disclose it to others outside the Company.

These prohibitions also apply to material, non-public information about any other company that has been obtained in the course of a person's work for the Company.

Accuracy of Company Records. It is the policy of the Company to fully and fairly disclose the financial condition of the Company in compliance with applicable accounting principles, laws, rules and regulations. All books and records of the Company shall be kept in such a way as to fully and fairly reflect all Company transactions. Those who perform accounting and finance related duties shall (1) act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships, (2) provide information that is accurate, complete, objective, relevant, timely and understandable, (3) comply with rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies and (4) act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.

Public Disclosure. It is the Company's policy that the information in its public communications and disclosures, including its filings with the SEC, be full, fair, accurate, timely and understandable. All directors, officers and employees who are involved in the Company's disclosure process, including the Senior Financial Officers, are responsible for acting in furtherance of this policy. Specifically, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts regarding the

Company to others, whether within or outside the Company, including the Company's independent auditors. In addition, any director, officer or employee who has a supervisory role in the Company's disclosure process has an obligation to diligently discharge his or her responsibilities.

The Senior Financial Officers, in particular, must act in good faith and with due care and diligence in connection with the preparation of the Company's public disclosures. The Senior Financial Officers must ensure that the financial statements and reports submitted to the SEC are full, fair, accurate, timely and understandable. The Senior Financial Officers must also promptly report any irregularities or deficiencies in the Company's internal controls for financial reporting to the Audit Committee or the Board of Directors.

Recording and Retaining Business Communications. All business records and communications should be clear, truthful and accurate. Business records and communications often become public through litigation, government investigations and the media. Records should always be retained according to the Company's record retention policies. In addition, directors, officers and employees must adhere to appropriate procedures governing the destruction of the Company's records, consistent with applicable laws, regulations, Company policies and business needs. No person should destroy, alter or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation. You should consult with, and follow the instructions of, the appropriate supervisor in these situations.

Inquiries for Information. The Company must be made aware of any inquiries from the government, the financial/analyst community or the media so that it can properly and thoroughly respond. If you are contacted by a representative of the governmental agency seeking an interview or making a non-routine request for documents, you should immediately contact the Company's Legal Department so that appropriate arrangements can be made to fully comply with the Company's legal obligations. No employee is authorized to speak with analysts or members of the media or financial community unless specifically authorized by the Chief Financial Officer.

Protecting Company Information. Employees who have access to proprietary and confidential information are obligated to safeguard it from unauthorized access and (1) not disclose this information to persons outside the Company, (2) not use this information for personal benefit or the benefit of persons outside of the Company, and (3) not share this information with other employees except on a legitimate "need to know" basis.

Written approval from the Legal Department is required before this information can be released outside the Company.

OUR RESPONSIBILITY TO COMPETITORS

Competitive Information. Competitive information is a valuable tool that allows us to understand and manage our markets and services so we can better meet our customers' needs. It is important that we comply with applicable law in acquiring information, which, of course, prohibits theft, blackmail, wiretapping, electronic eavesdropping, bribery, improper inducement, receiving stolen property, threats, and other improper methods. It is also important that we acquire information ethically. We must not misrepresent who we are or who we work for. We will respect the confidentiality of our competitors' and suppliers' information.

Directors, officers or employees who question whether an action may violate competition laws should speak to the appropriate senior officer.

OUR RESPONSIBILITY TO COMMUNITIES

Employees are encouraged and free to support community, charity and political organizations and causes of their choice, as long as they make it clear that their views and actions are not those of the Company. Furthermore, directors, officers and employees must ensure that their outside activities do not interfere with their job performance.

No person may pressure another person to express a view that is contrary to a personal belief, or to contribute to or support political, religious or charitable causes.

OUR RESPONSIBILITY TO GOVERNMENTS

Compliance with the Law. Company directors, officers and employees are required to comply with all applicable laws and regulations wherever the Company conducts business. Perceived pressures from supervisors or demands due to business conditions are not excuses for violating the law. When you have any questions or concerns about the legality of an action, you are responsible for checking with management.

Company Political Activities. No employee may, except with approval from the Chief Executive Officer, make any political contribution for the Company or use the Company's name, funds, property, equipment or services for the support of political parties, initiatives, committees or candidates. This includes any contribution of value. Additionally, lobbying activities or government contacts on behalf of the Company, other than sales activities, should be coordinated with the Chief Executive Officer.

Codes of Conduct. The Company's utility company is subject to state and federal codes of conduct designed to ensure that the Company's utility company does not subsidize or otherwise grant an undue preference or advantage to its affiliate companies or non-regulated marketing functions. Employees are expected to familiarize themselves with any codes of conduct applicable to their positions.

Anti-Corruption Laws. The Company will comply with the anti-corruption laws of the countries in which it does business, including the U.S. Foreign Corrupt Practices Act (FCPA), which prohibits American businesses, and in many cases their foreign subsidiaries, from offering, paying or authorizing payment to foreign government officials, political parties or their officials, or political candidates. Employees will not directly or indirectly offer or make a corrupt payment to government officials, including employees of state-owned enterprises.

The Senior Financial Officers, in particular, have a responsibility to ensure compliance with the applicable rules and regulations of federal, state and local governments and of appropriate public and private regulatory agencies or organizations. In addition to adhering to established Company policies and procedures, these individuals must take steps to ensure that other employees and officers follow such policies and procedures.

Any director, officer or employee who is uncertain about the legal rules and regulations to which he or she or the Company is subject should consult with the appropriate senior officer.

