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DEAR SHAREHOLDERS,

The last year became an important stage of dynamic transformations for PJSC DONBASENERGO. The achieved results allow estimating not only the successful solving of the objectives set, but also the progressive development of the Company. The implementation of new integrated approaches to the processes of production organization and upgrading allowed the Company to increase the installed capacity in 2013 by 60 MW (up to 2,885 MW), bring the electric power generation rate to 10.053 billion kW/h and receive the net profit of UAH531.5 million, which exceeded the planned figures by 5.5 times.

The privatization tender and obtaining of a new owner and reliable investor represented by ENERGOINVESTHOLDING PRIVATE JOINT-STOCK COMPANY became the significant events and conditioned the stable development of PJSC DONBASENERGO.

The Company's aim to upgrade the power production processes were represented in our projects of 2013: we implemented the actions for the reconstruction of Units No. 13 and No. 12 of Starobeshevsk TES, drum 7A of Slovianska TES, drawn the main vector of the production capacities reformation and proceeded to the preparatory stage of the project being the most scalable for the period of Ukraine independence; this project has the innovation generation processes and concerns the reconstruction of Unit No. 6 of TES with the division into Power Units No. 6b and No. 6a with the capacity of 330 MW each.

This project will be the standard of power generation in Ukraine and it will allow solving a number of key social and economic issues in the northern part of DONBAS, introduce the new European environmental standards into the power industry of our country.

In 2013, the Company continued developing and optimizing the business processes. We started creating the vertical management model which will allow combining all information resources into the unique structure with clear distribution of functions and considerable



time reduction for task fulfilment. The implementation of IT strategy will be critical for the management system improvement. We performed the basic upgrades of the Company's IT infrastructure in 2013.

The fair and hard work of more than 6 thousand employees

is the basis of our achievements. Occupational safety provision is the basis of PJSC DONBASENERGO sustainable development and its long-term success. In 2013, we continued the development and implementation of OHSAS 18001 Occupational Health & Safety Management System: 2007.

Investments to the human capital assets are one of the most critical aspects for the achievement of the strategic goals by the Company. We fulfilled all our social liabilities to the Company's employees and pensioners within the framework of the Collective Employment Agreement in 2013.

The gained experience, implementation of up-to-date management and production methods, openness for the best practises, partnerships and innovations give us all opportunities to strengthen the positions of PJSC DONBASENERGO in the Ukrainian market of big generation in 2014 as a dynamically developing company, reliable business partner and socially responsible business.

Eduard Bondarenko,
Director General
of PJSC DONBASENERGO



ABOUT COMPANY

PUBLIC JOINT-STOCK COMPANY DONBASENERGO IS A UNITED ECONOMIC COMPLEX, WHICH UNITES THE POWER ENTERPRISES PRODUCING ELECTRICAL AND THERMAL POWER

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Donbasenergo

1926 THE BEGINNING OF DONBASENERGO HISTORY.

On the 8th of October the first generating unit was commissioned at Shterovska GRES named after F.E. Dzerzhynskiy and this laid the foundations not only for the history of our Company, but for the whole electrification in Ukraine.

1930 DONBASTOK State-Owned Trust was established; it united the regionally scattered independent electric power lines.

1931 DONBASTOK was renamed to DONENERGO Regional Directorate.

1943 The current name DONBASENERGO is Regional Power Directorate.

2013 DONBASENERGO PRIVATIZATION TENDER WAS CONDUCTED ON THE 21ST OF AUGUST; IT WAS WON BY ENERGOINVEST HOLDING.

THIS EVENT IS A NEW MARK IN THE HISTORY OF DONBASENERGO.

Today, DONBASENERGO Public Joint-Stock Company is a united economic complex, which unites the power production enterprises producing electrical and thermal power.

STRUCTURAL UNITS OF THE COMPANY

- Starobeshevska TES
- Slovianska TES
- Teploelektroproekt
- Elektroremont
- Donbasenergonaladka
- Donbasenergospetsremont
- Enterprise for Supplies to Workers "Energotorg"
- Enterprise for Hightway Transport "Donbasenergo"

The main productive assets of the Company are power generation units of Starobeshevska and Slovianska TES with the total installed capacity of **2,855 MW**.

The share of electric power generation in the total commodity output in 2013 was **98,2 %**.

STAROBESHEVSKA TES

- It has been in operation since 1958
- degree of main and auxiliary equipment wear and tear — **70–90 %**
- volume of electric power generated from the date of commissioning to 01.01.2014 — **488.5 billion kW·h**
- installed design capacity — **2,300 MW**
- installed capacity after the reconstruction and remarking of units No. 5, 13 in 2013 — **1,975 MW**
- fuel provision — coal of A, t grades (tP-100 boiler units of power generating units No. 5, 13), waste coal (slurry) and high-ash ASh (AcKS boiler unit of power generation unit No. 4), natural gas and fuel oil as firing and lighting fuel
- maintenance stock — 62 units of special equipment
- social infrastructure — assets of housing social fund and engineering infrastructure of Novyi Svit urban-type settlement: hotel, dormitories, sport center, and stadium.
- number of employees — **2,505** persons

SLOVIANSKA TES

- It has been in operation since 1954
- degree of main and auxiliary equipment wear and tear — **80–90 %**
- volume of electric power generated from the date of commissioning to 01.01.2014 — **327.3 billion kW·h**
- volume of electric power generated from the date of commissioning to 01.01.2014 — **327.3 billion kW·h**
- installed design capacity — **2,100 MW**, installed capacity since 2003 — 880 MW
- fuel provision — coal of A and t grades, natural gas and fuel oil as firing and lighting fuel
- maintenance stock — **33** units of special equipment
- social infrastructure — social purpose assets of Mykolaivka town (culture centre, hotel, sports and fitness center, recreation centre)
- number of employees — **1,885** persons





ORGANIZATION OF CORPORATE MANAGEMENT STRUCTURE

THE AMOUNT OF THE PJSC DONBASENERGO EQUITY
CAPITAL IS UAH **236 443 010,00**

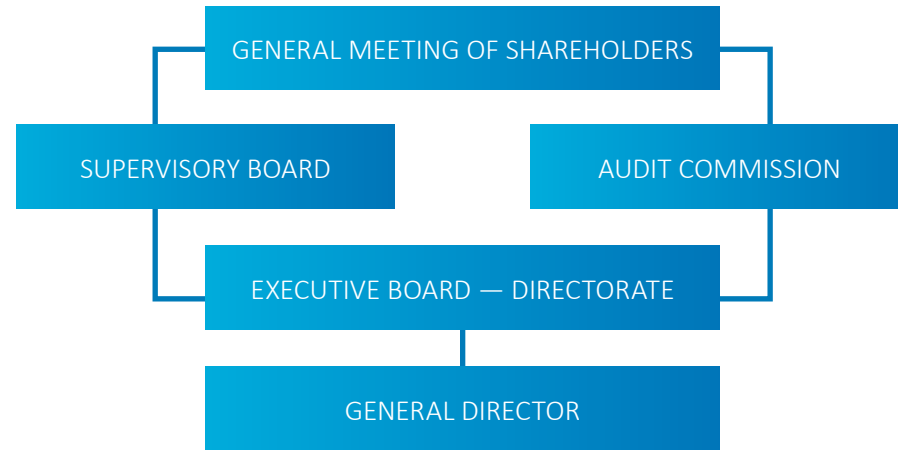
THE EQUITY CAPITAL IS DIVIDED INTO **23 644 301** ORDINARY
REGISTERED SHARES WITH THE NOMINAL VALUE OF
UAH **10,00** EACH



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Donbas**energo**

ORGANIZATIONAL STRUCTURE



SUPERVISORY BOARD

- Chairman of PJSC DONBASENERGO Supervisory Board — Legal entity Private Joint-Stock Company ENERGOINVEST HOLDING
- Deputy Chairman of PJSC DONBASENERGO Supervisory Board — legal entity Public Joint-Stock Company NATIONAL JOINT-STOCK COMPANY “POWER COMPANY OF UKRAINE”
- Member of the Supervisory Board — Ievgen Anatoliyovych Opykhailenko
- Member of the Supervisory Board — Oleksandr Valeriyovych Heilo
- Member of the Supervisory Board — Private Limited Company ENERGOINVEST HOLDING / ENERGOINVESTHOLDING BV

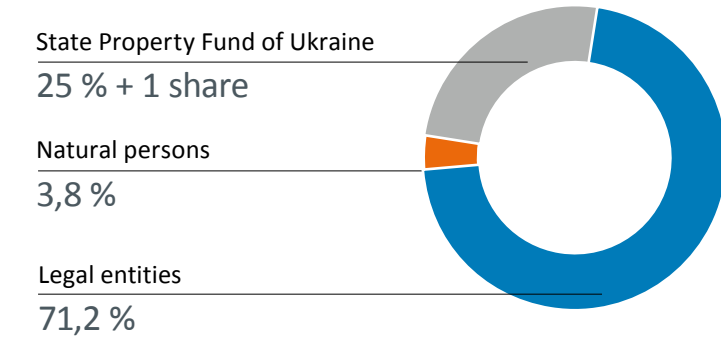
AUDIT COMMISSION

- Chairman of the Audit Commission — Alla Volodymyrivna Bohatyreva
- Member of the Audit Commission — Liudmyla Mykhailivna Tokareva
- Member of the Audit Commission — Oleh Anatoliyovych Naumenko

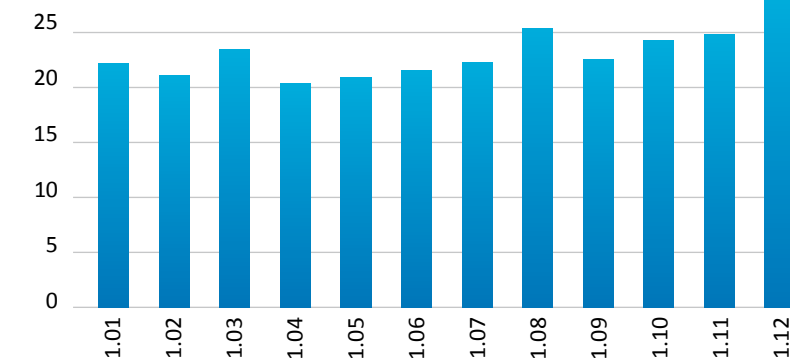
DIRECTORATE

- General Director — Eduard Mykolayovych Bondarenko
- Member of the Directorate — Oleksiy Serhiyovych Kurakov
- Member of the Directorate — Valentyna Borysivna Marchenko
- Member of the Directorate — Oleksandr Volodymyrovych Boienko
- Member of the Directorate — Victor Vasyliovych Rupp
- Member of the Directorate — Valerii Vasyliovych Cherepii
- Member of the Directorate — Oleksandr Mykolayovych Maksymenko

EQUITY CAPITAL STRUCTURE



The shares of PJSC DE underwent the listing procedure at PJSC UKRAINIAN STOCK EXCHANGE MARKET and were entered into the Stock Exchange Register at the first listing level of PJSC UKRAINIAN STOCK EXCHANGE on May 18, 2011. According to the decision of the Cost Commission dated July 05, 2013 No. 955 the shares of PJSC DONBASENERGO were transferred to the second listing level of the Stock Exchange Register.



