Plan assets are invested using a total return investment approach whereby a mix of equity securities, debt securities and other investments are used to preserve asset values, diversify risk and achieve our target investment return benchmark. Investment strategies and asset allocations are based on careful consideration of plan liabilities, the plan's funded status and our financial condition. Investment performance and asset allocation are measured and monitored on an ongoing basis.

On November 26, 2007, **DP&L** contributed $27.4 million in **DPL** common stock from its Master Trust assets to the Retirement Income Plan to fully fund the pension liability as of December 31, 2007. **DPL** common stock is now 9% of plan assets.

Our expected return on plan asset assumptions, used to determine benefit obligations, are based on historical long-term rates of return on investment, which use the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors, such as inflation and interest rates, as well as asset diversification and portfolio rebalancing, are evaluated when long-term capital market assumptions are determined. Peer data and historical returns are reviewed to verify reasonability and appropriateness.

Our overall expected long-term rate of return on assets is approximately 8.50% for pension plan assets and approximately 6.00% for retiree benefit plan assets. This expected return is based exclusively on historical returns, without adjustments. There can be no assurance of our ability to generate that rate of return in the future.

Our overall discount rate was evaluated in relation to the December 31, 2008 Hewitt Yield Curve which represents a portfolio of top-quartile AA-rated bonds used to settle pension obligations. Peer data and historical returns were also reviewed to verify the reasonableness and appropriateness of our discount rate used in the calculation of benefit obligations and expense.

The weighted average assumptions used to determine benefit obligations for the years ended December 31 were:

Benefit Obligation Assumptions

	Pension		Postretirement	
	2008	2007	**2008**	2007
Discount rate for obligations	**6.25%**	6.00%	**6.25%**	6.00%
Rate of compensation increases	**5.44%**	5.44%	**N/A**	N/A

The weighted-average assumptions used to determine net periodic benefit cost (income) for the years ended December 31 were:

Net Periodic Benefit Cost (Income) Assumptions

	Pension			Postretirement		
	2008	2007	2006	**2008**	2007	2006
Discount rate	**6.00%**	5.75%	5.75%	**6.00%**	5.75%	5.75%
Expected rate of return on plan assets	**8.50%**	8.50%	8.50%	**6.00%**	6.75%	6.75%
Rate of compensation increases	**5.44%**	5.44%	5.44%	**N/A**	N/A	N/A

The assumed health care cost trend rates at December 31 are as follows:

Health Care Cost Assumptions

	Expense		Benefit Obligations	
	2008	2007	**2008**	2007
Current health care cost trend rate	**10.00%**	10.00%	**9.50%**	10.00%
Ultimate health care cost trend rate	**5.00%**	5.00%	**5.00%**	5.00%
Ultimate health care cost trend rate – year	**2013**	2012	**2014**	2013

The assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects on the net periodic postretirement benefit cost and the accumulated postretirement benefit obligation:

Effect of Change in Health Care Cost Trend Rate

$ in millions	Increase 1%	Decrease 1%
Service cost plus interest cost	$ 0.1	$ (0.1)
Benefit obligation	$ 1.5	$ (1.4)

The following benefit payments, which reflect future service, are expected to be paid as follows:

Estimated Future Benefit Payments

$ in millions	Pension	Postretirement
2009	$ 20.1	$ 2.7
2010	$ 20.5	$ 2.7
2011	$ 20.9	$ 2.6
2012	$ 21.5	$ 2.5
2013	$ 22.2	$ 2.4
2014 – 2018	$ 117.1	$ 9.7

We expect to contribute $0.4 million to our pension plans and $2.7 million to our other postretirement benefit plans in 2009.

The Pension Protection Act (the Act) of 2006 contained new requirements for our single employer defined benefit pension plans. In addition to establishing a 100% funding target for plan years beginning after December 31, 2008, the Act also limits some benefits if the funded status of pension plans drops below certain thresholds. Among other restrictions under the Act, if the funded status of a plan falls below a predetermined ratio which will increase to 80%, lump-sum payments to new retirees are limited to 50% of amounts that otherwise would have been paid and new benefit improvements may not go into effect. This 80% funding threshold will be phased-in through 2011 with 65% being the applicable ratio for 2008. For the 2008 plan year, the funded status of our defined benefit pension plan as calculated under the requirements of the Act was 83% and is estimated to be 80% for the 2009 plan year. The Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), which was signed into law on December 23, 2008, grants plan sponsors certain relief from funding requirements and benefit restrictions of the Act. **DPL** and **DP&L** are in the process of evaluating the impact of this legislation on the funding requirements and benefits restrictions of the Act. We do not expect the requirements of the Act to have a material impact on our overall results of operations, financial position or cash flows.

10 Financial Instruments

In the normal course of business, **DPL** and **DP&L** enter into various financial instruments, including derivative financial instruments. A description of these financial instruments is as follows:

Derivatives

We use derivatives principally to manage the risk of changes in market prices for commodities. The derivatives that we use to hedge these risks are governed by our risk management policies for forward contracts, futures, options, and swaps. Our net positions are continually assessed within our structured hedging programs to determine whether new or offsetting transactions are required. The objective of the hedging program is generally to mitigate financial risks while ensuring that sufficient volumes are available to meet our requirements. We monitor and value derivative positions monthly as part of our risk management processes. We use published sources for pricing when possible to mark positions to market. We rely on modeled valuations only when no other method exists.

Cash Flow Hedges

Our risk management processes identify the relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. The mark-to-

market value of cash flow hedges as determined by current public market prices will continue to fluctuate with changes in market prices up to contract expiration. The effective portion of the hedging transaction is recognized in Other Comprehensive Income (OCI) and transferred to earnings when the hedged forecasted transaction takes place or when the hedged forecasted transaction is no longer probable of occurring. The ineffective portion of the cash flow hedge is recognized in earnings in the current period.

These instruments are used to hedge the risk of price changes for sales and purchases of power. All risk components were taken into account to determine the hedge effectiveness of the cash flow hedges. Power hedges are usually transacted over a 1 to 3 month period. We recognized unrealized losses on our forward power cash flow hedges of $0.3 million and $1.5 million in OCI in 2008 and 2007, respectively. Approximately $0.3 million of accumulated losses in OCI related to the above mentioned power hedges are expected to be reclassified to earnings over the next twelve months.

Changes in interest rates expose **DPL** and **DP&L** to risk as a result of the issuance of corporate bonds. In 2003, we entered into an interest rate hedge to manage risk. The balance of the remaining deferred gain from the interest rate hedge in OCI was $17.2 million and $19.7 million in 2008 and 2007, respectively. Approximately $2.5 million of accumulated gains in OCI related to the above referenced interest rate hedge are expected to be reclassified to earnings over the next twelve months.

The following table provides information concerning gains or losses recognized in OCI for the cash flow hedges:

	December 31, 2008		December 31, 2007		December 31, 2006	
$ in millions	Power and Capacity	Interest Rate Hedge	Power and Capacity	Interest Rate Hedge	Power and Capacity	Interest Rate Hedge
Beginning accumulated derivative (gain) / loss in OCI	**$ 1.5**	**$ (19.7)**	$ (3.2)	$ (22.1)	$ 0.3	$ (24.6)
Net change associated with current period hedging transactions	**(7.4)**	**–**	0.5	–	(9.4)	–
Net amount of any reclassifications into earnings	**6.2**	**2.5**	4.2	2.4	5.9	2.5
Ending accumulated derivative (gain) / loss in OCI	**$ 0.3**	**$ (17.2)**	$ 1.5	$ (19.7)	$ (3.2)	$ (22.1)

Mark to Market

Certain derivative contracts are entered into on a regular basis as part of our risk management program but do not qualify for hedge accounting or the normal purchase and sales exceptions under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Accordingly, such contracts are recorded at fair value with changes in the fair value charged or credited to the income statement in the period in which the change occurred. Contracts we enter into as part of our risk management program may be settled financially, by physical delivery, or net settled with the counterparty.

Master Trust Assets

DP&L established a Master Trust to hold assets for the benefit of employees participating in **DP&L's** Deferred Compensation Plan and other employee benefit purposes and these assets are not used for general operating purposes. These assets are primarily comprised of mutual funds and **DPL** common stock. The **DPL** common stock held by the Master Trust in **DP&L's** consolidated balance sheet is eliminated in consolidation and is not reflected in **DPL's** consolidated balance sheet. These assets are valued using current public market prices on a quarterly basis. Any unrealized gains or losses are recognized in Other Comprehensive Income until the securities are sold.

DPL recognized $6.2 million of unrealized gains on the Master Trust assets in OCI in both 2008 and 2007 and $6.6 million and $5.9 million of unrealized losses in OCI in 2008 and 2007, respectively. **DP&L** recognized $17.0 million and $31.2 million of unrealized gains and $6.6 million and $5.9 million of unrealized losses in OCI in 2008 and 2007, respectively. No unrealized gains or losses are expected to be transferred to earnings in 2009.

Transfer of Master Trust Assets to Pension

On October 26, 2007, the Board of Directors approved a resolution permitting the transfer of 925,000 shares of **DPL Inc.** common stock from the **DP&L** Master Trust to The Dayton Power and Light Company Retirement Income

Plan Trust (Pension). This transaction was completed on November 26, 2007, contributing shares of common stock with a fair value of $27.4 million to the Pension and resulting in a fully funded status at December 31, 2007.

Long-term Debt

Long-term debt is fair valued based on current public market prices for disclosure purposes only. Unrealized gains or losses are not recognized in the financial statements, as long-term debt is presented at amortized cost in the financial statements. The long-term debt amounts include the current portion payable in the next twelve months and have maturities that range from 2009 to 2040.

The fair values of our financial instruments and debt are based on market quotes of similar instruments and represent estimates of possible value that may not be realized in the future. The table below presents the fair value and cost of these instruments at December 31, 2008 and 2007.

	At December 31,			
	2008		2007	
$ in millions	**Cost**	**Fair Value**	Cost	Fair Value
DPL Inc.				
Assets				
Master Trust Assets	**$ 13.6**	**$ 13.1**	$ 9.2	$ 9.6
Derivative Assets	**–**	**–**	0.4	0.4
Total Assets	**$ 13.6**	**$ 13.1**	$ 9.6	$ 10.0
Liabilities				
Debt	**$ 1,551.8**	**$ 1,470.5**	$ 1,642.2	$ 1,664.3
Derivative Liabilities	**–**	**6.6**	–	1.5
Total Liabilities	**$ 1,551.8**	**$ 1,477.1**	$ 1,642.2	$ 1,665.8
DP&L				
Assets				
Master Trust Assets	**$ 29.9**	**$ 40.2**	$ 30.5	$ 56.0
Derivative Assets	**–**	**–**	0.4	0.4
Total Assets	**$ 29.9**	**$ 40.2**	$ 30.9	$ 56.4
Liabilities				
Debt	**$ 884.7**	**$ 815.7**	$ 875.3	$ 871.5
Derivative Liabilities	**–**	**6.6**	–	1.5
Total Liabilities	**$ 884.7**	**$ 822.3**	$ 875.3	$ 873.0

Effective January 1, 2008, we adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS 157), which provides a framework for measuring fair value under GAAP. SFAS 157 requires that the impact of this change in accounting for fair valued assets and liabilities be recorded as an adjustment to beginning retained earnings in the period of adoption. We did not have any adjustments to beginning retained earnings at adoption.

FSP SFAS 157-2 allows for a deferral from the SFAS 157 disclosures for non-financial assets or liabilities until fiscal years beginning after November 15, 2008. We did not elect this deferral and have disclosed additional layers to several asset retirement obligations.