FAIR DEALING

Each director, officer and employee shall endeavor to deal fairly and in good faith with the Company's customers, stockholders, employees, suppliers, regulators, business partners, competitors and others. No director, officer or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation, fraudulent behavior or any other unfair dealing practice.

CONFLICTS OF INTEREST

General Guidance. Business decisions and actions must be based on the best interests of the Company and its stockholders, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment of directors, officers and employees on behalf of the Company. It is the responsibility of each director, officer and employee to (1) report to the Governance Counsel all outside participation in any outside business relationship which might involve a conflict of interest and (2) accurately and timely complete the Company's "Annual Questionnaire Concerning Potential Conflicts of Interest," if applicable.

Outside Employment. Any outside activity must be strictly separated from Company employment and should not harm job performance at the Company. Employees may not work for or receive payments for services from any competitor, customer, distributor or supplier of the Company without approval of management. The preceding restriction shall not apply to employees who work for or receive payments for services from any competitor, customer, distributor or supplier that only receives tariffed electric services from the Company.

Board Memberships. Serving on the Board of Directors or a similar body for an outside company, government agency or non-profit or community organizations requires notice to the Chief Executive Officer.

Family Members and Close Personal Relationships. No person may use personal influence to get the Company to do business with a company in which such person's family members or friends have an interest.

Investments. Company directors, officers and employees may not allow their investments to influence, or appear to influence, their independent judgment on behalf of Company. The appearance of a conflict of interest is most likely to arise if a person has an investment in a competitor, supplier, customer or distributor and his decisions may have a business impact on this outside party. If there is any doubt about how an investment might be perceived, it should be discussed with management and the Governance Counsel.

Company directors, officers and employees are also prohibited from directly or indirectly buying, or otherwise acquiring rights to, any property or materials, when such persons are aware that the Company may be interested in pursuing such an opportunity and the information is not public.

Personal Benefits. In order to safeguard integrity and reflect the highest ethical standards, this provision governing personal benefits applies to the Company's directors, officers and employees or their immediate family members (spouse, father, son, daughter, brother, sister, any of the step or in-law relations, whether established by blood or marriage, or anyone otherwise living in the same household of any of the preceding family members).

Loans, Cash and Securities. Loans, cash, securities or their equivalent may not be accepted or requested from any existing or potential supplier, vendor, contractor, customer, competitor, regulator, or others that do business or are trying to do business with the Company except as on the same terms as offered to the general public.

Gifts, Favors, Benefits and Discounts. Accepting gifts, favors, benefits and/or discounts are neither encouraged nor a prerequisite to doing business with the Company. The value of gifts, favors, benefits and discounts may be difficult to ascertain. Gifts may be accepted if the gift has a value of \$100.00 or less. No gift, favor, benefit or discount, regardless of value, should be accepted if it could, or if it gives the appearance that it could, improperly influence our business relationship with or create an obligation to an existing or potential supplier, vendor, contractor, customer, competitor, regulator, or others that do business or are trying to do business with the Company; violate the law, our Regulations or this Code of Business Conduct and Ethics; or otherwise cause potential embarrassment to the Company. Gifts, favors or benefits and discounts should only be accepted when consistent with customary business practices.

Meals and Entertainment. There are times when the receipt of a meal or entertainment is acceptable and helpful to conducting business. However, such meals and entertainment are neither encouraged nor used as a prerequisite to doing business with the Company and may be accepted in accordance with the following guidelines only when consistent with customary business practices:

- A. The cost or value must be reasonable and not lavish. While it is difficult to determine what is "reasonable" versus "lavish" by means of a specific dollar amount, each director, officer and employee should use sound judgment to determine what is appropriate, considering the circumstances and their position with the Company.
- B. The meal or entertainment occurs infrequently.

Reporting. Quarterly each director, officer and employee shall provide a report to General Counsel on any (1) gifts, meals or entertainment accepted from an existing or potential supplier, vendor, contractor, customer, competitor, regulator, or others that do business or are trying to do business with the Company where the estimated value of any gifts, meals and entertainment in the aggregate exceeds \$300.00 for the quarter and (2) favors, benefits or discounts accepted from or through an existing or potential supplier, vendor, contractor, customer, competitor, regulator, or others that do business or are trying to do business with the Company. Disclosure is not required for favors, benefits or discounts extended to all Company directors, officers and employees.

APPLICATION OF THIS CODE TO DIRECTORS

This Code applies to each director that serves on the Board of Directors of the Company to the extent relevant. Directors are expected to lead the Company according to this Code and the Company's standards of ethical conduct.

REPORTING CONCERNS

There are no easy answers to many ethical issues we face in our daily business activities. When an employee is faced with a tough ethical decision or whenever they have any doubts as to the right thing to do, they should talk to their supervisor, another manager or the Company's Governance Counsel. The Company has also established a system for reporting violations of any of the Company policies, as well as any suspected misconduct by an employee or representative of the Company. This may be done anonymously by calling the telephone number posted in the employee handbook and intranet site.

If you wish to register any complaints directly to the Audit Committee of the Board of Directors regarding accounting, internal accounting controls or auditing matters, or if you wish to deliver an anonymous submission of concerns regarding questionable accounting or auditing matters, you may write the Chairman of the Audit Committee at the address published on the Company's website or call the Company's hotline telephone number.

The Company will not permit any form of retribution against any person who, in good faith, reports violations or suspected violations of any law or Company policy. The Company shall take such disciplinary, corrective or preventative action as it deems appropriate to address any existing or potential violation of this Code brought to its attention.