SHARE QUOTATION

Based on the Resolution of the Cabinet of Ministers of Ukraine dated February 20, 2013 No. 124

“On Amendments in Some Acts of the Cabinet of Ministers of Ukraine” 60,773 % of the state-owned stake of PJSC DONBASENERGO were passed in 2013 to the State Property Fund of Ukraine for further sale.

Based on the Order dated July 11, 2013 No. 496-P the Cabinet of Ministers of Ukraine approved the sale conditions for the state-owned stake of PJSC DONBASENERGO on an open tender basis according to the auction principle. In accordance to the sale results that took place on August 21, 2013; it was won by Private Joint-Stock Company ENERGOINVEST HOLDING, with which the State Property Fund of Ukraine entered into the sales agreement on August 27, 2013.

Based on the Resolution of the Cabinet of Ministers of Ukraine dated January 22, 2014 No. 23 “On Amendments in Some Acts of the Cabinet of Ministers of Ukraine” 25%+1 share of PJSC DONBASENERGO were passed from ENERGY COMPANY OF UKRAINE “EKU” to the State Property Fund of Ukraine for further sale at the stock exchange.



COMPANY IN THE POWER MARKET OF UKRAINE

THE PURPOSE OF PJSC DONBASENERGO ACTIVITY
IN THE MARKET IS TO SATISFY THE GOVERNMENT
NEEDS IN ELECTRIC POWER BY PROVIDING EFFICIENT
OPERATION OF PRODUCTION FACILITIES



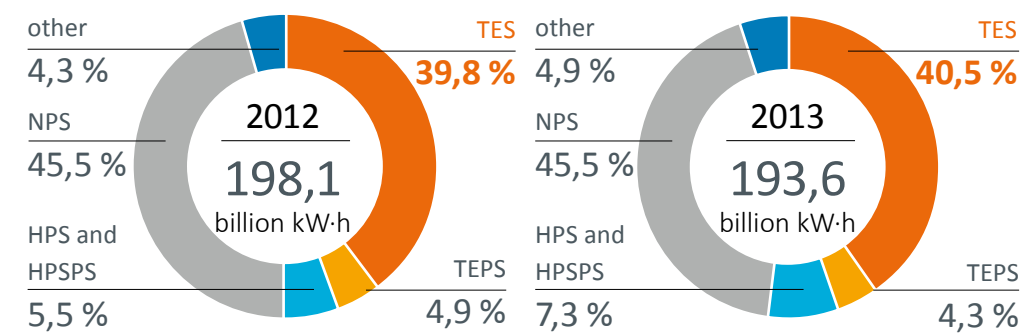
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Donbasenergo

According to the law of Ukraine “On Electric Power” electric power generated by generating companies is sold to the wholesale electric power market of the country, which operator is State-Owned Company “ENERGORYNOK”.

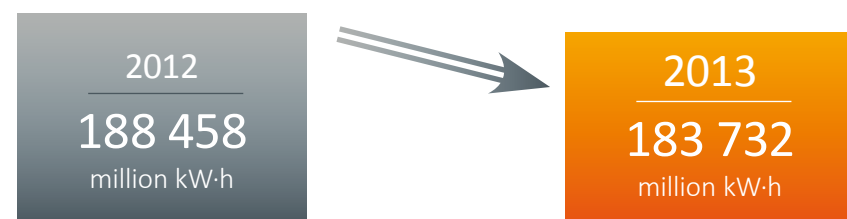
The electric power production rate is approved by the National Electricity Regulatory Commission (NERC).

GENERATION BY UPS OF UKRAINE IN 2012—2013

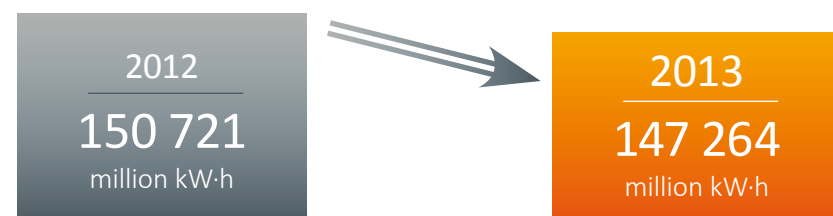


Electric power generation by the Unified Power System (UPS) of Ukraine decreased by **2,3 %**.

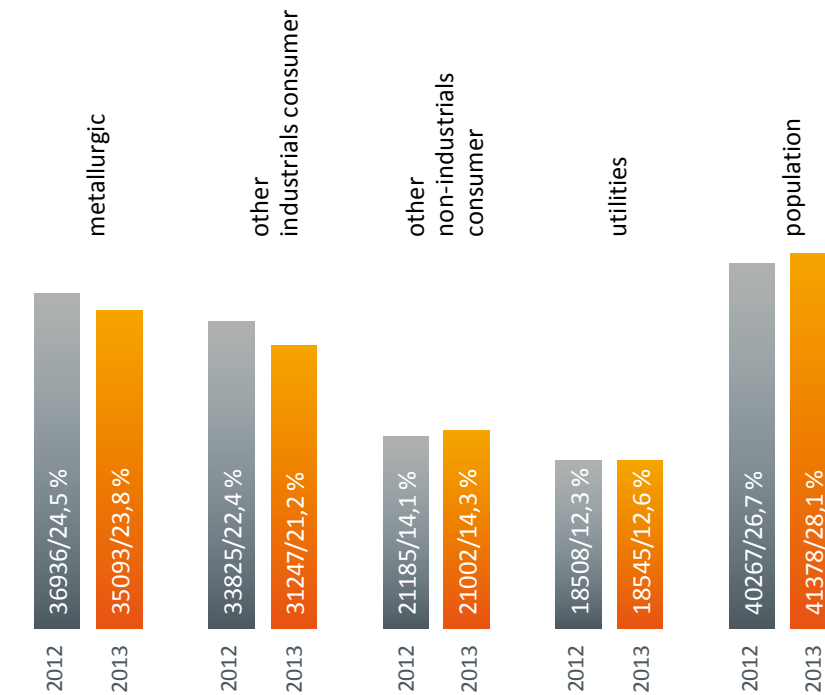
in 2013, the gross electric power consumption in Ukraine decreased by **4,726 million kW·h**.



Electric power consumption by end consumers decreased by **3,457 million kW·h**



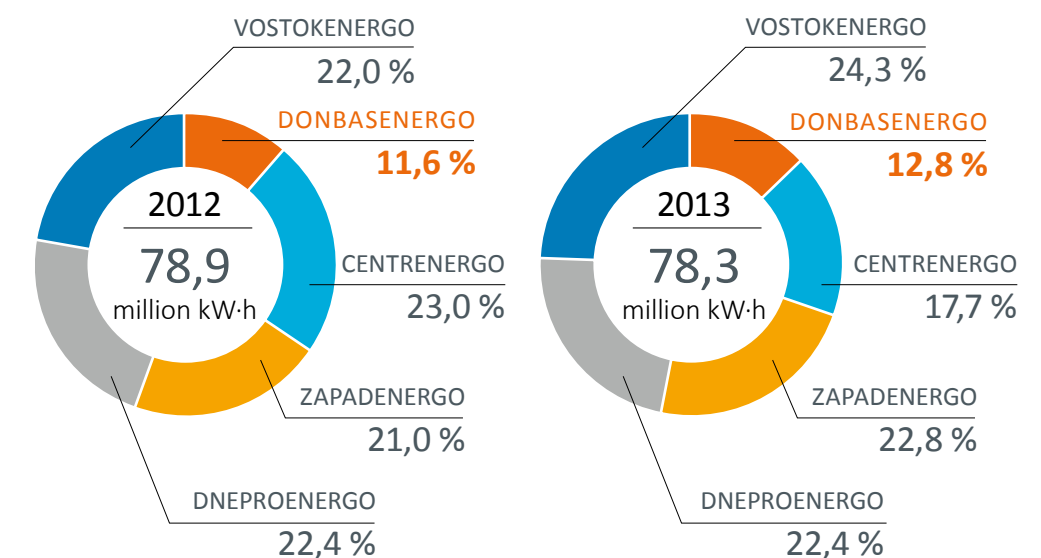
INTERNAL ELECTRIC POWER CONSUMPTION STRUCTURE IN UKRAINE IN 2012—2013



Thermal power generation in Ukraine is represented by five generating companies — PJSC DONBASENERGO PJSC CENTRENERGO, PJSC DTEK ZAPADENERGO, JSC DTEK VOSTOKENERGO, PJSC DTEK DNEPROENERGO.