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1

Level 1 inputs are defined as quoted prices in active markets for identical assets or liabilities. Our Level 1 assets and liabilities include equity securities held in various deferred compensation trusts and futures contracts that are traded in an active exchange market.

Level 2

Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Our Level 2 assets and liabilities include open-ended investment funds and forward contracts with quoted prices from over-the-counter (OTC) markets or direct broker quotes that are traded less frequently than exchange-traded instruments.

Level 3

Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Our Level 3 assets and liabilities include asset retirement obligations that are initially recognized at fair value.

Valuations of assets and liabilities reflect the value of the instrument including the values associated with counterparty risk and performance risk. With the issuance of SFAS 157, the accounting industry clarified that these values must also take into account our own credit standing.

The fair value of assets and liabilities measured on a recurring basis was determined as follows:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value at December 31, 2008		Level 1 Based on Quoted Prices in Active Market		Level 2 Based on Other Observable Inputs		Level 3 Unobservable Inputs	
$ in millions	DPL	DP&L[(a)]	DPL	DP&L[(a)]	DPL	DP&L	DPL	DP&L
Assets								
Master Trust Assets	**$ 13.1**	**$ 40.2**	$ –	$ 27.1	$ 13.1	$ 13.1	$ –	$ –
Derivative Assets	**–**	**–**	–	–	–	–	–	–
Total	**$ 13.1**	**$ 40.2**	$ –	$ 27.1	$ 13.1	$ 13.1	$ –	$ –
Liabilities								
Derivative Liabilities	**$ 6.6**	**$ 6.6**	$ 6.3	$ 6.3	$ 0.3	$ 0.3	$ –	$ –
Total	**$ 6.6**	**$ 6.6**	$ 6.3	$ 6.3	$ 0.3	$ 0.3	$ –	$ –

*(a) **DP&L** holds **DPL** stock in the Master Trust that is eliminated in consolidation.*

Generally, for financial assets held by the Master Trust and for heating oil futures, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Level 2 inputs are used to value derivatives such as financial transmission rights where the quoted prices are from a relatively inactive market; forward power contracts which are valued using prices on the New York Mercantile Exchange (NYMEX) for similar contracts on the OTC market; and open-ended funds that are valued using the end of day Net Asset Value (NAV).

The fair value of assets and liabilities measured on a non-recurring basis was determined as follows:

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

	Fair Value at December 31, 2008		Level 1 Based on Quoted Prices in Active Market		Level 2 Based on Other Observable Inputs		Level 3 Unobservable Inputs	
$ in millions	DPL	DP&L	DPL	DP&L	DPL	DP&L	DPL	DP&L
Asset retirement obligations recorded during period	**$ 0.6**	**$ 0.6**	$ –	$ –	$ –	$ –	$ 0.6	$ 0.6

The fair value of an asset retirement obligation (ARO) is estimated by discounting expected cash outflows to their present value. Cash outflows are based on the approximate future disposal cost as determined by market information, historical information or management judgment. During the three months ended December 31, 2008, **DP&L** added an additional layer to several asbestos removal and ash landfill AROs in the amount of $0.6 million due to changes in the cost and timing estimates for asbestos removal and ash landfill closures and the acceleration of the removal of some asbestos.

At December 31, 2008, **DPL** had $15.0 million in money market mutual funds classified as cash and cash equivalents in its consolidated balance sheet.

11 Stock-Based Compensation

The following table summarizes share-based compensation expense:

$ in millions	Twelve months ended December 31, 2008	2007	2006
Stock options	**$ –**	$ –	$ 1.3
Restricted stock units	**(0.1)**	–	3.0
Performance shares	**0.9**	1.5	2.0
Restricted shares	**0.3**	0.3	–
Non-employee directors' RSUs	**0.5**	0.3	–
Management performance shares	**0.3**	–	–
Share-based compensation included in operations and maintenance expense	**1.9**	2.1	6.3
Income tax expense	**(0.7)**	(0.7)	(2.2)
Total share-based compensation, net of tax	**$ 1.2**	$ 1.4	$ 4.1

Share-based awards issued in **DPL's** common stock will be distributed from treasury stock. **DPL** has sufficient treasury stock to satisfy all outstanding share-based awards.

Determining Fair Value

Valuation and Amortization Method – We estimate the fair value of stock options and RSUs using a Black-Scholes-Merton model; performance shares are valued using a Monte Carlo simulation; restricted shares are valued at the closing market price on the day of grant and the Directors' RSUs are valued at the closing market price on the day prior to the grant date. We amortize the fair value of all awards on a straight-line basis over the requisite service periods, which are generally the vesting periods.

Expected Volatility – Our expected volatility assumptions are based on the historical volatility of **DPL** stock. The volatility range captures the high and low volatility values for each award granted based on its specific terms.

Expected Life – The expected life assumption represents the estimated period of time from grant until exercise and reflects historical employee exercise patterns.

Risk-Free Interest Rate – The risk-free interest rate for the expected term of the award is based on the corresponding yield curve in effect at the time of the valuation for U.S. Treasury bonds having the same term as the expected life of the award, i.e., a five year bond rate is used for valuing an award with a five year expected life.

Expected Dividend Yield – The expected dividend yield is based on **DPL's** current dividend rate, adjusted as necessary to capture anticipated dividend changes and the 12 month average **DPL** stock price.

Expected Forfeitures – The forfeiture rate used to calculate compensation expense is based on **DPL's** historical experience, adjusted as necessary to reflect special circumstances.

Stock Options

In 2000, **DPL's** Board of Directors adopted and **DPL's** shareholders approved The DPL Inc. Stock Option Plan. On April 26, 2006, **DPL's** shareholders approved The DPL Inc. 2006 Equity and Performance Incentive Plan (EPIP). With the approval of the EPIP, no new awards will be granted under The DPL Inc. Stock Option Plan, but shares relating to awards that are forfeited or terminated under The DPL Inc. Stock Option Plan may be granted under the EPIP. As of December 31, 2008, there were no unvested stock options.

Summarized stock option activity was as follows:

	Twelve months ended December 31,		
	2008	2007	2006
Options:			
Outstanding at beginning of year	**946,500**	5,091,500	5,486,500
Granted	**–**	–	–
Exercised	**(110,000)**	(525,000)	(355,000)
Forfeited [a]	**–**	(3,620,000)	(40,000)
Outstanding at year-end	**836,500**	946,500	5,091,500
Exercisable at year-end	**836,500**	946,500	5,081,500
Weighted average option prices per share:			
Outstanding at beginning of year	**$ 24.09**	$ 21.95	$ 21.86
Granted	**$ –**	$ –	$ –
Exercised	**$ 18.56**	$ 26.79	$ 21.00
Forfeited	**$ –**	$ 20.38	$ 15.88
Outstanding at year-end	**$ 24.64**	$ 24.09	$ 21.95
Exercisable at year-end	**$ 24.64**	$ 24.09	$ 21.94

(a) As a result of the settlement of the former executive litigation on May 21, 2007, 3.6 million outstanding options shown above were forfeited in the second quarter of 2007 and another approximately one million disputed options not shown above were also forfeited.

The following table reflects information about stock options outstanding at December 31, 2008:

		Options Outstanding		Options Exercisable	
Range of Exercise Prices	Outstanding	Weighted-Average Contractual Life	Weighted-Average Exercise Price	Exercisable	Weighted-Average Exercise Price
$ 14.95 – $ 21.00	510,000	1.6 years	$ 20.98	510,000	$ 20.98
$ 21.01 – $ 29.63	326,500	2.6 years	$ 28.82	326,500	$ 28.82

The following table reflects information about stock option activity during the period:

	Twelve months ended December 31,		
$ in millions	**2008**	2007	2006
Weighted-average grant date fair value of options granted during the period	**$ –**	$ –	$ –
Intrinsic value of options exercised during the period	**$ 1.0**	$ 2.3	$ 2.5
Proceeds from stock options exercised during the period	**$ 2.2**	$ 14.6	$ 7.8
Excess tax benefits from proceeds of stock options exercised	**$ 0.3**	$ 1.3	$ 1.9
Fair value of shares that vested during the period	**$ –**	$ –	$ 1.3
Unrecognized compensation expense	**$ –**	$ –	$ 0.1
Weighted average period to recognize compensation expense (in years)	**–**	–	1.0

No options were granted during 2006, 2007 or 2008.

Restricted Stock Units (RSUs)

RSUs were granted to certain key employees prior to 2001. As a result of the settlement of the former executive litigation, all disputed RSUs were forfeited by the three former executives. There were 10,120 RSUs outstanding as of December 31, 2008, none of which has vested. The non-vested RSUs will be paid in cash upon vesting and will vest as follows: 6,809 in 2009 and 3,311 in 2010. Non-vested RSUs are valued quarterly at fair value using the Black-Scholes-Merton model to determine the amount of compensation expense to be recognized. Non-vested RSUs do not earn dividends.

$ in millions	Number of RSUs	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2008	22,976	$ 0.5
Granted in 2008	–	$ –
Vested in 2008	(11,253)	$ (0.2)
Forfeited in 2008	(1,603)	$ –
Non-vested at December 31, 2008	10,120	$ 0.3

Summarized RSU activity was as follows:

	Twelve months ended December 31,		
	2008	2007	2006
RSUs:			
Outstanding at beginning of year	**22,976**	1,334,339	1,319,399
Granted	**–**	–	–
Dividends	**–**	11,656	46,434
Exercised	**(11,253)**	(20,097)	(22,516)
Forfeited	**(1,603)**	(1,302,922)	(8,978)
Outstanding at period end	**10,120**	22,976	1,334,339
Exercisable at period end	**–**	–	–

Compensation expense is recognized each quarter based on the change in the market price of **DPL** common shares.

As of December 31, 2008, 2007 and 2006, liabilities recorded for outstanding RSUs were $0.2 million, $0.6 million and $36.9 million, respectively, which are included in "Other deferred credits" on the consolidated balance sheets. The decrease in the liability between 2006 and 2007 is due to the executive litigation settlement and the forfeiture of 1.3 million RSUs. See Note 15 of Notes to Consolidated Financial Statements.

The following table shows the assumptions used in the Black-Scholes-Merton model to calculate the fair value of the non-vested RSUs during the respective periods:

	Twelve months ended December 31,		
	2008	2007	2006
Expected volatility	**24.8% - 28.1%**	6.1% - 15.3%	9.5% - 17.3%
Weighted-average expected volatility	**26.0%**	13.0%	14.6%
Expected life (years)	**1.0 - 2.0**	1.0 - 3.0	1.0 - 4.0
Expected dividends	**4.5%**	3.8%	3.7%
Weighted-average expected dividends	**4.5%**	3.8%	3.7%
Risk-free interest rate	**0.2% - 0.4%**	3.0% - 3.3%	4.7% - 4.9%

Performance Shares

Under the EPIP, the Board adopted a Long-Term Incentive Plan (LTIP) under which **DPL** will grant a targeted number of performance shares of common stock to executives. Grants under the LTIP will be awarded based on a Total Shareholder Return Relative to Peers performance. No performance shares will be earned in a performance period if the three-year Total Shareholder Return Relative to Peers is below the threshold of the 40th percentile. Further, the LTIP awards will be capped at 200% of the target number of performance shares, if the Total Shareholder Return Relative to Peers is at or above the threshold of the 90th percentile. The Total Shareholder Return Relative to Peers is considered a market condition under FAS 123R. There is a three year requisite service period for each portion of the performance shares.

The schedule of non-vested performance share activity for the twelve months ended December 31, 2008 follows:

$ in millions	Number of Performance Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2008	104,682	$ 3.1
Granted in 2008	93,298	$ 2.2
Vested in 2008	(36,445)	$ (0.8)
Forfeited in 2008	(41,680)	$ (1.2)
Non-vested at December 31, 2008	119,855	$ 3.3

	Twelve months ended December 31,		
	2008	2007	2006
Performance shares:			
Outstanding at beginning of year	**142,108**	154,768	–
Granted	**93,298**	78,559	244,423
Exercised	**–**	(22,462)	–
Expired	**(37,426)**	(21,583)	–
Forfeited	**(41,680)**	(47,174)	(89,655)
Outstanding at period end	**156,300**	142,108	154,768
Exercisable at period end	**36,445**	37,426	44,045

The following table reflects information about performance share activity during the period:

	Twelve months ended December 31,		
$ in millions	**2008**	2007	2006
Weighted-average grant date fair value of performance shares granted during the period	**$ 2.2**	$ 2.6	$ 6.3
Intrinsic value of performance shares exercised during the period	**$ –**	$ 0.6	$ –
Proceeds from performance shares exercised during the period	**$ –**	$ –	$ –
Excess tax benefits from proceeds of performance shares exercised	**$ –**	$ –	$ –
Fair value of performance shares that vested during the period	**$ 0.8**	$ 0.8	$ 1.3
Unrecognized compensation expense	**$ 1.6**	$ 1.9	$ 1.5
Weighted average period to recognize compensation expense (in years)	**1.6**	1.7	1.6

The following table shows the assumptions used in the Monte Carlo Simulation to calculate the fair value of the performance shares granted during the period:

	Twelve months ended December 31,		
	2008	2007	2006
Expected volatility	**15.0% - 15.7%**	15.8% - 17.3%	17.9% - 20.3%
Weighted-average expected volatility	**15.1%**	16.6%	20.1%
Expected life (years)	**3.0**	3.0	3.0
Expected dividends	**3.5% - 4.1%**	3.3% - 3.9%	3.7%
Weighted-average expected dividends	**4.1%**	3.4%	3.7%
Risk-free interest rate	**2.2% - 3.2%**	4.5% - 4.9%	4.6% - 4.7%

Restricted Shares

Under the EPIP, the Board granted shares of DPL Restricted Shares to various executives. The Restricted Shares are registered in the executive's name, carry full voting privileges, receive dividends as declared and paid on all **DPL** common stock and vest after a specified service period.

On July 23, 2008, the Board of Directors granted compensation awards to a select group of management employees. A total of 10,347 restricted shares was granted. The management restricted stock awards have a three-year requisite service period from July 23, 2008 to July 23, 2011, carry full voting privileges and receive dividends as declared and paid on all **DPL** common stock. The management restricted stock can only be awarded in **DPL** common shares.

$ in millions	Number of Restricted Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2008	42,200	$ 1.2
Granted in 2008	39,347	$ 1.1
Vested in 2008	(1,000)	$ –
Forfeited in 2008	(11,400)	$ (0.4)
Non-vested at December 31, 2008	69,147	$ 1.9

	Twelve months ended December 31,		
	2008	2007	2006
Restricted Shares:			
Outstanding at beginning of year	**42,200**	19,000	–
Granted	**39,347**	23,200	19,000
Exercised	**(1,000)**	–	–
Forfeited	**(11,400)**	–	–
Outstanding at period end	**69,147**	42,200	19,000
Exercisable at period end	**–**	–	–

The following table reflects information about restricted share activity during the period:

	Twelve months ended December 31,		
$ in millions	**2008**	2007	2006
Weighted-average grant date fair value of restricted shares granted during the period	**$ 1.1**	$ 0.7	$ 0.5
Intrinsic value of restricted shares exercised during the period	**$ –**	$ –	$ –
Proceeds from restricted shares exercised during the period	**$ –**	$ –	$ –
Excess tax benefits from proceeds of restricted shares exercised	**$ –**	$ –	$ –
Fair value of restricted shares that vested during the period	**$ –**	$ –	$ –
Unrecognized compensation expense	**$ 1.3**	$ 0.9	$ 0.5
Weighted average period to recognize compensation expense (in years)	**2.7**	2.8	4.1

Non-Employee Director Restricted Stock Units

Under the EPIP, as part of their annual compensation for service to **DPL** and **DP&L**, each non-employee Director receives a $54,000 retainer in RSUs on the date of the annual meeting. The RSUs will become non-forfeitable on April 15 of the following year. All of the RSUs become non-forfeitable in the event of death, disability, or change in control but if the Director resigns or retires prior to the April 15 vesting date, the vested shares will be distributed on a pro rata basis. The RSUs accrue quarterly dividends in the form of additional RSUs. Upon vesting, the RSUs will become exercisable and will be distributed in **DPL** common shares, unless the Director chooses to defer receipt of the shares until a later date. The RSUs are valued at the closing stock price on the day prior to the grant and the compensation expense is recognized evenly over the vesting period.

$ in millions	Number of Director RSUs	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2008*	13,573	$ 0.4
Granted in 2008	17,022	$ 0.5
Dividends accrued in 2008	931	$ –
Vested in 2008	(14,831)	$ (0.5)
Forfeited in 2008	(1,149)	$ –
Non-vested at December 31, 2008	15,546	$ 0.4

** 2007 incorrectly stated vested shares as (10,238) when it should have been (142). The non-vested at 1/1/2008 reflects this correction.*

	Twelve months ended December 31,		
	2008	2007	2006*
Restricted stock units:			
Outstanding at beginning of year	**13,573**	–	–
Granted	**17,022**	14,920	–
Dividends accrued	**931**	348	–
Exercised and issued	**(7,910)**	(142)	–
Exercised and deferred	**(6,921)**	–	–
Forfeited	**(1,149)**	(1,553)	–
Outstanding at period end	**15,546**	13,573	–
Exercisable at period end	**–**	–	–

** Director RSUs were not issued in 2006.*

The following table reflects information about non-employee director RSU activity during the period:

$ in millions	Twelve months ended December 31, 2008	2007	2006*
Weighted-average grant date fair value of non-employee director RSUs granted during the period	**$ 0.5**	$ 0.5	$ –
Intrinsic value of non-employee director RSUs exercised during the period	**$ 0.4**	$ –	$ –
Proceeds from non-employee director RSUs exercised during the period	**$ –**	$ –	$ –
Excess tax benefits from proceeds of non-employee director RSUs exercised	**$ –**	$ –	$ –
Fair value of non-employee director RSUs that vested during the period	**$ 0.5**	$ 0.3	$ –
Unrecognized compensation expense	**$ 0.1**	$ 0.1	$ –
Weighted average period to recognize compensation expense (in years)	**0.3**	0.3	–

** Director RSUs were not issued in 2006.*

Management Performance Shares

On May 28, 2008, the Board of Directors granted compensation awards for select management employees. A total of 39,144 management performance shares were granted. The grants have a three year requisite service period from January 1, 2008 to December 31, 2010 and certain performance conditions during the performance period. The management performance shares can only be awarded in **DPL** common shares.

$ in millions	Number of Management Performance Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2008	–	$ –
Granted in 2008	39,144	$ 1.1
Vested in 2008	–	$ –
Forfeited in 2008	–	$ –
Non-vested at December 31, 2008	39,144	$ 1.1

	Twelve months ended December 31, 2008	2007*	2006*
Management Performance Shares:			
Outstanding at beginning of year	**–**	–	–
Granted	**39,144**	–	–
Exercised	**–**	–	–
Forfeited	**–**	–	–
Outstanding at period end	**39,144**	–	–
Exercisable at period end	**–**	–	–

** Management performance shares were not issued in 2007 or 2006.*

The following table shows the assumptions used in the Monte Carlo Simulation to calculate the fair value of the management performance shares granted during the period:

	Twelve months ended December 31, 2008	2007*	2006*
Expected volatility	**14.9%**	0.0%	0.0%
Weighted-average expected volatility	**14.9%**	0.0%	0.0%
Expected life (years)	**3.0**	–	–
Expected dividends	**3.9%**	0.0%	0.0%
Weighted-average expected dividends	**3.9%**	0.0%	0.0%
Risk-free interest rate	**2.9%**	0.0%	0.0%

** Management performance shares were not issued in 2007 or 2006.*

The following table reflects information about management performance share activity during the period:

$ in millions	Twelve months ended December 31, 2008	2007*	2006*
Weighted-average grant date fair value of management performance shares granted during the period	**$ 1.1**	$ –	$ –
Intrinsic value of management performance shares exercised during the period	**$ –**	$ –	$ –
Proceeds from management performance shares exercised during the period	**$ –**	$ –	$ –
Excess tax benefits from proceeds of management performance shares exercised	**$ –**	$ –	$ –
Fair value of management performance shares that vested during the period	**$ –**	$ –	$ –
Unrecognized compensation expense	**$ 0.8**	$ –	$ –
Weighted average period to recognize compensation expense (in years)	**2.0**	–	–

** Management performance shares were not issued in 2007 or 2006.*

As a result of the May 21, 2007 settlement of the litigation with three former executives (see Note 15 of Notes to Consolidated Financial Statements), the three former executives relinquished all of their rights to certain deferred compensation, RSUs, MVE incentives, stock options and reimbursement of legal fees. A portion of this settlement included the forfeitures and cancellations of Restricted Stock Units (RSUs) and stock options of 1.3 million and 3.6 million, respectively.

12 Preferred Stock

DP&L

$25 par value, 4,000,000 shares authorized, no shares outstanding; and $100 par value, 4,000,000 shares authorized, 228,508 shares without mandatory redemption provisions outstanding.

	Preferred Stock Rate	Current Redemption Price	Current Shares Outstanding at December 31, 2008	Par Value at December 31, 2008 ($ in millions)	Par Value at December 31, 2007 ($ in millions)
DP&L Series A	3.75%	$ 102.50	93,280	9.3	9.3
DP&L Series B	3.75%	$ 103.00	69,398	7.0	7.0
DP&L Series C	3.90%	$ 101.00	65,830	6.6	6.6
Total			228,508	$ 22.9	$ 22.9

*(a) **DPL** purchased all of its outstanding Series B shares during 2005.*

The **DP&L** preferred stock may be redeemed at **DPL's** option at the per-share prices indicated, plus cumulative accrued dividends.

As long as any **DP&L** preferred stock is outstanding, **DP&L's** Amended Articles of Incorporation contain provisions restricting the payment of cash dividends on any of its Common Stock if, after giving effect to such dividend, the aggregate of all such dividends distributed subsequent to December 31, 1946 exceeds the net income of **DP&L** available for dividends on its Common Stock subsequent to December 31, 1946, plus $1.2 million. As of year-end, all earnings reinvested in the business of **DP&L** were available for Common Stock dividends. **DPL** records dividends on preferred stock of **DP&L** as part of interest expense. We expect all 2008 earnings reinvested in the business of **DP&L** to be available for **DP&L** common stock dividends, payable to **DPL**.

13 Common Shareholder's Equity

DPL has 250,000,000 authorized common shares, of which 115,961,880 are outstanding at December 31, 2008. **DPL** had 902,490 authorized but unissued shares reserved for its dividend reinvestment plan at December 31, 2008. The plan provides that either original issue shares or shares purchased on the open market may be used to satisfy plan requirements.

On July 27, 2005, **DPL's** Board authorized the repurchase of up to $400.0 million of common stock from time to time in the open market or through private transactions. **DPL** completed this share repurchase program on August 21, 2006. In total, 14.9 million shares were repurchased at a cost of $400.0 million. These Board-authorized repurchase transactions resulted in an 11.7% reduction of the outstanding stock of December 31, 2005 at an average price of $26.91 per share. These shares are currently held as treasury shares. There were no other repurchases during 2008, 2007 and 2006.