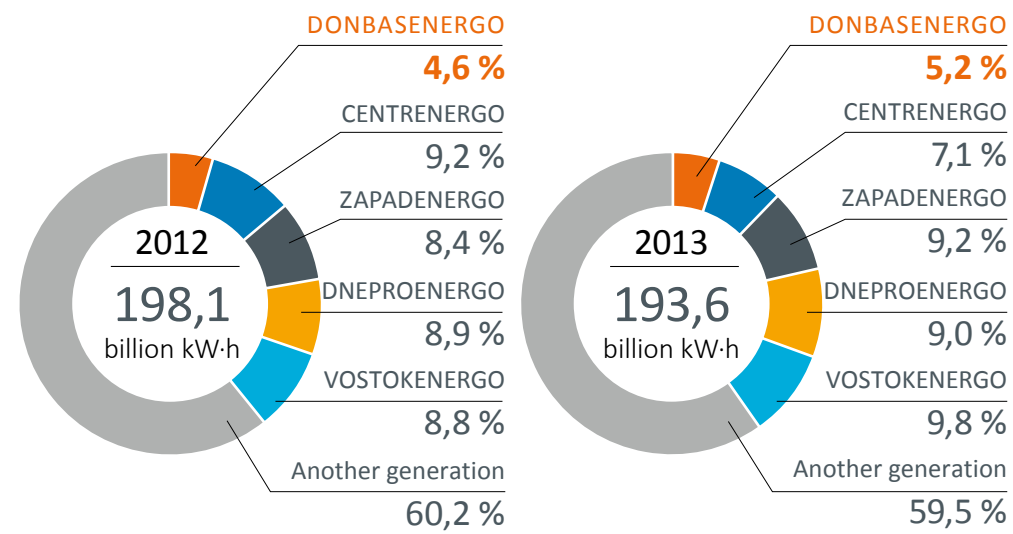
The share of enterprises, GC TES in 2013 within the general generation structure of the generating companies reached **40,5 %**.

GENERATION BY GC TES IN 2012—2013



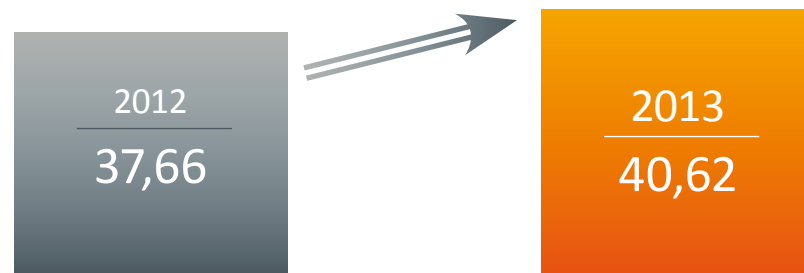
The specific share of DONBASENERGO within the general structure of electric power generation in Ukraine in 2013 amounted to **5,2 %**, within the thermal power generation structure it amounted to **12,8 %**.

SHARE OF GENERATION BY GENERATING COMPANIES, TES IN THE UPS OF UKRAINE IN 2012—2013



The capacity factor of TES of PJSC DONBASENERGO in 2013 increased by **2,96**.

INSTALLED CAPACITY FACTOR

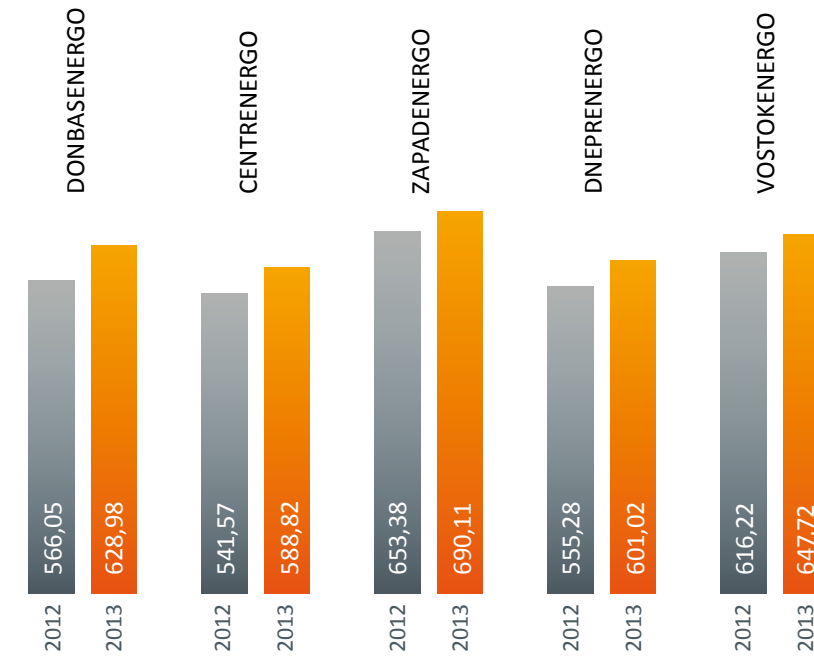


GCTES carry out their activity in the wholesale electric power market on a competitive basis: units with the lowest cost factor to the most expensive one which participates in maximum consumption coverage are selected as part of the set schedule for planned 24 hours. Hourly prices for electric power are determined by the most expensive cycling unit.

Prices for operating capacity and manoeuvrability are calculated based on factors approved by the NERC. For all other producers the NERC establishes sales tariffs for a month planned.

The positive tendency for the GC TES tariff growth was observed during 2013; it was caused by the increase of wholesale market prices (WMP), prices for net output energy, operating capacity, manoeuvrability and investment components of the tariff. The tariff for net output energy in GC TES in 2013 was **634,82 UAH/MW·h**, which is **44,90 UAH/MW·h** more than in the previous year.

NET OUTPUT ENERGY TARIFF GC TES IN 2012—2013 UAH/MW·h



The tariff of PJSC DONBASENERGO was **628,98 UAH/MW·h** (+ 62,94 UAH/MW·h), which is **11,1 %** more than in the previous year — it is the largest growth index among the thermal power generating companies (**7,8 %** on an average).

The existing model of pool-type market is a limiting factor both for efficient use of TES capacities and for expansion of the thermal power generation share within the general structure of installed electric capacity in Ukraine. Ukraine intends to pass to the model which includes the market of bilateral contracts, balancing market, “tomorrow” market, auxiliary services market and etc. within the concept of the wholesale electric power market functioning and development.



BASIC ACTIVITY IN FIGURES AND FACTS

THE BASIC ACTIVITY OF THE COMPANY
IN 2013 WAS FOCUSED ON THE OPTIMIZATION
OF TECHNICAL-ECONOMIC INDICES OF THE PRODUCTION
AND COMMERCIAL ACTIVITY AND PROFIT MAKING
FROM ELECTRIC POWER PRODUCTION



4

Donbasenergo

PRODUCTION ACTIVITY

ELECTRIC POWER PRODUCTION

COMPLIANCE WITH MAIN TECHNICAL-ECONOMIC INDICES

INDEX	meas. unit	fact 2012	Fi 2013	fact 2013	deviations F12/F13		deviations F13/FP13	
					+/-	%	+/-	%
Output electric power	million kW-h	9128,6	9707,0	10053,5	924,9	10,1	346,5	3,6
Starobeshevskaya TES		6388,9	7053,0	7648,2	1259,3	19,7	595,2	8,4
Slovianska TES		2739,7	2654,0	2405,3	-334,4	-12,2	-248,7	-9,4
Net supply electric power	million kW-h	8178,6	8668,6	9005,9	827,3	10,1	337,3	3,9
Starobeshevskaya TES		5710,6	6299,2	6864,5	1153,9	20,2	565,3	9,0
Slovianska TES		2468,0	2369,4	2141,4	-326,6	-13,2	-228,0	-9,6
Supply structure electric power CE	%	100,0	100,0	100,0	0,0	0,0	0,0	0,0
Starobeshevskaya TES	%	69,8	72,7	76,2	6,4	9,2	3,5	4,8
Slovianska TES	%	30,2	27,3	23,8	-6,4	-21,2	-3,5	-12,8
Specific consumption of fuel for electric power generation	g/kW-h	417,9	417,8	417,2	-0,7	-0,2	-0,6	-0,1
Starobeshevskaya TES	g/kW-h	418,2	416,9	416,4	-1,8	-0,4	-0,5	-0,1
Slovianska TES	g/kW-h	417,2	420,1	419,9	2,7	0,6	-0,2	0,0
Electric power sales tariff with investment component	kop./kW-h	56,6	61,7	62,9	6,3	11,1	1,2	1,9
Starobeshevskaya TES	kop./kW-h	58,5	62,2	64,7	6,2	10,6	2,5	4,0
Slovianska TES	kop./kW-h	52,2	60,4	57,2	5,0	9,6	-3,2	-5,3
Electric power without investment component	kop./kW-h	56,3	59,2	59,9	3,6	6,4	0,7	1,2
Starobeshevskaya TES	kop./kW-h	58,0	60,3	62,9	4,9	8,4	2,6	4,3
Slovianska TES	kop./kW-h	52,2	56,4	50,5	-1,7	-3,3	-5,9	-10,5
Prime cost of electric power	kop./kW-h	50,7	57,5	51,9	1,2	2,4	-5,6	-9,7
Starobeshevskaya TES	kop./kW-h	48,5	54,8	48,1	-0,4	-0,8	-6,7	-12,2
Slovianska TES	kop./kW-h	54,8	61,2	58,3	3,5	6,4	-2,9	-4,7
Fuel component in prime cost	kop./kW-h	40,1	44,5	39,5	-0,6	-1,5	-5,0	-11,2
Starobeshevskaya TES	kop./kW-h	40,1	44,8	39,4	-0,7	-1,7	-5,4	-12,1
Slovianska TES	kop./kW-h	40,2	43,9	40,0	-0,2	-0,5	-3,9	-8,9
Share of fuel component in prime cost	%	79,2	77,4	76,1	-3,1	-3,9	-1,3	-1,7
Starobeshevskaya TES	%	82,7	81,8	81,9	-0,8	-1,0	0,1	0,1
Slovianska TES	%	73,5	71,7	68,6	-4,9	-6,7	-3,1	-4,3

The compliance with the approved technical-economical indices in 2013 was as follows: for electric power generation — **103,6%**,

for net supply — **103,9%**.

Fuel component of prime cost of electric power decreased by **11,2%** (5.0 kop./kW-h), while its share in the prime cost structure decreased by **1,3%**, to **76,1%**.