In September 2001, **DPL's** Board of Directors renewed its Shareholder Rights Plan, attaching one right to each common share outstanding at the close of business on December 13, 2001. The rights separate from the common shares and become exercisable at the exercise price of $130 per right in the event of certain attempted business combinations. The renewed plan expires on December 31, 2011.

In February 2000, **DPL** entered into a series of recapitalization transactions including the issuance of $550 million of a combination of voting preferred and trust preferred securities and warrants to an affiliate of investment company Kohlberg Kravis Roberts & Co. (KKR). As part of this recapitalization transaction, 31.6 million warrants were issued. These warrants were sold for an aggregate purchase price of $50 million. The warrants are exercisable, in whole or in part, for common shares at any time during the twelve-year period commencing on March 13, 2000. Each warrant is exercisable for one common share, subject to anti-dilution adjustments (i.e., stock split, stock dividend). The exercise price of the warrants is $21.00 per common share, subject to anti-dilution adjustments.

In addition, in the event of a declaration, issuance or consummation of any dividend, spin-off or other distribution or similar transaction by **DPL** of the capital stock of any of its subsidiaries, additional warrants of such subsidiary will be issued to the warrant holder so that after the transaction, the warrant holder will have the same interest in the fully diluted number of common shares of such subsidiary the warrant holder had in **DPL** immediately prior to such transaction.

Pursuant to the warrant agreement, **DPL** has reserved authorized common shares sufficient to provide for the exercise in full of all outstanding warrants.

On September 18, 2008, Lehman Brothers, Inc. (Lehman) exercised 12.0 million warrants under a cashless exercise transaction resulting in the issuance by **DPL** of 2.3 million shares of common stock. Such shares were issued from treasury stock. Lehman no longer holds any **DPL** warrants.

During October 1992, our Board of Directors approved the formation of a Company-sponsored Employee Stock Ownership Plan (ESOP) to fund matching contributions to **DP&L's** 401(k) retirement savings plan and certain other payments to eligible full-time employees. This leveraged ESOP is funded by an exempt loan, which is secured by the ESOP shares. As debt service payments are made on the loan, shares are released on a pro rata basis. ESOP shares used to fund matching contributions to **DP&L's** 401(k) vest after three years of service; other compensation shares awarded vest immediately.

In general, participants are eligible for lump sum payments upon termination of their employment and the submission and subsequent approval of an application for benefits. Earlier distributions can occur for Qualified Domestic Relations Order and for death. Otherwise, distribution must occur within 60 days after the plan year in which the later of one of the following events occur: 65th birthday, 10th anniversary of participation, or termination of employment. Participants are allowed to take distributions during employment if older than 59½ and/or for a hardship as defined in the Plan document. Distributions are made in cash unless the participant requests the distribution be made in stock. A repurchase obligation exists for vested shares held by the ESOP if they cannot be sold in the open market. The fair value of shares subject to the repurchase obligation at December 31, 2008 and 2007 was approximately $42.4 million and $52.5 million, respectively.

In 1992, the Plan entered into a $90 million loan agreement with **DPL** in order to purchase shares of **DPL** common stock in the open market. The term loan agreement provided for principal and interest on the loan to be paid prior to October 9, 2007, with the right to extend the loan for an additional ten years. In 2007, the maturity date was extended to October 7, 2017. The loan bears interest at a fixed rate of 7.625%, payable annually. Dividends received by the ESOP for unallocated shares are used to repay the principal and interest on the ESOP loan to **DPL**. Dividends on the allocated shares are charged to retained earnings.

The ESOP used the full amount of the loan to pur-

chase 4.7 million shares of our common stock in the open market. As a result of the 1997 stock split, the ESOP held 7.1 million shares of our common stock. The cost of shares held by the ESOP and not yet released is reported as a reduction of shareholders' equity. At December 31, 2008, common shareholders' equity reflects the cost of 3.1 million unreleased shares held in suspense by the trust. The fair value of the 3.1 million ESOP shares held in suspense at December 31, 2008 was $70.2 million. When shares are committed to be released from the ESOP, compensation expense is recorded based on the fair value of the shares committed to be released, with a corresponding credit to our equity. Compensation expense associated with the ESOP, which is based on the fair value of the shares committed to be released for allocation, amounted to $1.5 million in 2008, $9.0 million in 2007 and $4.1 million in 2006.

For purposes of earnings per share (EPS) computations and in accordance with SOP 93-6, we treat ESOP shares as outstanding if they have been allocated to participants, released or committed to be released. As of December 31, 2008, the ESOP has 3.9 million shares allocated to participants with an additional 0.1 million shares which have been released but unallocated to participants. ESOP cumulative shares outstanding for the calculation of earnings per share were 4.0 million in 2008, 3.9 million in 2007 and 3.4 million in 2006.

In April 2006, **DPL's** shareholders approved The DPL Inc. Equity and Performance Incentive Plan (the EPIP) which became immediately effective and will remain in effect for a term of ten years, unless sooner terminated in accordance with its terms. The Compensation Committee of the Board of Directors will designate the employees and directors eligible to participate in the EPIP and the times and types of awards to be granted. Under the EPIP, the Compensation Committee may grant equity-based compensation in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units, and other stock-based awards. Awards may be subject to the achievement of certain management objectives. In addition, the EPIP provides, upon recommendation of the Chief Executive Officer and Chairman of the Board, for a grant of a special equity award to recognize outstanding performance. A total of 4,500,000 shares of the Company's common stock were reserved for issuance under the EPIP.

14 Earnings per Share

Basic earnings per share (EPS) are based on the weighted-average number of **DPL** common shares outstanding during the year. Diluted EPS are based on the weighted-average number of **DPL** common and common equivalent shares outstanding during the year, except in periods where the inclusion of such common equivalent shares is anti-dilutive. Excluded from outstanding shares for this weighted-average computation are shares held by **DP&L's** Master Trust Plan for deferred compensation and unreleased shares held in ESOP.

The following table represents common equivalent shares excluded from the calculation of diluted EPS because they were anti-dilutive. These shares may be dilutive in the future.

$ in millions	**2008**	2007	2006
Common equivalent shares	**0.3**	0.1	0.4

The following illustrates the reconciliation of the numerators and denominators of the basic and diluted EPS computations for income after discontinued operations and cumulative effect of accounting change:

$ and shares in millions except per share amounts	**2008**			2007			2006		
	Income	**Shares**	**Per Share**	Income[a]	Shares	Per Share	Income[a]	Shares	Per Share
Basic EPS	**$ 244.5**	**110.2**	**$ 2.22**	$ 221.8	107.9	$ 2.06	$ 139.6	112.3	$ 1.24
Effect of Dilutive Securities:									
Stock Incentive Units		**–**			0.5			1.3	
Warrants [b]		**5.0**			8.6			7.1	
Stock options, performance and restricted shares		**0.2**			0.8			1.2	
Diluted EPS	**$ 244.5**	**115.4**	**$ 2.12**	$ 221.8	117.8	$ 1.88	$ 139.6	121.9	$ 1.15

(a) Income after discontinued operations.

*(b) On September 18, 2008, Lehman Brothers Inc. exercised 12 million warrants under a cashless exercise transaction resulting in the issuance by **DPL** of 2.3 million shares of common stock. See Note 13 of Notes to Consolidated Financial Statements.*

15 Executive Litigation

On May 21, 2007, we settled the litigation with three former executives. As part of this settlement, the three former executives relinquished and dismissed all their claims including those related to certain deferred compensation, RSUs, MVE incentives, stock options and legal fees. The RSUs and stock options relinquished and forfeited were 1.3 million and 3.6 million, respectively. Prior to the settlement date, we had accrued obligations of $64.2 million. Included in these amounts was $3.1 million associated with the forfeiture of stock options. In exchange for our payment of $25 million and the relinquishment by the former executives of certain contested compensation discussed above, all of these claims by all parties were settled and released.

DPL

As a result of this settlement, during 2007, **DPL** realized a net pre-tax gain in continuing and discontinued operations of approximately $31.0 million and $8.2 million, respectively. The net gain is comprised of the reversal of the $64.2 million of accrued obligations less the $25 million settlement. The obligations related to the discontinued operations were associated with the management of **DPL's** financial asset portfolio, which was conducted in our MVE subsidiary. The MVE operations were discontinued in 2005 with the sale of the financial asset portfolio. The $25 million settlement expense was allocated between continuing and discontinued operations based on the proportionate share of continuing and discontinued obligations.

DP&L

As a result of this settlement during 2007, **DP&L** realized a net pre-tax gain in continuing operations of $35.3 million. Accrued obligations associated with the former executives' litigation were recorded by **DP&L** since the obligations were associated with our non-qualified benefit plans. **DP&L** had no ownership of **DPL's** discontinued financial asset portfolio business, therefore these liabilities were reversed and **DP&L's** net pre-tax gain was recorded within continuing operations.

The $25 million settlement was funded from the sale of financial assets held in **DP&L's** Master Trust Plan for deferred compensation. As part of this transaction, during the second quarter ended June 30, 2007, **DPL** and **DP&L** recorded a $3.2 million realized gain which was reflected in investment income.

16 Insurance Recovery

On April 30, 2007, **DP&L** executed a settlement agreement for $14.5 million with one of our insurers, Associated Electric & Gas Insurance Services (AEGIS), under a fiduciary liability policy to recoup a portion of legal fees associated with our litigation against three former executives. This was recorded as a reduction to operation and maintenance expense during 2007.

On May 16, 2007, **DPL** filed an insurance claim with Energy Insurance Mutual (EIM) to recoup legal expenses associated with our litigation against three of our former executives. The litigation against the former executives was settled on May 21, 2007. Mediation with EIM on this claim occurred on May 29, 2008, at which time the parties did not reach agreement. **DPL** and EIM are currently engaged in an arbitration process regarding this insurance claim.

17 Contractual Obligations, Commercial Commitments and Contingencies

DPL Inc. – Guarantees

In the normal course of business, **DPL** enters into various agreements with its wholly-owned generating subsidiary DPLE providing financial or performance assurance to third parties. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to DPLE on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish DPLE's intended commercial purposes. Such agreements fall outside the scope of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

At December 31, 2008, **DPL** had $35.3 million of guarantees to third parties for future financial or performance assurance under such agreements, on behalf of DPLE. The guarantee arrangements entered into by **DPL** with these third parties cover all present and future obligations of DPLE to such beneficiaries and are terminable at any time by **DPL** upon written notice to the beneficiaries. The carrying amount of obligations for commercial transactions covered by these guarantees and recorded in our consolidated balance sheets was $1.6 million at December 31, 2008.

In two separate transactions in November and December 2006, **DPL** also agreed to be a guarantor of the obligations of DPLE regarding the sale, in April

2007, of the Darby Electric Peaking Station to American Electric Power and the sale of the Greenville Electric Peaking Station to Buckeye Electric Power, Inc. In both cases, **DPL** agreed to guarantee the obligations of DPLE over a multiple year period as follows:

$ in millions	2008	2009	2010
Darby	$ 23.0	$ 15.3	$ 7.7
Greenville	$ 11.1	$ 7.4	$ 3.7

In 2008, neither **DPL** nor **DP&L** incurred any losses related to the guarantees of DPLE's obligations and we believe it is unlikely that either **DPL** or **DP&L** would be required to perform or incur any losses in the future associated with any of the above guarantees of DPLE's obligations.

DP&L – Equity Ownership Interest

DP&L owns a 4.9% equity ownership interest in an electric generation company. As of December 31, 2008, **DP&L** could be responsible for the repayment of 4.9%, or $51.2 million, of a $1,045 million debt obligation that matures in 2026. This would only happen if this electric generation company defaulted on its debt payments.

Other than the guarantees discussed above, **DPL** and **DP&L** do not have any other off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations and Commercial Commitments

We enter into various contractual obligations and other commercial commitments that may affect the liquidity of our operations. At December 31, 2008, these include:

		Payment Year			
$ in millions	Total	2009	2010-2011	2012-2013	Thereafter
DPL					
Long-term debt	$ 1,551.8	$ 175.0	$ 297.4	$ 470.0	$ 609.4
Interest payments	937.1	79.7	145.7	105.6	606.1
Pension and postretirement payments	244.9	22.8	46.7	48.6	126.8
Capital leases	1.3	0.7	0.6	–	–
Operating leases	0.8	0.4	0.3	0.1	–
Coal contracts [(a)]	1,675.1	321.5	539.8	168.4	452.7
Limestone contracts	52.2	4.7	10.8	11.5	25.2
Reserve for uncertain tax positions	1.9	–	1.9	–	–
Other contractual obligations	97.3	40.5	46.9	8.5	1.4
Total contractual obligations	$ 4,562.4	$ 838.0	$ 1,090.1	$ 812.7	$ 1,821.6
DP&L					
Long-term debt	$ 884.4	$ –	$ –	$ 470.0	$ 414.4
Interest payments	519.9	40.0	79.9	73.9	326.1
Pension and postretirement payments	244.9	22.8	46.7	48.6	126.8
Capital leases	1.3	0.7	0.6	–	–
Operating leases	0.8	0.4	0.3	0.1	–
Coal contracts [(a)]	1,675.1	514.2	539.8	168.4	452.7
Limestone contracts	52.2	4.7	10.8	11.5	25.2
Reserve for uncertain tax positions	1.9	–	1.9	–	–
Other contractual obligations	99.5	41.6	48.0	8.5	1.4
Total contractual obligations	$ 3,480.0	$ 624.4	$ 728.0	$ 781.0	$ 1,346.6

*(a) Total at **DP&L**-operated units*

Long-term debt:

DPL's long-term debt as of December 31, 2008, consists of **DP&L's** first mortgage bonds, tax-exempt pollution control bonds and **DPL** unsecured senior notes. These long-term debt figures include current maturities and unamortized debt discounts. During 2008, the OAQDA issued $100 million of tax-exempt pollution control bonds which mature in 2040. In turn, **DP&L** borrowed the proceeds of the bonds and issued $100 million of its First Mortgage Bonds to secure its payment obligations.

DP&L's long-term debt as of December 31, 2008, consists of first mortgage bonds and tax-exempt pollution control bonds. These long-term debt figures include current maturities and unamortized debt discounts. During 2008, the OAQDA issued $100 million of tax-exempt pollution control bonds which mature in 2040. In turn, **DP&L** borrowed the proceeds of the bonds and issued $100 million of its First Mortgage Bonds to secure its payment obligations.

See Note 7 of Notes to Consolidated Financial Statements.

Interest payments:

Interest payments associated with the long-term debt described above.

Pension and postretirement payments:

As of December 31, 2008, **DP&L** had estimated future benefit payments as outlined in Note 9 of Notes to Consolidated Financial Statements. These estimated future benefit payments are projected through 2018.

Capital leases:

As of December 31, 2008, **DP&L** had one capital lease that expires in September 2010.

Operating leases:

As of December 31, 2008, **DPL** and **DP&L** had several operating leases with various terms and expiration dates.

Coal contracts:

DP&L has entered into various long-term coal contracts to supply the coal requirements for the generating plants it operates. Contract prices are subject to periodic adjustment and have features that limit price escalation in any given year.

Limestone contracts:

DP&L has entered into various limestone contracts to supply limestone for its generating facilities.

Reserve for uncertain tax positions:

On January 1, 2007, we adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). As of December 31, 2008, our total reserve for uncertain tax positions is $1.9 million. See Note 1 of Notes to Consolidated Financial Statements.

Other contractual obligations:

As of December 31, 2008, **DPL** and **DP&L** had various other contractual obligations including non-cancelable contracts to purchase goods and services with various terms and expiration dates.

At December 31, 2008, the commercial commitments that may affect the liquidity of our operations include:

Credit facilities:

In November 2006, **DP&L** replaced its previous $100 million revolving credit agreement with a $220 million five year facility that expires on November 21, 2011. At December 31, 2008, there were no borrowings outstanding under this credit agreement. **DP&L** has the ability to increase the size of the facility by an additional $50 million at any time.

Contingencies

In the normal course of business, we are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations. We believe the amounts provided in our consolidated financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable contingencies. See Note 1 of Notes to Consolidated Financial Statements. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations and other matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2008, cannot be reasonably determined.

Environmental Matters

DPL, **DP&L** and our subsidiaries' facilities and operations are subject to a wide range of environmental regulations and law. In the normal course of business, we have investigatory and remedial activities underway at these facilities to comply, or to determine compliance, with such regulations. We have been identified, either by a government agency or by a private party

seeking contribution to site clean-up costs, as a potentially responsible party (PRP) at two sites pursuant to state and federal laws. We record liabilities for probable estimated loss in accordance with Statement of Financial Accounting Standards No. 5 (SFAS 5), "Accounting for Contingencies" as discussed in Note 1 of Notes to Consolidated Financial Statements.
We evaluate the potential liability related to probable losses quarterly and may revise our estimates. Such revisions in the estimates of the potential liabilities could have a material effect on our results of operations and financial position.

18 Legal Matters

State Income Tax Audit

On February 13, 2006, we received correspondence from the Ohio Department of Taxation (ODT) notifying us that ODT has completed their examination and review of our Ohio Corporation Franchise Tax Returns for tax years 2002 through 2004 and that the final proposed audit adjustments result in a balance due of $90.8 million before interest and penalties. On June 27, 2008, we entered into a $42.0 million settlement agreement with the Ohio Department of Taxation (ODT) resolving all outstanding audit issues and appeals, including uncertain tax positions for tax years 1998 through 2006. The $42.0 million payment was made to the ODT in July 2008.

We are also under audit review by various state agencies for tax years 2002 through 2006. Depending upon the outcome of these audits and the appeal, we may be required to increase our tax provision if actual amounts ultimately determined exceed recorded reserves. We believe we have adequate reserves in each tax jurisdiction but cannot predict the outcome of these audits.

Sierra Club

In September 2004, the Sierra Club filed a lawsuit against **DP&L** and the other owners of the Stuart generating station in the United States District Court for the Southern District of Ohio for alleged violations of the Clean Air Act (CAA) and the station's operating permit. On August 7, 2008, a consent decree was filed in the United States District Court in full settlement of these CAA claims. Under the terms of the consent decree, the co-owners of the Stuart generating station agreed to: (i) certain emission targets related to nitrogen oxides (NOx), sulfur dioxide (SO2) and particulate matter; (ii) make energy efficiency and renewable energy commitments that are conditioned on receiving Public Utilities Commission of Ohio approval for the recovery of costs; (iii) forfeit 5,500 sulfur dioxide allowances; and (iv) provide funding to a third party non-profit organization to establish a solar water heater rebate program. **DP&L** and the other owners of the station also entered into an attorney fee agreement to pay a portion of the Sierra Club's attorney and expert witness fees. On October 23, 2008, the United States District Court approved the consent decree with funding for the third party non-profit organization set at $300,000. We have accrued for our share of the $300,000 at December 31, 2008. We have determined that the terms of the consent decree will not have a material impact on our overall results of operations, financial position or cash flows.

Governmental and Regulatory Inquiries

On March 10, 2004, **DPL's** and **DP&L's** Corporate Controller sent a memorandum (the Memorandum) to the Chairman of the Audit Committee of our Board of Directors. The Memorandum expressed the Corporate Controller's "concerns, perspectives and viewpoints" regarding financial reporting and governance issues within **DPL** and **DP&L**. In response, the Board initiated an internal investigation whose findings and recommendations led to corrective action taken regarding internal controls, process issues and the tone at the top.

On May 28, 2004, the U.S. Attorney's Office for the Southern District of Ohio, assisted by the Federal Bureau of Investigation, notified **DPL** and **DP&L** that it had initiated an inquiry involving matters connected to our internal investigation. This inquiry remains pending.

On or about June 24, 2004, the SEC commenced a formal investigation into the issues raised by the Memorandum. This investigation remains pending.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
DPL Inc.:

We have audited the accompanying consolidated balance sheets of **DPL Inc.** and subsidiaries (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of results of operations, consolidated statements of shareholders' equity and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2008. In connection with our audits of the consolidated financial statements, we have audited the consolidated financial statement schedule, "Schedule II – Valuation and Qualifying Accounts." We also have audited the Company's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the related financial statement schedule when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects, the information set forth therein.

/s/ KPMG LLP

KPMG LLP
Philadelphia, Pennsylvania

February 26, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholder of
The Dayton Power and Light Company:

We have audited the accompanying consolidated balance sheets of The Dayton Power and Light Company (**DP&L**) as of December 31, 2008 and 2007, and the related consolidated statements of results of operations, consolidated statements of shareholder's equity and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2008. In connection with our audits of the consolidated financial statements, we have audited the consolidated financial statement schedule, "Schedule II – Valuation and Qualifying Accounts". We also have audited **DP&L's** internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). **DP&L's** management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on **DP&L's** internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **DP&L** as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, **DP&L** maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the related financial statement schedule when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects, the information set forth therein.

/s/ KPMG LLP

KPMG LLP
Philadelphia, Pennsylvania

February 26, 2009

DPL Inc. – Selected Quarterly Information (Unaudited)

	For the three months ended							
	March 31,		June 30,		September 30,		December 31,	
$ in millions	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Revenues	**$ 416.1**	$ 379.7	**$ 378.8**	$ 343.1	**$ 414.5**	$ 422.0	**$ 392.2**	$ 370.9
Operating Income	**142.7**	103.5	**85.8**	69.4	**96.2**	110.8	**110.8**	86.4
Earnings from continuing operations	**77.3**	51.2	**47.6**	53.6	**48.0**	60.7	**71.6**	46.3
Earnings from discontinued operations, net of taxes	**–**	4.9	**–**	5.1	**–**	–	**–**	–
Net income	**$ 77.3**	$ 56.1	**$ 47.6**	$ 58.7	**$ 48.0**	$ 60.7	**$ 71.6**	$ 46.3
Basic earnings per share of common stock:								
Continuing operations	**$ 0.71**	$ 0.48	**$ 0.43**	$ 0.50	**$ 0.44**	$ 0.56	**$ 0.64**	$ 0.43
Discontinued operations	**–**	0.04	**–**	0.04	**–**	–	**–**	–
Total basic earnings per common share	**$ 0.71**	$ 0.52	**$ 0.43**	$ 0.54	**$ 0.44**	$ 0.56	**$ 0.64**	$ 0.43
Diluted earnings per share of common stock:								
Continuing operations	**$ 0.66**	$ 0.43	**$ 0.41**	$ 0.45	**$ 0.42**	$ 0.53	**$ 0.63**	$ 0.40
Discontinued operations	**–**	0.04	**–**	0.04	**–**	–	**–**	–
Total diluted earnings per common share	**$ 0.66**	$ 0.47	**$ 0.41**	$ 0.49	**$ 0.42**	$ 0.53	**$ 0.63**	$ 0.40
Dividends paid per share	**$ 0.275**	$ 0.260	**$ 0.275**	$ 0.260	**$ 0.275**	$ 0.260	**$ 0.275**	$ 0.260
Common stock market price								
- High	**$ 30.18**	$ 31.44	**$ 28.70**	$ 31.91	**$ 26.76**	$ 29.36	**$ 24.59**	$ 30.83
- Low	**$ 24.58**	$ 27.56	**$ 26.10**	$ 28.08	**$ 23.00**	$ 26.04	**$ 19.16**	$ 26.05

DP&L – Selected Quarterly Information (Unaudited)

	For the three months ended							
	March 31,		June 30,		September 30,		December 31,	
$ in millions	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Revenues	**$ 413.9**	$ 377.5	**$ 376.4**	$ 342.1	**$ 401.5**	$ 419.6	**$ 381.1**	$ 368.2
Operating Income	**146.4**	114.7	**90.5**	59.7	**93.5**	113.2	**106.2**	87.5
Income before income taxes	**140.6**	111.6	**83.6**	94.7	**84.8**	112.7	**97.0**	95.7
Net Income	**89.0**	69.8	**63.3**	59.1	**54.8**	70.6	**78.7**	72.1
Earnings on common stock	**88.8**	69.6	**63.1**	58.9	**54.6**	70.4	**78.4**	71.8
Cash dividends paid	**$ 80.0**	$ 125.0	**$ –**	$ –	**$ –**	$ –	**$ 75.0**	$ –

Item 9 **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

Item 9a **Controls and Procedures**

Disclosure Controls and Procedures

Our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining our disclosure controls and procedures. These controls and procedures were designed to ensure that material information relating to us and our subsidiaries are communicated to the CEO and CFO. We evaluated these disclosure controls and procedures as of the end of the period covered by this report with the participation of our CEO and CFO. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective: (i) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms; and (ii) to ensure that information required to be disclosed by us in the reports that we submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting during the most recently completed fiscal period that has materially affected, or is reasonably likely to materially affect, internal control over reporting.