PRIME COST STRUCTURE

NAME OF COSTS	fact 2012		Fi 2013		fact 2013		deviation from of fact 2012		deviation from Fi 2013	
	thousand UAH	%	thousand UAH	%	thousand UAH	%	thousand UAH	%	thousand UAH	%
Production prime cost, total	4190447	98	4980779	97	4655258	97	464811	11	-325521	-7
character, including services of production	121732	3	156476	3	156540	3	34808	29	64	0
operating	23788	1	26641	0	25544	0	1756	7	-1097	-4
maintenance	97944	2	129835	3	130996	3	33052	34	1161	1
Raw materials and auxiliary materials, including	141302	3	157311	3	145286	3	3984	3	-12025	-8
water payment	18913	0	22189	0	22412	0	3499	19	223	1
operating	58461	1	60703	1	54559	1	-3902	-7	-6144	-10
maintenance	63928	2	74419	2	68315	2	4387	7	-6104	-8
Fuel from third partie	3317507	77	3895000	76	3587988	75	270481	8	-307012	-8
Power from third parties	12812	0	16635	0	16120	0	3308	26	-515	-3
Labour costs	292007	7	343076	7	334363	7	42356	15	-8713	-3
Fees of social arrangements	117599	3	127311	3	122730	3	5131	4	-4581	-4
Amortization	75032	2	106432	2	118991	2	43959	59	12559	12
Other costs, including	112456	3	178538	3	173240	4	60784	54	-5298	-3
environmental fee	87400	2	151928	3	148381	4	60981	70	-3547	-2
land fee	2431	0	2424	0	1383	0	-1048	-43	-1041	-43
other needs	22625	1	24186	0	23476	0	851	4	-710	-3
Administrative expenses	97645	2	150655	3	148768	3	51123	52	-1887	-1
Sale costs	233	0	290	0	303	0	70	30	13	4
Total costs	4288325	100	5131724	100	4804329	100	516004	12	-327395	-6

FUEL PROVISION

THE EFFICIENT BUSINESS APPROACH TO THE FUEL PROVISION POLICY OF THE COMPANY RESULTED IN SIGNIFICANT IMPROVEMENT OF THE ECONOMIC INDICES OF GENERATION EQUIPMENT IN 2013

The main fuel for PJSC DONBASENERGO Electric Power Stations is coal of ASh and “t” grades excavated in Donetsk Coal Basin. Rejects and coal slurries are used for the boiler at unit No. 4 of Starobeshevskaya TES, which uses the method of fuel combustion in recycling fluidized bed.

The quality of combusted solid fuel worsened by 86 kcal/kg in 2013, which in its turn resulted in fuel burnout at PJSC DONBASENERGO in the amount of 7 000 ton of coal equivalent. On the other side, the decrease of solid fuel calorific value is explained by the increase of the electric power output share by the more efficient unit No.4, which incinerates low-grade fuel. The share of unit No.4 within the Company's generation structure increased from 7,44 % to 9,82 % and this decreased the fuel component of the prime cost for 9,5 million of UAH.

FUEL FOR POWER PRODUCTION

TYPE OF FUEL	Meas.unit	Fact 2012	Financial plan 2013	Fact 2013
Coal				
Calorific value	kcal/kg	5391	5357	5305
Share in the infrastructure	%	97,8	97,3	98,2
Gas				
Calorific value	kcal/kg	7979	7920	7964
Share in the infrastructure	%	2,1	2,6	1,8
Fuel oil				
Calorific value	kcal/kg	9346	9400	8908
Share in the infrastructure	%	0,1	0,1	0,0
Price of 1 equivalent fuel ton	UAH/equivalent	962,83	1067,22	949,10
Fuel component	kop./kW·h	40,14	44,54	39,54

The coal share within the structure of combusted fuel increased by 0,4 % which resulted in the expensive natural gas decrease by 0,3 %. Redistribution of the combusted fuel structure resulted in general saving by 18,1 million UAH.

TYPE OF FUEL	meas.unit	Fact 2012	Financial plan 2013	Fact 2013	↔ k Financial plan 2013
Coal	thous. tons of natural fuel	4377,7	4670,3	4895,6	225,3
Gas	million. m ³	63,1*	84,0	61,1	-22,9
Fuel oil	thous. tons	1,6	3,8	0,8	-3,0

COMBUSTED FUEL CONSUMPTION BY TYPES

As of 01.12.2013 the coal storages of TES of PJSC DONBASENERGO were 657,0 thousand tons, that corresponds to the main parameters of the Budgeted Balance Sheet for Electric Power, Fuel and Expenses of GC TES for 2013 and fully ensures the positive dynamics of electric power production, stable operations of the Company's main equipment when passing the autumn-winter maximum in 2013–2014.

01.11.2012	01.11.2013	
Fact	Plan	Fact
1014,9	899,0	614,8

ACCUMULATION BY AUTUMN-WINTER PERIOD, THOUSAND TONS OF NATURAL FUEL

LOGISTIC SUPPORT

THE ORGANIZATION OF LOGISTIC SUPPORT WITH INVENTORY ITEMS IN THE COMPANY IS BASED ON THE PRINCIPLES OF FAIR COMPETITION, ECONOMIC EFFICIENCY, TRANSPARENCY AT ALL STAGES OF PURCHASES, NON-DISCRIMINATION OF PARTICIPANTS, AS WELL AS PREVENTION FROM CORRUPT ACTIVITIES AND ABUSES

PJSC DONBASENERGO is a legal entity carrying out its activity in the fields determined by the law of Ukraine “On Practices of Purchases in Individual Fields of Economic Activity” dated May 24, 2012 No.4851 (hereinafter referred to as the Law). Goods, works and services are purchased for funds received as a result of the Company's economic activity in strict compliance with the Law requirements.

PUBLIC TENDER IS THE MAIN PURCHASE
PROCEDURE FOR THE COMPANY

In 2013 PJSC DONBASENERGO carried out: **117 public tenders**.

As a result of the purchase procedures **96 contracts of goods, operations and services purchase were concluded for the total amount of 12,35 billion UAH**.

Coal products purchases are the most significant in monetary terms (for the total amount of 6.9 billion UAH), works and equipment purchases for the reconstruction of power generation units No.12 and No.8 of Starobeshevskaya TES, as well as power generation units No.7 and No.6 of Slovianska TES for the total amount of approximately **2,5 billion UAH**.

	quantity	quantity of contracts, tender results	quantity of purchases	quantity of filed	total amount of concluded
Control unit	83	52	11	0	12 326 430,31
Starobeshevskaya TES	13	15	3	0	7 942,00
Slovianska TES	12	17	0	0	9 687,00
CE Elektroremont	6	9	0	0	6 636,00
SO DeSR	3	3	0	0	318,00
total	117	96	14	0	12 351 013,31

INVESTMENTS

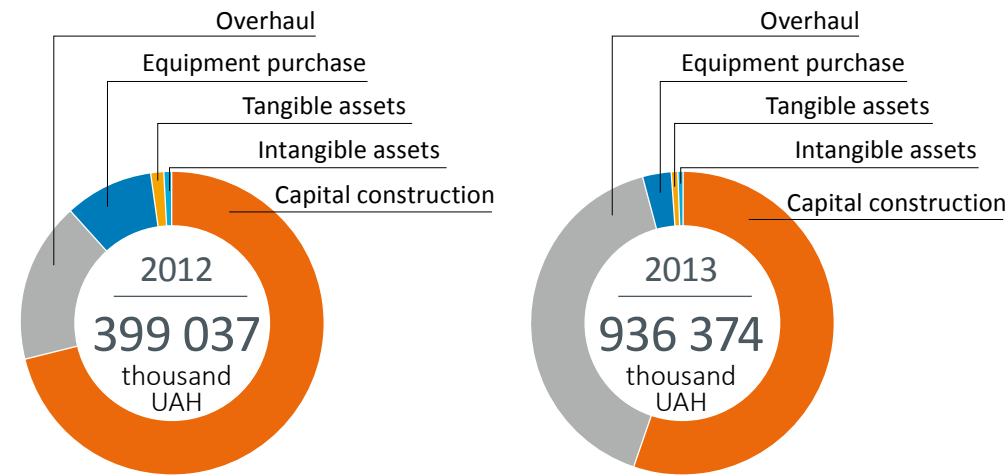
IN 2013, PJSC DONBASENERGO CONTINUED THE IMPLEMENTATION OF THE INTEGRATED INVESTMENT PROGRAMME PLANNED TILL 2025.

AS A RESULT OF THE PRODUCTION FACILITIES UPGRADING AND IMPLEMENTATION OF THE INNOVATIVE TECHNOLOGIES THE COMPANY PLANS TO INCREASE THE INSTALLED DESIGN CAPACITY OF THE STATIONS UP TO 3635 MW, DECREASE EXPENSES OF FUEL EQUIVALENT AND BRING THE PRODUCTION IN LINE WITH THE ENVIRONMENTAL STANDARDS OF THE EUROPEAN UNION

Index	2011 (fact)	2012 (fact)	2013 (fact)
CAPITAL INVESTMENTS, INCLUDING:	299 331	399 037	936 374
Starobeshevskaya TES	269 256	302 744	500 691
Slovianska TES	21 877	67 483	396 565
Capital construction	100 215	286 520	822 518
Starobeshevskaya TES	96 833	278 466	458 425
Slovianska TES	3 382	7 458	364 667
expenses connected with facility improvement (overhaul)	188 305	69 832	62 604
Starobeshevskaya TES	168 408	10 912	29 273
Slovianska TES	15 662	47 118	16 236
Purchase of machinery and equipment	9 492	37 635	42 900
Starobeshevskaya TES	3 572	12 054	11 865
Slovianska TES	2 574	12 074	14 136
Costs for other non-current tangible assets	960	3 418	4 904
Starobeshevskaya TES	417	1 307	1 051
Slovianska TES	141	593	1 930
Investments to intangible assets	359	1 632	3 448
Starobeshevskaya TES	26	5	77
Slovianska TES	118	240	196

**CAPITAL
INVESTMENTS
2011–2013,
thousand UAH**

CAPITAL INVESTMENTS 2012–2013, thousand UAH



RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION No. 13 OF STAROBESHEVSKA TES

THE COMPLETION OF THE RECONSTRUCTION OF THE FIRST START-UP COMPLEX OF THE POWER GENERATION UNIT AT STATION No. 13 OF STAROBESHEVSKA TES PERFORMED IN THE PERIOD FROM MARCH 2012 TO APRIL 2013 BECAME ONE OF THE MOST CRITICAL EVENTS IN 2013

As a result of the reconstruction the capacity of the power generation unit was increased by 35 MW and is 210 MW instead of 175 MW. A Certificate of the Government Architectural and Building Inspection was received on August 20, 2013; it confirms the facility compliance with the design documentation and its operating readiness. Based on the results of operation for 12 months in 2013 the disbursement of the capital investments to the reconstruction of the power generation unit at station No.13 of Starobeshevska TES (first start-up complex) amounted to 77,7 million UAH.