The following report is our report on internal control over financial reporting as of December 31, 2008.

Management's Report on Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including the CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on an evaluation under the framework in *Internal Control – Integrated Framework*, we concluded that our internal control over financial reporting was effective as of December 31, 2008.

Our internal control over financial reporting as of December 31, 2008, has been audited by KPMG LLP, the independent registered public accounting firm that audited the financial statements contained herein, as stated in their report which is included herein.

Item 9b **Other Information**

None.

Item 10 **Directors and Executive Officers of DPL Inc.**

The information required to be furnished pursuant to this item with respect to Directors of **DPL Inc.** will be set forth under captioned "Election of Directors" in **DPL Inc.'s** proxy statement (the Proxy Statement) to be furnished to shareholders in connection with the solicitation of proxies by our Board of Directors for use at the 2009 Annual Meeting of Shareholders to be held on April 29, 2009 and is incorporated herein by reference.

The information required to be furnished pursuant to this item for **DPL Inc.** with respect to the identification of the Audit Committee, the Audit Committee financial expert and the registrant's code of ethics will be set forth under the caption "Corporate Governance" in the Proxy Statement and is incorporated herein by reference.

Item 11 **Executive Compensation**

The information required to be furnished pursuant to this item for **DPL Inc.** will be set forth under the caption "Executive Compensation" in the Proxy Statement and is incorporated herein by reference.

Item 12 **Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters**

The information required to be furnished pursuant to this item for **DPL Inc.** will be set forth under the captions "Security Ownership of Certain Beneficial Owners," "Security Ownership of Management" and "Equity Compensation Plan Information" in the Proxy Statement and is incorporated herein by reference.

Item 13 **Certain Relationships and Related Transactions**

The information required to be furnished pursuant to this item for **DPL Inc.** will be set forth under the caption "Certain Relationships and Related Transactions" in the Proxy Statement and is incorporated herein by reference.

Item 14 **Principal Accountant Fees and Services**

The information required to be furnished pursuant to this item for **DPL Inc.** will be set forth under the caption "Audit and Non-Audit Fees" in the Proxy Statement and is incorporated herein by reference.

DP&L Accountant Fees and Services

The following table presents the aggregate fees billed for professional services rendered to us by KPMG LLP for 2008 and 2007. Other than as set forth below, no professional services were rendered or fees billed by KPMG LLP during 2008 and 2007.

KPMG LLP	Fees Invoiced **2008**	Fees Invoiced 2007 (3)
Audit Fees (1)	**$ 1,409,800**	$ 1,502,087
Audit-Related Fees (2)	**84,800**	147,679
Tax Fees	**–**	–
All Other Fees	**–**	–
Total	**$ 1,494,600**	$ 1,649,766

(1) Audit fees relate to professional services rendered for the audit of our annual financial statements and the reviews of our quarterly financial statements.

(2) Audit-related fees relate to services rendered to us for assurance and related services.

(3) Includes $341,390 of audit and related fees invoiced by, and paid to KPMG LLP in 2008 for services rendered in connection with the audit of our 2007 financial statements..

Item 15 Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements	Page No.
DPL Inc. – Consolidated Statements of Results of Operations for each of the three years in the period ended December 31, 2008	53
DPL Inc. – Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2008	54
DPL Inc. – Consolidated Balance Sheets at December 31, 2008 and 2007	55
DPL Inc. – Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2008	56
DP&L – Consolidated Statements of Results of Operations for each of the three years in the period ended December 31, 2008	57
DP&L – Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2008	58
DP&L – Consolidated Balance Sheets at December 31, 2008 and 2007	59
DP&L – Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2008	60
Notes to Consolidated Financial Statements	61
DPL Inc. – Report of Independent Registered Public Accounting Firm	99
DP&L – Report of Independent Registered Public Accounting Firm	100

2. Financial Statement Schedule	
For each of the three years in the period ended December 31, 2008: Schedule II – Valuation and Qualifying Accounts	113

The information required to be submitted in Schedules I, III, IV and V is omitted as not applicable or not required under rules of Regulation S-X.

3. Exhibits

DPL and DP&L exhibits are incorporated by reference as described unless otherwise filed as set forth herein.

The exhibits filed as part of DPL's and DP&L's Annual Report on Form 10-K, respectively, are:

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location [1]
✔	✔	2(a)	Asset Purchase Agreement, dated December 14, 1999, between The Dayton Power and Light Company, Indiana Energy, Inc., and Number-3CHK, Inc.	Exhibit 2 to Report on Form 10-Q for the quarter ended September 30, 2000 (File No. 1-9052)
✔		3(a)	Amended Articles of Incorporation of DPL Inc., as of September 25, 2001	Exhibit 3 to Report on Form 10-K/A for the year ended December 31, 2001 (File No. 1-9052)
✔		3(b)	Amended Regulations of DPL Inc., as of April 27, 2007	Exhibit 3(b) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
	✔	3(c)	Amended Articles of Incorporation of The Dayton Power and Light Company, as of January 4, 1991	Exhibit 3(b) to Report on Form 10-K/A for the year ended December 31, 1991 (File No. 1-2385)
	✔	3(d)	Regulations of The Dayton Power and Light Company, as of April 9, 1981	Exhibit 3(a) to Report on Form 8-K filed on May 3, 2004 (File No. 1-2385)
✔	✔	4(a)	Composite Indenture dated as of October 1, 1935, between The Dayton Power and Light Company and Irving Trust Company, Trustee with all amendments through the Twenty-Ninth Supplemental Indenture	Exhibit 4(a) to Report on Form 10-K for the year ended December 31, 1985 (File No. 1-2385)
✔	✔	4(b)	Forty-First Supplemental Indenture dated as of February 1, 1999, between The Dayton Power and Light Company and The Bank of New York, Trustee	Exhibit 4(m) to Report on Form 10-K for the year ended December 31, 1998 (File No. 1-2385)
✔	✔	4(c)	Forty-Second Supplemental Indenture dated as of September 1, 2003, between The Dayton Power and Light Company and The Bank of New York, Trustee	Exhibit 4(r) to Report on Form 10-K for the year ended December 31, 2003 (File No. 1-9052)
✔	✔	4(d)	Forty-Third Supplemental Indenture dated as of August 1, 2005, between The Dayton Power and Light Company and The Bank of New York, Trustee	Exhibit 4.4 to Report on Form 8-K filed August 24, 2005 (File No. 1-2385)
✔	✔	4(e)	Rights Agreement dated September 25, 2001 between DPL Inc. and Equiserve Trust Company, N.A.	Exhibit 4 to Report on Form 8-K filed September 28, 2001 (File No. 1-9052)
✔		4(f)	Securities Purchase Agreement dated as of February 1, 2000 by and among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc. and certain exhibits thereto	Exhibit 99(b) to Schedule TO-I filed February 4, 2000 (File No. 1-9052)

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location [1]
✔		4(g)	Amendment to Securities Purchase Agreement dated as of February 24, 2000 among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc.	Exhibit 4(g) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(h)	Form of Warrant to Purchase Common Shares of DPL Inc.	Exhibit 4(h) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(i)	Securityholders and Registration Rights Agreement dated as of March 13, 2000 among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc.	Exhibit 4(i) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(j)	Amendment to Securityholders and Registration Rights Agreement, dated August 24, 2001 among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc.	Exhibit 4(j) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(k)	Amendment to Securityholders and Registration Rights Agreement, dated December 6, 2004 among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc.	Exhibit 4(k) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(l)	Amendment to Securityholders and Registration Rights Agreement, dated as of January 12, 2005 among DPL Inc., DPL Capital Trust I, Dayton Ventures LLC and Dayton Ventures, Inc.	Exhibit 4(l) to Report on Form 10-K for the year ended December 31, 2005 (File No.1-9052)
✔		4(m)	Officer's Certificate of DPL Inc. establishing $175 million Senior Notes due 2009, dated March 25, 2004	Exhibit 4.1 to Form 8-K, filed March 30, 2004 (File No.1-9052)
✔		4(n)	Exchange and Registration Rights Agreement dated as of March 25, 2004 between DPL Inc. and certain purchasers	Exhibit 4.2 to Form 8-K, filed March 30, 2004 (File No.1-9052)
✔		4(o)	Indenture dated as of March 1, 2000 between DPL Inc. and Bank One Trust Company, National Association	Exhibit 4(b) to Registration Statement No. 333-37972
✔		4(p)	Officer's Certificate of DPL Inc. establishing exchange notes, dated March 1, 2000	Exhibit 4(c) to Registration Statement No. 333-37972
✔		4(q)	Exchange and Registration Rights Agreement dated as of August 24, 2001 between DPL Inc., Morgan Stanley & Co. Incorporated, Bank One Capital Markets, Inc., Fleet Securities, Inc. and NatCity Investments, Inc.	Exhibit 4(a) to Registration Statement No. 333-74568
✔		4(r)	Officer's Certificate of DPL Inc. establishing exchange notes, dated August 31, 2001	Exhibit 4(c) to Registration Statement No. 333-74568
✔		4(s)	Indenture dated as of August 31, 2001 between DPL Inc. and The Bank of New York, Trustee	Exhibit 4(a) to Registration Statement No. 333-74630

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location [1]
✔		4(t)	First Supplemental Indenture dated as of August 31, 2001 between DPL Inc. and The Bank of New York, as Trustee	Exhibit 4(b) to Registration Statement No. 333-74630
✔		4(u)	Amended and Restated Trust Agreement dated as of August 31, 2001 among DPL Inc., The Bank of New York, The Bank of New York (Delaware), the administrative trustees named therein, and several Holders as defined therein	Exhibit 4(c) to Registration Statement No. 333-74630
	✔	4(v)	Forty-Fourth Supplemental Indenture dated as of September 1, 2006 between the Bank of New York, Trustee and The Dayton Power and Light Company	Exhibit 4.2 to Form 8-K filed on September 19, 2006 (File No. 1-2385)
✔		4(w)	Exchange and Registration Rights Agreement dated as of August 24, 2001 among DPL Inc., DPL Capital Trust II and Morgan Stanley & Co. Incorporated	Exhibit 4(d) to Registration Statement No. 333-74630
✔	✔	4(x)	Forty-Sixth Supplemental Indenture dated as of December 1, 2008 between The Bank of New York Mellon, Trustee and The Dayton Power and Light Company	Filed herewith as Exhibit 4(x)
✔	✔	10(a)*	The Dayton Power and Light Company Directors' Deferred Stock Compensation Plan, as amended through December 31, 2000	Exhibit 10(a) to Report on Form 10-K for the year ended December 31, 2000 (File No. 1-9052)
✔	✔	10(b)*	The Dayton Power and Light Company 1991 Amended Directors' Deferred Compensation Plan, as amended and restated through December 31, 2007	Exhibit 10(b) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(c)*	The Dayton Power and Light Company Management Stock Incentive Plan as amended and restated through December 31, 2007	Exhibit 10(c) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(d)*	The Dayton Power and Light Company Key Employees Deferred Compensation Plan, as amended through December 31, 2000	Exhibit 10(d) to Report on Form 10-K for the year ended December 31, 2000 (File No. 1-9052)
✔	✔	10(e)*	Amendment No.1 to The Dayton Power and Light Company Key Employees Deferred Compensation Plan, as amended through December 31, 2000, dated as of December 7, 2004	Exhibit 10(g) to Report on Form 10-K for the year ended December 31, 2005 (File No. 1-9052)
✔	✔	10(f)*	The Dayton Power and Light Company Supplemental Executive Retirement Plan, as amended February 1, 2000	Exhibit 10(e) to Report on Form 10-K for the year ended December 31, 2003 (File No. 1-9052)
✔	✔	10(g)*	Amendment No.1 to The Dayton Power and Light Company Supplemental Executive Retirement Plan, as amended through February 1, 2000 and dated as of December 7, 2004	Exhibit 10(i) to Report on Form 10-K for the year ended December 31, 2005 (File No. 1-9052)

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location (1)
✔		10(h)*	DPL Inc. Stock Option Plan	Exhibit 10(f) to Report on Form 10-K for the year ended December 31, 2000 (File No. 1-9052)
✔		10(i)*	2003 Long-Term Incentive Plan of DPL Inc.	Exhibit 10(aa) to Report on Form 10-K for the year ended December 31, 2003 (File No. 1-9052)
✔	✔	10(j)*	Summary of Executive Medical Insurance Plan	Exhibit 10(m) to Report on Form 10-K for the year ended December 31, 2005 (File No. 1-9052)
✔		10(k)*	DPL Inc. Executive Incentive Compensation Plan, as amended and restated through December 31, 2007	Exhibit 10(l) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(l)*	DPL Inc. 2006 Equity and Performance Incentive Plan as amended and restated through December 31, 2007	Exhibit 10(m) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(m)*	Form of DPL Inc. Amended and Restated Long-Term Incentive Plan – Performance Shares Agreement	Exhibit 10(n) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(n)*	DPL Inc. Severance Pay and Change of Control Plan, as amended and restated through December 31, 2007	Exhibit 10(o) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(o)*	DPL Inc. Supplemental Executive Defined Contribution Retirement Plan, as amended and restated through December 31, 2007	Exhibit 10(p) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(p)*	DPL Inc. 2006 Deferred Compensation Plan For Executives, as amended and restated through December 31, 2007	Exhibit 10(q) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(q)*	DPL Inc. Pension Restoration Plan, as amended and restated through December 31, 2007	Exhibit 10(r) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(r)*	Participation Agreement dated August 2, 2007 among DPL Inc., The Dayton Power and Light Company and Teresa F. Marrinan	Exhibit 10(s) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(s)*	Participation Agreement dated March 27, 2007 among DPL Inc., The Dayton Power and Light Company and Scott J. Kelly	Exhibit 10(t) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location [1]
✔	✔	10(t)*	Participation Agreement and Waiver dated February 27, 2006 among DPL Inc., The Dayton Power and Light Company and Gary G. Stephenson	Exhibit 10(u) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(u)*	Participation Agreement and Waiver dated February 23, 2006 among DPL Inc., The Dayton Power and Light Company and Miggie E. Cramblit	Exhibit 10(v) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(v)*	Participation Agreement and Waiver dated February 24, 2006 among DPL Inc., The Dayton Power and Light Company and Joseph R. Boni III	Exhibit 10(w) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(w)*	Participation Agreement dated January 13, 2007 among DPL Inc., The Dayton Power and Light Company and Daniel J. McCabe	Exhibit 10(x) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(x)*	Management Stock Option Agreement dated as of December 29, 2004 between DPL Inc. and John J. Gillen	Exhibit 10(u) to Report on Form 10-K for the year ended December 31, 2005 (File No. 1-9052)
✔	✔	10(y)*	Participation Agreement and Waiver dated June 29, 2006 among DPL Inc., The Dayton Power and Light Company and John J. Gillen	Exhibit 10.2 to Form 8-K filed on July 3, 2006 (File No. 1-9052)
✔	✔	10(z)*	Participation Agreement and Waiver dated February 24, 2006 among DPL Inc., The Dayton Power and Light Company and W. Steven Wolff	Exhibit 10.7 to Form 8-K filed March 2, 2006 (File No. 1-9052)
✔	✔	10(aa)*	Change of Control Agreement dated as of July 1, 2004 between DPL Inc., The Dayton Power and Light Company and Patricia K. Swanke and Management Stock Option Agreement dated as of January 1, 2001 between DPL Inc. and Patricia K. Swanke	Exhibit 10(s) to Report on Form 10-K for the year ended December 31, 2004 (File No. 1-9052)
✔	✔	10(bb)*	Participation Agreement and Waiver dated February 28, 2006 among DPL Inc., The Dayton Power and Light Company and Patricia K. Swanke	Exhibit 10.6 to Form 8-K filed on March 2, 2006 (File No. 1-9052)
✔		10(cc)*	Management Stock Option Agreement dated as of January 1, 2001 between DPL Inc. and Arthur G. Meyer	Exhibit 10(cc) to Report on Form 10-K for the year ended December 31, 2005 (File No. 1-9052)
✔	✔	10(dd)*	Participation Agreement and Waiver dated March 6, 2006 among DPL Inc., The Dayton Power and Light Company and Arthur G. Meyer, dated March 6, 2006	Exhibit 10.2 to Form 8-K filed March 10, 2006 (File No. 1-9052)
✔	✔	10(ee)*	Participation Agreement dated September 8, 2006 among DPL Inc., The Dayton Power and Light Company and Paul M. Barbas	Exhibit 10.2 to Form 8-K filed September 8, 2006 (File No. 1-9052)

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location [1]
✔	✔	10(ff)*	Participation Agreement dated June 30, 2006 among DPL Inc., The Dayton Power and Light Company and Frederick J. Boyle	Exhibit 10.1 to Form 8-K filed July 3, 2006 (File No. 1-9052)
✔		10(gg)*	Letter Agreement between DPL Inc. and Glenn E. Harder, dated June 20, 2006	Exhibit 10.1 to Form 8-K filed June 21, 2006 (File No. 1-9052)
✔		10(hh)	Purchase and Sale Agreement dated as of February 13, 2005 between MVE, Inc., and Miami Valley Insurance Company and AlpInvest/Lexington 2005, LLC	Exhibit 10.1 to Form 8-K filed on February 18, 2005 (File No. 1-9052)
✔		10(ii)	Asset Purchase Agreement dated December 21, 2006 between DPL Energy, LLC and Buckeye Power, Inc.	Exhibit 10(ww) to Report on Form 10-K for the year ended December 31, 2006 (File No. 1-9052)
✔		10(jj)	Asset Purchase Agreement dated November 28, 2006 between DPL Energy, LLC and Columbus Southern Power Company	Exhibit 10(xx) to Report on Form 10-K for the year ended December 31, 2006 (File No. 1-9052)
✔	✔	10(kk)	Credit Agreement, dated as of November 21, 2006 among The Dayton Power and Light Company, KeyBank National Association and certain lending institutions	Exhibit 10.1 to Form 8-K filed on November 28, 2006 (File No. 1-2385)
✔		10(ll)*	Form of DPL Inc. Amended and Restated Non-Employee Director Restricted Stock Units Agreement	Exhibit 10(uu) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔		10(mm)*	DPL Inc. 2006 Deferred Compensation Plan for Non-Employee Directors, as amended and restated through December 31, 2007	Exhibit 10(vv) to Report on Form 10-K for the year ended December 31, 2007 (File No. 1-9052)
✔	✔	10(nn)*	Participation Agreement dated January 3, 2008 among DPL Inc., The Dayton Power and Light Company and Douglas C. Taylor	Exhibit 10(a) to Form 10-Q for the quarter ended March 31, 2008 (File No. 1-9052)
✔		10(oo)*	Restricted Stock Agreement dated May 6, 2008 by and between DPL Inc. and Paul M. Barbas	Exhibit 99.1 to Form 8-K filed May 8, 2008 (File No. 1-9052)
✔	✔	10(pp)*	Separation Agreement dated as of November 30, 2008, between DPL Inc. and The Dayton Power and Light Company and John J. Gillen	Filed herewith as Exhibit 10(pp)
✔	✔	21	List of Subsidiaries of DPL Inc. and The Dayton Power and Light Company	Filed herewith as Exhibit 21
✔		23(a)	Consent of KPMG LLP	Filed herewith as Exhibit 23(a)

DPL Inc.	DP&L	Exhibit Number	Exhibit	Location (1)
✔		31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31(a)
✔		31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31(b)
	✔	31(c)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31(c)
	✔	31(d)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31(d)
✔		32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 32(a)
✔		32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 32(b)
	✔	32(c)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 32(c)
	✔	32(d)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 32(d)
✔	✔	99(b)	Supplement to the April 26, 2004 Report of Taft, Stettinius & Hollister LLP, dated May 15, 2004	Exhibit 99(b) to Report on Form 10-K for the year ended December 31, 2003 (File No. 1-9052)
✔	✔	99(c)	Complaint filed in Montgomery County Court of Common Pleas, Montgomery County, Ohio – DPL Inc., The Dayton Power and Light Company and MVE, Inc. v. Peter H. Forster, Caroline E. Muhlenkamp and Stephen F. Koziar, Jr.	Exhibit 99(d) to Report on Form 10-K for the year ended December 31, 2003 (File No. 1-9052)

**Management contract or compensatory plan*

(1) Exhibits referencing File No. 1-9052 have been filed by DPL Inc. and those referencing File No. 1-2385 have been filed by The Dayton Power and Light Company

Pursuant to paragraph (b) (4) (iii) (A) of Item 601 of Regulation S-K, we have not filed as an exhibit to this Form 10-K certain instruments with respect to long-term debt if the total amount of securities authorized thereunder does not exceed 10% of the total assets of us and our subsidiaries on a consolidated basis, but we hereby agree to furnish to the SEC on request any such instruments.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, **DPL Inc.** and **The Dayton Power and Light Company** has duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

DPL Inc.

February 26, 2009 By: /s/ Paul M. Barbas
Paul M. Barbas
President and Chief Executive Officer
(principal executive officer)

The Dayton Power and Light Company

February 26, 2009 By: /s/ Paul M. Barbas
Paul M. Barbas
President and Chief Executive Officer
(principal executive officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of **DPL Inc.** and **The Dayton Power and Light Company** and in the capacities and on the dates indicated.