AS THE RESULT OF UNIT No. 13 RECONSTRUCTION, THE FOLLOWING WAS ACHIEVED:

- increase of the process and economic indices of its operation;
- increase of the installed electric power from 175 MW to 210 MW;
- decrease of specific fuel consumption rates by 53 goe/kW·h;
- increase of the power generation unit’s efficient operation in the maneuver mode (load range increase by 130-210 MW);
- bringing of the environmental indices for harmful substances emissions to the atmosphere to the standard ones;
- extension of the power generation unit’s service life by 15 years.

DURING THE TECHNICAL RE-EQUIPMENT, THE FOLLOWING MAIN EQUIPMENT WAS RECONSTRUCTED:

- ТП-100 ТКз boiler unit;
- upgrading of K-200-130-1ПР1-1 лМз turbine generator unit;
- upgrading of electrical equipment;
- upgrading of the existing gas treatment system, which includes the installation of an up-to-date combined electrical filter;
- installation of smoke exhausters and silos of dry ash as final product

THE RECONSTRUCTION OF THE SECOND START-UP COMPLEX OF THE POWER GENERATION UNIT AT STATION No. 13 OF STAROBESHEVSKA TES — IMPLEMENTATION OF THE DESULFURIZATION SYSTEM IS PLANNED FOR 2016–2017

RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION No. 12 OF STAROBESHEVSKA TES

ON APRIL 1, 2013 THE COMPANY PROCEEDED TO THE NEXT STAGE OF TECHNICAL RE-EQUIPMENT OF TES, WHICH MEANT THE RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION No. 12. THE ESTIMATE COST OF THE RECONSTRUCTION PROJECT IS 959,3 MILLION UAH. IT PROVIDES FOR THE DIVISION OF OPERATIONS INTO TWO TURNS:

- 1st turn (1 quarter of 2013 — 1 quarter of 2014) includes the upgrading of main and auxiliary boiler and turbine equipment, main electrical equipment, as well as electric filter construction (the estimate cost is 755,8 million UAH)
- 2nd turn (2017–2019) provides for the construction of a desulfurization unit with “semi-dry” treatment method under NID procedure (new integrated desulfurization) of ALSTOM with a bag-type filter (the estimate cost is 203,5 million UAH)

THE RECONSTRUCTION PROJECT IMPLEMENTATION WILL ALLOW ACHIEVING THE FOLLOWING INDICES:

- **increase** of the installed capacity by **10 MW** with 200 to 210 MW;
- **extension** of the power generation unit equipment service life at least by **15 years**;
- **increase** of the power generation unit's efficient operation in the maneuver mode (load range increase by **130–210 MW**);
- **compliance** of the requirements for primary and secondary frequency and power control according to the regulatory documents of the Ministry of Coal and Power of Ukraine;
- increase of the boiler efficiency coefficient from 85,01% to **87,7 %**;
- **decrease** of fuel specific consumption by **49 goe/kW·h**;
- **increase** of electric power supply by **336 052 thousand kW·h/year**;
- **improvement** of the environmental situation in the region by reducing harmful emissions to the atmosphere:
 - reduction of dust emissions to the atmosphere to **50 mg/nm³**;
 - reduction of sulphur emissions to the atmosphere to **400 mg/nm³** (after the desulfurization unit implementation)

ACCORDING TO THE RESULTS OF WORK FOR 12 MONTHS IN 2013 ON THE RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION No. 12 OF STAROBESHEVSKA TES (FIRST TURN OF CONSTRUCTION), THE DISBURSEMENT OF THE CAPITAL INVESTMENTS **AMOUNTED 440,4 MILLION UAH**. THE COMPLETION OF THE RECONSTRUCTION OPERATIONS OF THE 1ST TURN IS PLANNED ON THE FIRST QUARTER OF 2014

RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION No. 7 OF SLOVIANSKA TES

THE POWER GENERATION UNIT AT STATION No. 7 OF SLOVIANSKA TES IS THE ONLY OPERATING STATION UNIT, WHICH PROVIDES HEAT TO NIKOLAIEVKA TOWN BASED ON THE NECESSITY TO PERFORM A BIG SCOPE OF WORKS; IT WAS PLANNED TO RECONSTRUCT THE UNIT IN THE PERIOD FROM 2013 TILL 2016 IN FOUR CONSTRUCTION

TURNSTHE ESTIMATE COST OF THE PROJECT IS 2 936,8 MILLION UAH, NAMELY:

- **1st turn** (2013) — **474,9 million UAH** (includes the upgrading of drum 7A , additional equipment and electric filters) ;
- **2nd turn** (2014) — **628,8 million UAH** (includes the upgrading of drum 7B, additional equipment and electric filters);
- **3rd turn** (2015) — **804,7 million UAH** (upgrading of τΠΠ-200-1 boiler unit, K-800-240-2 turbine and additional turbine equipment);
- **4th turn** (2016) — **1 028,4 million UAH** (construction of the desulfurization system).

- **increase** of the available power to **800 MW** (increase of **40 MW**);
- **extension** of the power generation unit equipment service life by **15 years**;
- **increase** of the power generation unit efficient operation in the maneuver mode (load range increase by **285-800 MW**);
- **achievement** of the requirements for primary and secondary frequency and power control according to the regulatory documents of the Ministry of Coal and Power of Ukraine;
- **increase** of the boiler efficiency coefficient from **86,18 %** to **88,0 %**;
- **decrease** of specific fuel consumption by **46 goe/kW·h**;
- increase of electric power supply by **725 614 thousand kW·h/year**;
- **improvement** of the environmental situation in the region by reducing harmful emissions to the atmosphere:
 - reducing of dust emissions to the atmosphere to **50 mg/nm³**;
 - reducing of sulphur emissions into the atmosphere to **400 mg/nm³**.

THE RECONSTRUCTION PROJECT IMPLEMENTATION WILL ALLOW ACHIEVING THE FOLLOWING INDICES:

THE COMPANY CARRIED OUT THE FIRST TURN OF THE POWER GENERATION UNIT RECONSTRUCTION IN 2013. ON THE 16TH OF NOVEMBER DRUM 7A OF THE BOILER UNIT WAS CONNECTED TO THE TURBINE. ACCORDING TO THE RESULTS OF THE RECONSTRUCTION OPERATIONS OF THE POWER GENERATION UNIT AT STATION NO. 7 OF SLOVIANSKA TES (FIRST CONSTRUCTION TURN) THE DISBURSEMENT OF THE CAPITAL INVESTMENTS **AMOUNTED 400,8 MILLION UAH** FOR 12 MONTHS IN 2013

THE FOLLOWING SCOPE OF WORKS HAS BEEN PERFORMED:

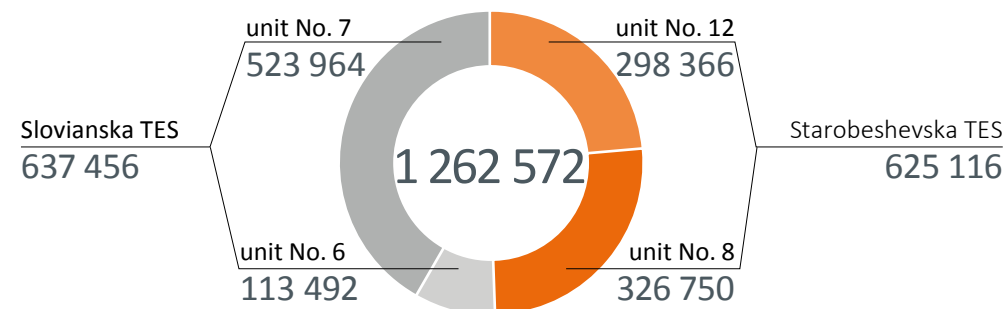
- drum 7A of the boiler unit was reconstructed;
- 7A electric filter for fuel gas treatment was installed;
- a part of works on the reconstruction of electric and technical equipment, pulverization department, hydraulic objects was performed.

IT IS PLANNED TO PERFORM THE FOLLOWING WORKS AT THE SECOND AND THIRD TURNS:

- reconstruct тПП-200-1 boiler unit with auxiliary equipment (drum 7B);
- replace the smoke exhauster of drum 7B;
- reconstruct gas treatment was reconstructed, install the electric filter in drum 7B;
- reconstruct electrical equipment;
- reconstruct hydraulic facilities;
- reconstruct the ash catching unit's system;
- reconstruct the pulverization department;
- upgrade the turbine generator unit of K-800-240-2 type;
- upgrade the turbine generator unit with the excitation system;
- reconstruct the Automatic Process Control System;
- reconstruct the fire-extinguishing system.

PJSC DONBASENERGO PLANS TO IMPLEMENT THE FOLLOWING STAGE OF TES RECONSTRUCTION IN 2014–2015, INCLUDING THE RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION NO. 8 OF STAROBESHEVSKA TES AND POWER GENERATION UNIT AT STATION NO. 6 OF SLOVIANSKA TES

CAPITAL INVESTMENT PLAN FOR 2014, thousand UAH



RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION NO. 8 OF STAROBESHEVSKA TES

THE ESTIMATE COST OF THE PROJECT IS 1 163,9 MILLION UAH, INCLUDING:

- 1st turn (second quarter of 2014 — second quarter of 2015) includes the upgrading of main and auxiliary boiler and turbine equipment, electrical equipment, as well as the construction of the electric filter (the estimate cost is 901,5 million UAH);
- 2nd turn (2019–2020) provides for the desulfurization unit construction (the estimate cost is 262,4 million UAH).

- increase of the installed power by 10 MW from 200 to 210 MW;
- extension of the power generation unit equipment service life at least by 15 years;
- increasing of the power generation unit operational efficiency in the manoeuvre mode (the load range increase 130–210 MW);
- achievement of the requirements for primary and secondary frequency and power control according to the regulatory documents of the Ministry of Coal and Power of Ukraine;
- increase of the boiler efficiency coefficient from 84,34 % to 87,649 %;
- decrease of specific fuel consumption by 51 goe/kW·h;
- increase of electric power supply by 280,095 thousand kW·h/year;
- improvement of the environmental situation in the region by reducing harmful emissions to the atmosphere:
 - reducing of dust emissions to the atmosphere to 50 mg/nm³;
 - reduction of sulphur emissions to the atmosphere to 400 mg/nm³ (after the desulfurization system implementation).