/s/ P. M. Barbas (P. M. Barbas)	Director, President and Chief Executive Officer (principal executive officer)	February 25, 2009
/s/ R. D. Biggs (R. D. Biggs)	Director	February 25, 2009
/s/ P. R. Bishop (P. R. Bishop)	Director and Vice-Chairman	February 25, 2009
/s/ F. F. Gallaher (F. F. Gallaher)	Director	February 25, 2009
/s/ B. S. Graham (B. S. Graham)	Director	February 25, 2009
/s/ G. E. Harder (G. E. Harder)	Director and Chairman	February 25, 2009
/s/ L. L. Lyles (L. L. Lyles)	Director	February 25, 2009
/s/ P. B. Morris (L. L. Lyles)	Director	February 25, 2009
/s/ N. J. Sifferlen (N. J. Sifferlen)	Director	February 25, 2009
/s/ F. J. Boyle (F. J. Boyle)	Senior Vice President, Chief Financial Officer (principal financial and principal accounting officer), Treasurer and Controller	February 25, 2009

Schedule II **Valuation and Qualifying Accounts**

DPL Inc.

For the years ended December 31, 2006-2008
$ in thousands

Description	Balance at Beginning of Period	Additions	Deductions[1]	Balance at End of Period
2008:				
Deducted from accounts receivable – Provision for uncollectible accounts	**$ 1,518**	**$ 4,277**	**$ 4,711**	**$ 1,084**
Deducted from deferred tax assets – Allowance for deferred tax assets	**$ 12,429**	**$ 1,482**	**$ 3,226**	**$ 10,685**
2007:				
Deducted from accounts receivable – Provision for uncollectible accounts	$ 1,430	$ 5,678	$ 5,590	$ 1,518
Deducted from deferred tax assets – Allowance for deferred tax assets	$ 10,132	$ 2,676	$ 379	$ 12,429
2006:				
Deducted from accounts receivable – Provision for uncollectible accounts	$ 1,044	$ 4,835	$ 4,449	$ 1,430
Deducted from deferred tax assets – Allowance for deferred tax assets	$ 6,776	$ 3,356	$ –	$ 10,132

(1) Amounts written off, net of recoveries of accounts previously written off.

The Dayton Power and Light Company

For the years ended December 31, 2006-2008
$ in thousands

Description	Balance at Beginning of Period	Additions	Deductions[1]	Balance at End of Period
2008:				
Deducted from accounts receivable – Provision for uncollectible accounts	**$ 1,518**	**$ 4,277**	**$ 4,711**	**$ 1,084**
Deducted from deferred tax assets – Allowance for deferred tax assets	**$ 348**	**$ –**	**$ 348**	**$ –**
2007:				
Deducted from accounts receivable – Provision for uncollectible accounts	$ 1,430	$ 5,678	$ 5,590	$ 1,518
Deducted from deferred tax assets – Allowance for deferred tax assets	$ 277	$ 71	$ –	$ 348
2006:				
Deducted from accounts receivable – Provision for uncollectible accounts	$ 1,044	$ 4,835	$ 4,449	$ 1,430
Deducted from deferred tax assets – Allowance for deferred tax assets	$ –	$ 277	$ –	$ 277

(1) Amounts written off, net of recoveries of accounts previously written off.

Exhibit 21 **Subsidiaries of DPL Inc.**

DPL Inc. had the following subsidiaries at December 31, 2008:

	State of Incorporation
The Dayton Power and Light Company	Ohio
Miami Valley Insurance Company	Vermont
DPL Energy, LLC	Ohio
DPL Energy Resources, Inc.	Ohio

Subsidiaries of The Dayton Power and Light Company

The Dayton Power and Light Company did not have any subsidiaries at December 31, 2008.

Exhibit 23a **Consent of Independent Registered Public Accounting Firm**

The Board of Directors and Shareholders of
DPL Inc.:

We consent to the incorporation by reference in the registration statements No. 333-44370 on Form S-3 and No. 333-39982 and No. 333-139348 on Forms S-8 of DPL Inc. of our report dated February 26, 2009, with respect to the consolidated balance sheets of DPL Inc. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of results of operations, consolidated statements of shareholders' equity and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2008, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2008, which report appears in the December 31, 2008 annual report on Form 10-K of DPL Inc.

/s/ KPMG LLP

KPMG LLP
Philadelphia, Pennsylvania

February 26, 2009

Exhibit 31a **Certifications**

I, Paul M. Barbas, certify that:

1. I have reviewed this annual report on Form 10-K of DPL Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

/s/ Paul M. Barbas

Paul M. Barbas
President and Chief Executive Officer

Exhibit 31b **Certifications**

I, Frederick J. Boyle, certify that:

1. I have reviewed this annual report on Form 10-K of DPL Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

/s/ Frederick J. Boyle

Frederick J. Boyle
Senior Vice President, Chief Financial Officer,
Treasurer and Controller

Exhibit 31c **Certifications**

I, Paul M. Barbas, certify that:

1. I have reviewed this annual report on Form 10-K of The Dayton Power and Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

/s/ Paul M. Barbas

Paul M. Barbas
President and Chief Executive Officer

Exhibit 31d **Certifications**

I, Frederick J. Boyle, certify that:

1. I have reviewed this annual report on Form 10-K of The Dayton Power and Light Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

/s/ Frederick J. Boyle

Frederick J. Boyle
Senior Vice President, Chief Financial Officer,
Treasurer and Controller

Exhibit 32a **Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

DPL Inc.

The undersigned officer of DPL Inc. (the "Issuer") hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Issuer's Annual Report on Form 10-K for the period ended December 31, 2008, which this certificate accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of the Issuer as of the dates and for the periods expressed therein.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to the Issuer and will be retained by the Issuer and furnished to the Securities and Exchange Commission or its staff upon request.

Signed:

/s/ Paul M. Barbas

Paul M. Barbas
President and Chief Executive Officer

Date: February 26, 2009

The foregoing certificate is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Issuer's Annual Report or as a separate disclosure document.

Exhibit 32b **Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

DPL Inc.

The undersigned officer of DPL Inc. (the "Issuer") hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Issuer's Annual Report on Form 10-K for the period ended December 31, 2008, which this certificate accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of the Issuer as of the dates and for the periods expressed therein.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to the Issuer and will be retained by the Issuer and furnished to the Securities and Exchange Commission or its staff upon request.

Signed:

/s/ Frederick J. Boyle

Frederick J. Boyle
Senior Vice President, Chief Financial Officer,
Treasurer and Controller

Date: February 26, 2009

The foregoing certificate is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Issuer's Annual Report or as a separate disclosure document.

Corporate Information

Shareholder Information – www.dplinc.com
Shareholder information is available at www.dplinc.com, including access to financial conference calls and presentations, Securities and Exchange Commission (SEC) filings, and historical stock and dividend data. Interested parties may also receive automated e-mail alerts to DPL news releases and SEC filings.

Online Shareholder Account Management – www.computershare.com/investor

Shareholders may manage their DPL Inc. common stock account online at www.computershare.com/investor. Computershare is the transfer agent for DPL common stock. Services available online include reinvesting dividends, enrolling in electronic dividend deposit, changing an address, selling shares, and downloading forms.

Transfer Agent Contact Information

By Mail:
Computershare
P.O. Box 43078
Providence, RI 02940-3078

By Overnight Delivery:
Computershare
250 Royall Street
Canton, MA 02021

Phone: 800-736-3001
Fax: 781-575-3605
E-mail: shareholders@computershare.com
www.computershare.com/investor

Trustee
DP&L First Mortgage Bonds
The Bank of New York
Corporate Trust Administration
101 Barclay Street
New York, New York 10286
Also interest paying agent

Securities Listing
The New York Stock Exchange is the only national securities exchange on which DPL Inc. common stock is listed. The trading symbol is DPL.

2008 Dividends

Ex-Dividend Date	Record Date	Payable Date	Amount
2/12/08	2/14/08	3/1/08	$ 0.275
5/13/08	5/15/08	6/1/08	$ 0.275
8/13/08	8/15/08	9/1/08	$ 0.275
11/13/08	11/15/08	12/1/08	$ 0.275
			$ 1.10

Federal Income Tax Status of 2008 Dividend Payments
Dividends paid in 2008 on common and preferred stock are fully taxable as dividend income.

Certifications
DPL Inc. has filed as exhibits to its annual report on Form 10-K for the fiscal year ended December 31, 2008, the certifications of its president and chief executive officer and its senior vice president and chief financial officer required by Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934. DPL submitted to the New York Stock Exchange during 2008 the annual CEO certification required by Section 303A.12 of the New York Stock Exchange listed company manual.

Stock Purchase and Dividend Reinvestment Plan
On March 1, 2009, DPL introduced a new direct stock purchase and dividend reinvestment plan. The new plan is offered and administered by Computershare Trust Company, N.A., (Computershare) and not by DPL. This Computershare Investment Plan (CIP) provides an alternative to traditional retail brokerage methods of purchasing, holding and selling DPL shares. Both registered shareholders and new investors are able to purchase shares through this program.

The CIP offers a full array of features that include the ability to:
- Purchase shares weekly
- Purchase initial shares through the CIP, as a new investor, for $250.00 in one payment or ten consecutive monthly payments of $25.00
- Purchase additional shares by investing as little as $25.00
- Authorize recurring monthly purchases through the automatic investment feature
- Purchase shares over the Internet at www.computershare.com/investor or by check
- Reinvest dividends or receive cash dividends electronically or by check
- Convert your stock certificates into book-entry shares for safekeeping purposes at no cost
- Transfer shares to another person by opening a CIP account for the recipient
- Sell shares daily

To participate in the CIP, you can enroll over the Internet at https://www.computershare.com/investor or call Computershare for the brochure and form at 800-736-3001 or call DPL Shareholder Services at 800-322-9244.

Dividend Direct Deposit
Shareholders who are not reinvesting their dividends in DPL may choose to have their dividend payments deposited directly into a savings or checking account. This free service ensures that payments will be available on the payment date, eliminating potential for mail delays and lost checks. To enroll, contact Computershare at 800-736-3001, visit www.computershare.com/investor, or call DPL Shareholder Services at 800-322-9244.

Annual Meeting
The Annual Meeting of Shareholders will be held at the Dayton Convention Center Theater, 22 East Fifth Street, Dayton, Ohio 45402, on Wednesday, April 29, 2009 at 10:00 a.m. Eastern time.

Form 10-K Report
DPL Inc. reports details concerning its operations and other matters annually to the Securities and Exchange Commission on Form 10-K, which is available at www.dplinc.com and will be supplied upon request. Please direct inquiries to DPL Shareholder Services.

DPL Inc.
1065 Woodman Drive
Dayton, Ohio 45432
937-224-6000
www.dplinc.com

DPL Shareholder Services
937-259-7150
800-322-9244

Officers

Paul M. Barbas
President and
Chief Executive Officer

Frederick J. Boyle
Senior Vice President
Chief Financial Officer
Treasurer and Controller

Scott J. Kelly
Senior Vice President
Service Operations

Teresa F. Marrinan
Vice President
Commercial Operations

Daniel J. McCabe
Senior Vice President and
Chief Administrative Officer

Arthur G. Meyer
Senior Vice President
Corporate and Regulatory Affairs

Timothy G. Rice
Vice President
Assistant General Counsel and
Corporate Secretary

Gary G. Stephenson
Senior Vice President
Generation and Marketing

Douglas C. Taylor
Senior Vice President
General Counsel and
Corporate Development

Board of Directors

Glenn E. Harder
Chairman
DPL Inc. and DP&L
President, GEH Advisory Services, LLC
Former Executive Vice President and
Chief Financial Officer
Carolina Power and Light
Raleigh, North Carolina

Paul M. Barbas
President and Chief Executive Officer
DPL Inc. and DP&L
Dayton, Ohio

Robert D. Biggs
Former Executive Chairman,
DPL Inc. and DP&L
Retired Managing Partner
PricewaterhouseCoopers, LLP

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H-P Products, Inc.
Louisville, Ohio

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Former Commander of the
Air Force Materiel Command
Dayton, Ohio

Pamela B. Morris
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CareSource
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