THE RECONSTRUCTION PROJECT IMPLEMENTATION WILL ALLOW ACHIEVING THE FOLLOWING INDICES:

RECONSTRUCTION OF POWER GENERATION UNIT OF STATION No. 6 FROM SLOVIANSKA TES

THE COMPANY WILL START IMPLEMENTING THE PROJECT ON THE RECONSTRUCTION OF THE POWER GENERATION UNIT AT STATION NO. 6 OF SLOVIANSKA TES IN 2014; THIS PROJECT IS THE LARGEST FOR THE YEARS OF UKRAINE INDEPENDENCE. IT WILL BE DIVIDED INTO POWER UNITS OF STATION NO. 6B AND NO. 6A WITH CAPACITY OF 220 MW EACH, WITH THE USE OF THE SYSTEM CENTRAL CONTROL PROCEDURE WHICH IMPLEMENTATION IS PLANNED FOR 2014—2017.

THE ESTIMATE COST OF THE RECONSTRUCTION PROJECT IS 6 808,9 million UAH. IT IS ALSO PLANNED TO DIVIDE WORKS INTO TWO TURNS:

- 1st turn includes construction and commissioning of power generation unit No. 6b with capacity of 330 MW (the estimate cost is 3 883,2 million UAH)
- 2nd turn includes construction and commissioning of power generation unit No. 6a with capacity of 330 MW (the estimate cost is 2 925,7 million UAH)

THE RECONSTRUCTION PROJECT IMPLEMENTATION WILL ALLOW ACHIEVING THE FOLLOWING INDICES:

- increase of the installed capacity of Slovianska TES by 660 MW in the region, where the power deficiency exists;
- increase of electric power production and supply;
- use of up-to-date equipment with high rates of economical efficiency and maneuvering (50–100 %);
- possibility to incinerate low-grade coals with low calorific value and coal concentrate wastes without natural gas lighting within the load range of 50–100 %;
- possibility to use the minimum gas quantity (only for power generating unit start up and for the operation mode stabilization);
- formation of new working places in the period of the power generation unit reconstruction and operation;
- receipt of two up-to-date power generation units with the minimum level of contaminants emissions to the atmosphere;
- achievement of the standard indicators for harmful substances emissions to the atmosphere without any additional construction of sulphur and nitrogen removal units.

THE PROJECT PROVIDES FOR THE FOLLOWING:

- installation of the boiler units of circulating fluidized bed with auxiliary equipment of the boiler department;
- installation of the condensing steam turbines with auxiliary equipment of the turbine department;
- installation of generation units with the thyristor excitation system;
- construction of dust exhausters;
- reconstruction of 330 kW outdoor switchgear unit;
- reconstruction of the external bottom and fly ash removal system;
- construction of the ash dump;
- reconstruction of the solid fuel facilities;
- construction of the lime stone treatment system;
- reconstruction of the technical water supply system;
- creation of the full-scale Automatic Process Control System and installation of the electro-hydraulic system for the turbine control in each power generation units at station No. 6B and 6A;
- reconstruction of the main building;
- fire-safety measures, occupational safety and industrial safety measures, engineering and technical measures civil protection

OVERHAUL

THE FOLLOWING OVERHAULS WERE PERFORMED IN 2013 WITHIN THE MEASURES AIMED AT THE IMPROVEMENT OF FIXED ASSETS:

STAROBESHEVSKA TES:

- replacement of the feed-water economizer in power generation unit No.6 — **7 827,0 thousand UAH**
- replacement of the output side wall of mill 6A in power generation unit No.6 — **1 832,0 thousand UAH**
- replacement of the coronary gear 6B of power generation unit No.6 — **1 359,0 thousand UAH**
- replacement of 110 air blast switches with SF6 circuit breakers — **1 623,0 thousand UAH**
- upgrading of the drying unit's treatment unit — **4 341,0 thousand UAH**

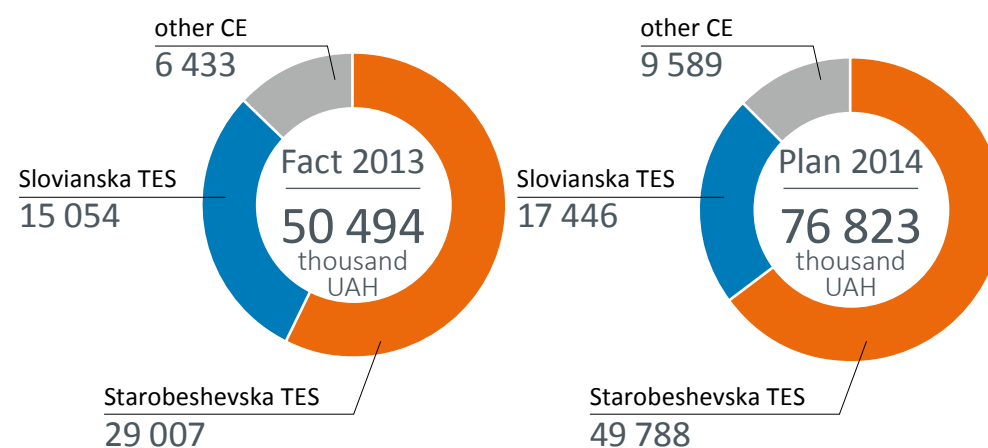
SLOVIANSKA TES:

- replacement of the current transformers with SF6 transformers 110kW, 330 kW — **1 738,0 thousand UAH**
- replacement of the voltage transformer with SF6 transformer 220 kW, 330 kW — **1 253,0 thousand UAH**

OVERHAL PROGRAM,
thousand UAH

Name	Fact 2013	Plan 2014*
Starobeshevska TES	29007	49788
Slovianska TES	15054	17446
Other CE	6433	9589
PJSC DONBASENERGO	50494	76823

* According to minutes No. 7 of PJSC DONBASENERGO Supervisory Board dated 20.02.2014



THE PERFORMANCE OF THE FOLLOWING OVERHAULS IS PLANNED FOR 2014:

STAROBESHEVSKA TES

- upgrading of high concentration dust pipes and dust air pipes of power generation units No. 10 — **1 700,0 thousand UAH**
- replacement of 5B coronary gear of power generation unit No. 5 — **1 566,0 thousand UAH**
- replacement of 100% xКПП-464 in power generation unit No. 11 — **6 836,0 thousand UAH**
- replacement of the platen superheater in power generation unit No. 11 — **8 500,0 thousand UAH**
- replacement of 11A coronary gear of power generation unit No. 11 — **1 566,0 thousand UAH**
- replacement of ПвН-220 kW with SF6 ones — **4 300,0 thousand UAH**
- overhaul of the car tipper — **3 000,0 thousand UAH**

SLOVIANSKA TES:

- replacement of current transformers with gas-insulated 330 kW — **1 505,0 thousand UAH**
- replacement of the suspended insulation gantries (330 kW side), reinforcement of the suspended insulation fasteners of tr. 17 t — **1 500,0 thousand UAH**
- replacement of the discharge arrester with the overvoltage suppressor 110, 220 kW — **571,0 thousand UAH**
- repair of stationary lighting system of outdoor switchgear — **1 000,0 thousand UAH**

BUSINESS PROCESS OPTIMIZATION

PJSC DONBASENERGO STRIVES TO BECOME A MOBILE COMPANY, WHICH RESPONDS EFFICIENTLY TO ANY CHANGES OF PRODUCTION, ECONOMIC, LEGAL, AND SOCIAL FACTORS

According to the PJSC DONBASENERGO Guidance **several measures accompanying the Company's activity aimed at the business process optimization were implemented in 2013:**

- PJSC DONBASENERGO management vertical is structured by the functional activity directions.
- within the creation of the vertical management model, the activity directions in the Company's administrative body and relevant administrative departments were created.
- the Information Technologies Directorate was created for implementation of projects on new business systems and ensuring the infrastructure IT projects and processes, as well as for bringing the information technologies control to another qualitative level.

PA long-term IT-strategy was developed for 2013–2017.

The implementation of the integrated control system started in 2013; it will allow combining all information resources in the unified structure with the distribution of operational functions and responsibility between the structural departments of the Company.

THE IMPLEMENTATION OF INTEGRATED AUTOMATED CONTROL SYSTEM IS PLANNED BY THE COMPANY FOR 2013-2014 UNDER THE FOLLOWING DIRECTIONS:

- Business and tax accounting
- Administrative accounting
- Production accounting
- Budgeting
- Treasury
- Consolidated financial statements
- Purchase control
- Equipment maintenance and repair control
- Motor transport control
- Automated system for utilities payment calculation and accounting

THE FOLLOWING INFRASTRUCTURE IT PROJECTS WERE IMPLEMENTED IN 2013 FOR SUCCESSFUL IMPLEMENTATION OF THE INTEGRATED CONTROL SYSTEM:

- Consumed thermal power calculation system.
- IT services were designed, the completion of the basic IT services implementation is planned for the second quarter of 2014.
- The data processing centre was constructed.
- A sustainable fail-safe IT infrastructure was created (virtual landscape).
- The construction of the structured cabling system started at CE sites.
- The centralized customer service was created (HelpDesk).
- The standards and regulations were developed.
- The implementation of ITIL processes is planned for 2013–2014, the migration of old systems to the new It-platform was performed.

FINANCIAL-ECONOMIC INDICES

FINANCIAL REPORTING OF PJSC DONBASENERGO IS ADJUSTED
IN ACCORDING WITH INTERNATIONAL STANDARDS OF
FINANCIAL REPORTING ACCORDING TO THE RESULTS PER 2013

MAIN FINANCIAL INDICES

Index, million UAH	Plan 2013	Fact 2013	Deviation	
			+/-	%
(+) net income (revenue) from electric and thermal power-, sales, including:	5 368,8	5 680,4	311,6	5,8%
rate investment component	262,9	322,5	59,6	22,6%
(-) Prime cost of sold electrical, thermal power	4 885,1	4 569,2	-315,9	6,5%
(=) Operating income	483,8	1 111,2	627,5	129,7%
(-) Administrative expenses	171,6	170,1	-1,5	0,9%
(+) Other operating, other income	175,7	185,8	10,1	5,7%
(-) Other operating, other expenses	212,0	337,2	125,2	59,1%
(+) Financial income	4,2	4,3	0,1	2,7%
(-) Financial expenses	98,9	86,9	-12,0	-12,1%
(-) Sales expenses	17,8	12,9	-4,9	-27,4%
(=) Income before income tax	163,4	694,3	530,9	324,8%
(-) Income tax	67,0	162,8	95,8	143,1%
(=) net income from economy of activity	96,5	531,5	435,0	450,9%
(=) EBITDA	337,6	879,5	541,9	160,5%

INCOME BEFORE INCOME TAX per 2013 was **694,3 million UAH** and it exceeds plan rate by **530,9 million UAH** at the expense of:

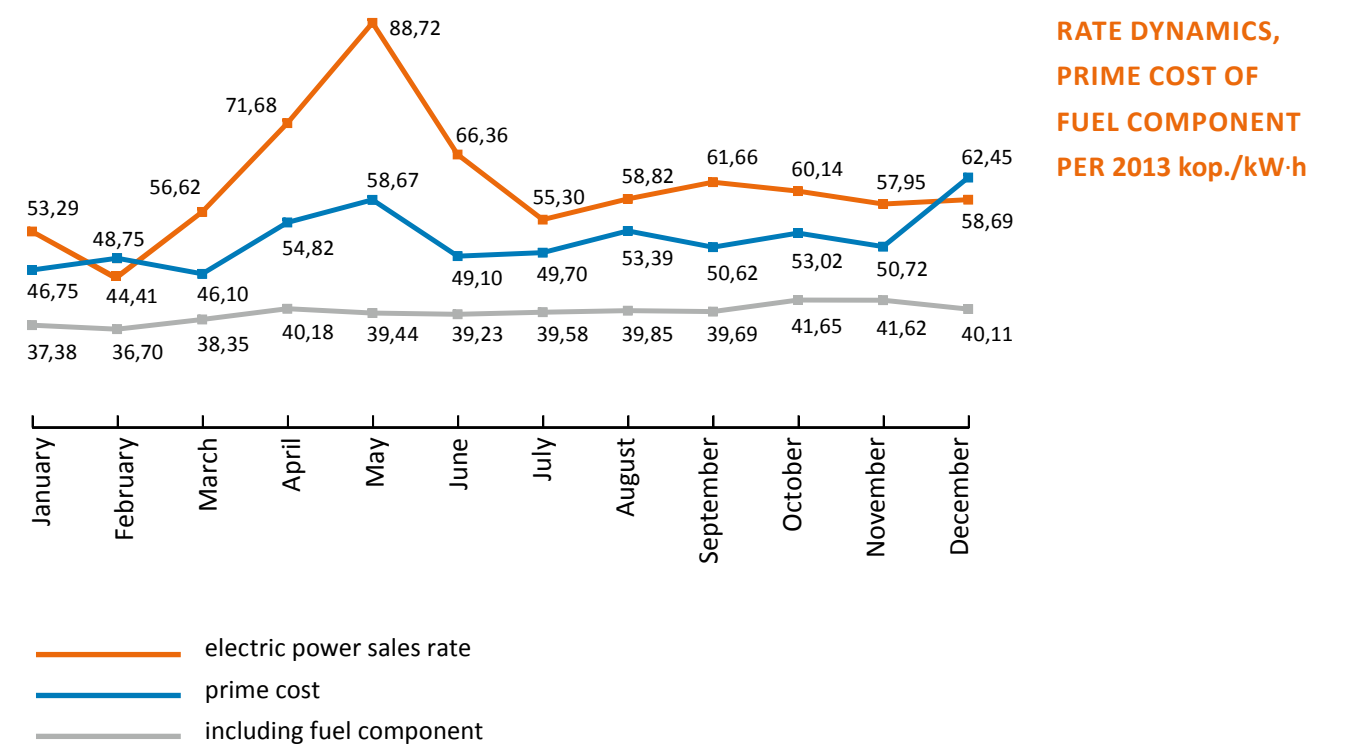
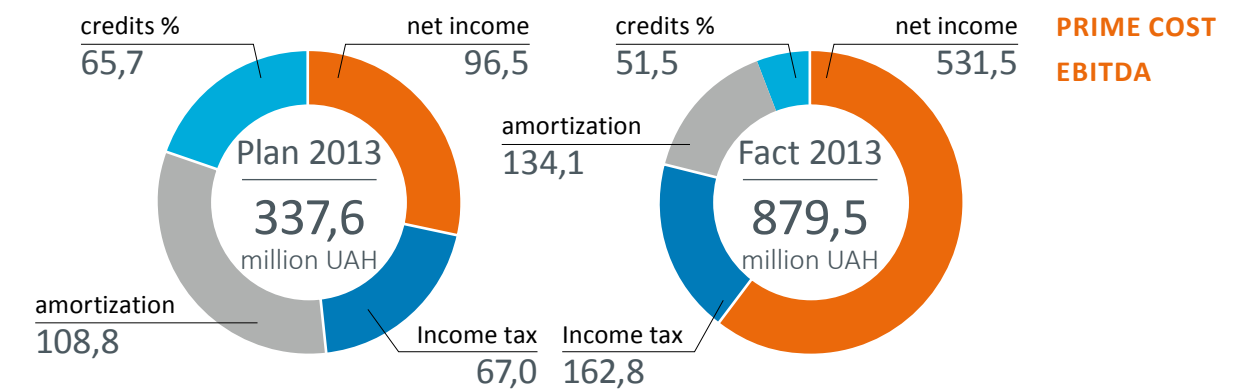
OPERATIONAL PROFIT GROWTH by **627.4 million UAH** AS A RESULT OF:

- (+) **264,6 million UAH** — rate growth for electric power realization without regard to IC by 0.72 kop./kW-h and the productive supply by **337,3 million kW-h**;
- (+) **49,6 million UAH** — of early receiving the investment rate component for power generating unit No. 6 reconstruction of Slovianska TES;
- (+) **240,7 million UAH** — of price reducing by **76,7 UAH/t**, of gas flow rate by **0,9 %** in combusted fuel framework;
- (+) **97.3 million UAH** — of reducing semi-fixed expenses in electric power prime cost by **1,08 kop./kW-h**.

THE INCREASING OF OTHER OPERATIONAL EXPENSES BY 137,5 million BECAUSE OF:

- (+) **120,0 million UAH** — creation of debts reserves of government enterprise ENERGORINOK for electric power supplied;
- (+) **6,1 million UAH** — expenses reclassification for support and full repair of social infrastructure assets.

REDUCING OF ADMINISTRATIVE EXPENSES, selling expenses by **6,4 million UAH**, because of cost cutout for labour payment.



Rate changes dynamics the supplied electric power without regard to investment component during 2013 states about the rate dependence on electric power production structure and the possibilities of manoeuvring the power generating units of thermal generation, and also the changes of wholesale consumer price.

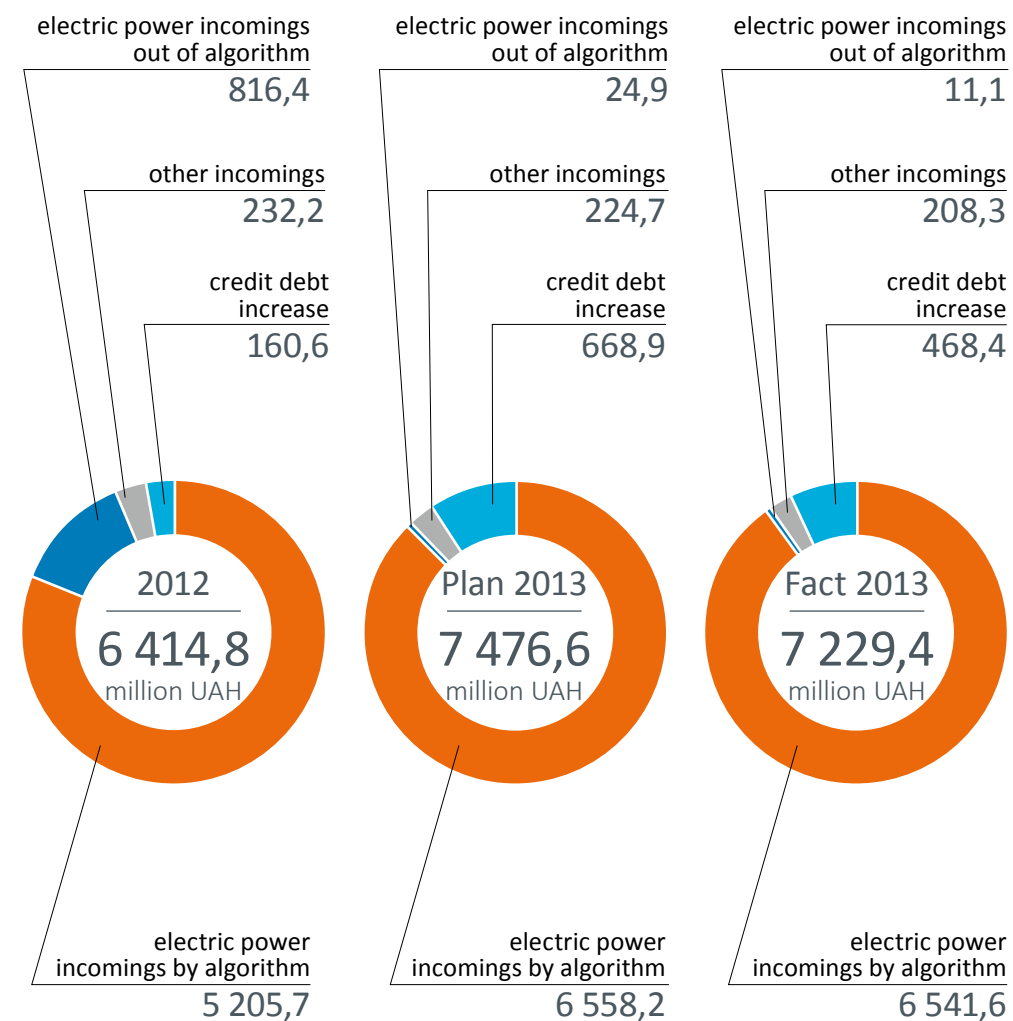
The prime cost dynamics of electric power production increased the prime cost during April-May 2013, i.e. during the period of power generating unit No. 7 of Slovianska TES repair.

Fuel component dynamics of the prime cost is enough stable and its deviation in 7,3 % are mainly connected with the share of expenses of lighting fuel and the electric power output structure during 2013.

rate, million UAH	Fact 2012	Plan 2013	Fact 2013	deviation 2013/2012		deviation 2013/2013	
				+/-	%	+/-	%
Receipts from electric power by algorithm	5205,677	6558,2	6541,6	1336,0	125,7	-16,5	99,7
Electric power incomings out of algorithm	816,367	24,9	11,1	-805,3	1,4	-13,8	44,5
Other incomings	232,155	224,7	208,3	-23,9	89,7	-16,4	92,7
Credit debt increase	160,613	668,7	468,4	307,7	291,6	-200,5	70,0
total:	6 414,8	7 476,6	7 229,4	814,6	112,7	-247,3	96,7

MONEY FLOWS STRUCTURE

CASH INFLOW



Cash inflow was **7 229,4 million UAH**, for 12 months in 2013, including:

- incomings from government enterprise ENERGORINOK by algorithm— **6 541,6 million UAH (90,5 %)**;
- incomings from government enterprise ENERGORINOK for electric power out of algorithm — **11,1 million UAH (0,2 %)**;
- other incomings — **208,3 million UAH (2,9 %)**;
- borrowed cash cycle growth — **468,4 million UAH (6,4 %)**.

The general volume of money incoming was smaller than annual plan rate by **3,3 % (247,3 million UAH)** in 2013, mainly at the expense of reducing the attraction of credit funds for the investment programme financing as a result of contractual relationships realization by deferred payments.

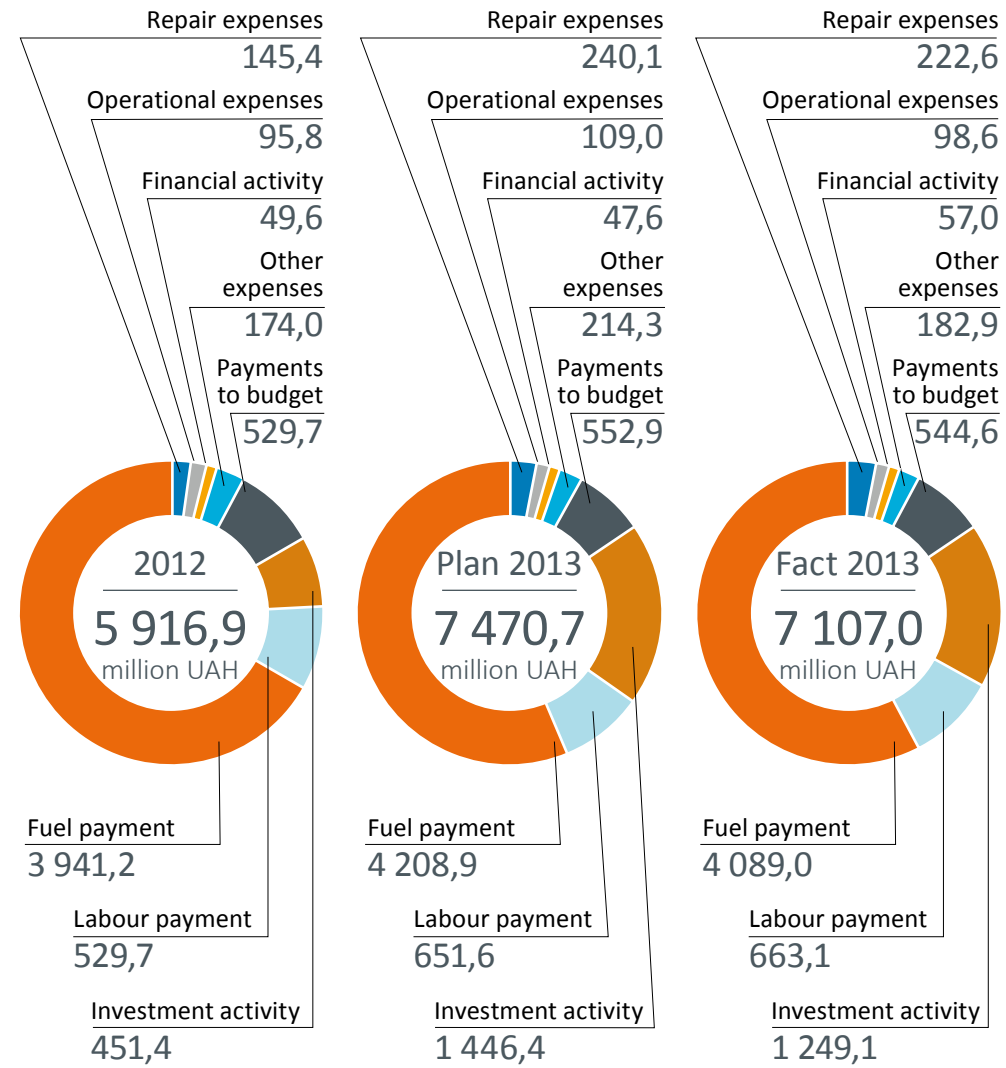
General volume of money utilization in 2013 was **7 107,0 million UAH**, where the main expense item is payment for delivered technological fuel (coal, gas, oil-fuel) — **4 089,0 million UAH (57,5 %)**.

For financial expenses of investment activity are oriented — **1 249,1 million UAH (17,6 %)**, including at the expense of borrowed long-term credit funds use — **632,2 million UAH**

Cash Flow was (+) **122,0 million UAH** per 2013 and it was at the expense of:

- fund balance on the special account of investment rate component for electric power in the amount of **57,5 million UAH** because of investment extra charge receiving per unit No.6 of Slovianska TES in December;
- the reduction of payment amount of investment projects by **80,0 million UAH** because of payment delay of performed operations according to the contracts of TES unites reconstruction.

**FUNDS
UTILIZATION**



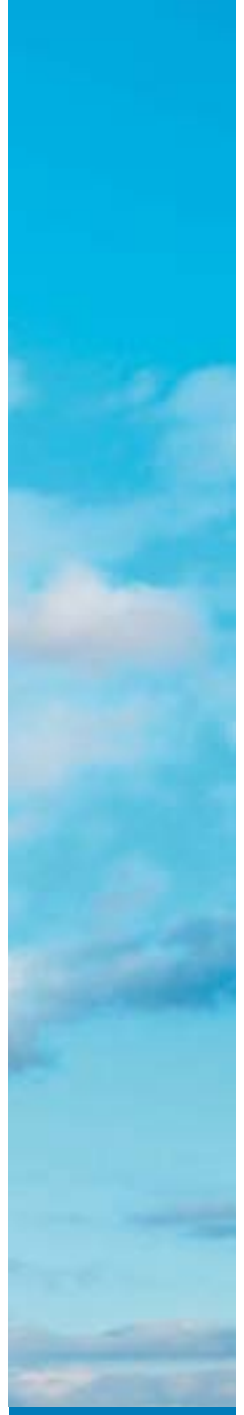
Rate, million UAH	Fact 2012	Plan 2013	Fact 2013	Deviation 2013/2012		Deviation 2013/2013	
				+/-	%	+/-	%
Repair expenses	145,4	240,1	222,6	77,2	153,1	-17,5	92,7
Operational expenses	95,8	109,0	98,6	2,8	102,9	-10,4	90,5
Expenses of financial	49,6	47,6	57,0	7,4	114,9	9,4	119,7
Other expenses	174,0	214,3	182,9	8,9	105,1	-31,4	85,4
Payments to budget	529,7	552,9	544,6	14,9	102,8	-8,3	98,5
Expenses of investment of the activity	451,4	1446,4	1249,1	797,7	276,7	-197,2	86,4
Labour payment	529,7	651,6	663,1	133,3	125,2	11,5	101,8
Delivered coal, consumed gas, payment expenses	3941,2	4208,9	4089,0	147,8	103,8	-119,9	97,2
Total:	5 916,9	7 470,6	7 107,0	1 190,1	120,1%	-363,8	95,1%

The following actual rates were reached 2013, complex characterising the company financial conditions:

- the coefficient of cash flow liquidity — **1,01** (plan 2013 — 1.00, normative value > 1);
- the coefficient of current ability to meet payments — **1,15** (plan 2013 — 1.13, normative value > 1);
- the coefficient of cash providing — **8,8** (plan 2013 — 3,03);
- the coefficient of cash flow adequacy for current obligations extinction exceeded plan rate of 2013 **2,1 %** and it was **0,72**.



PERSONNEL MANAGEMENT AND RESPONSIBILITY

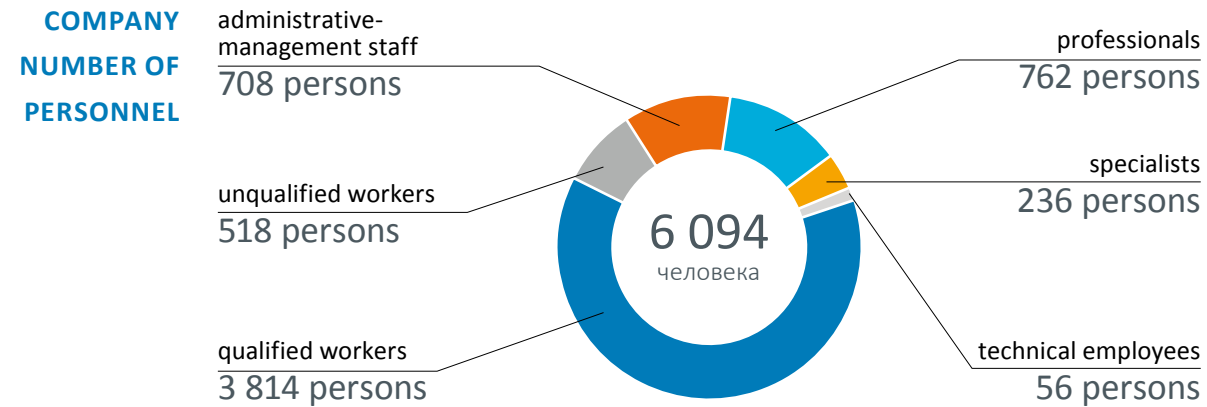


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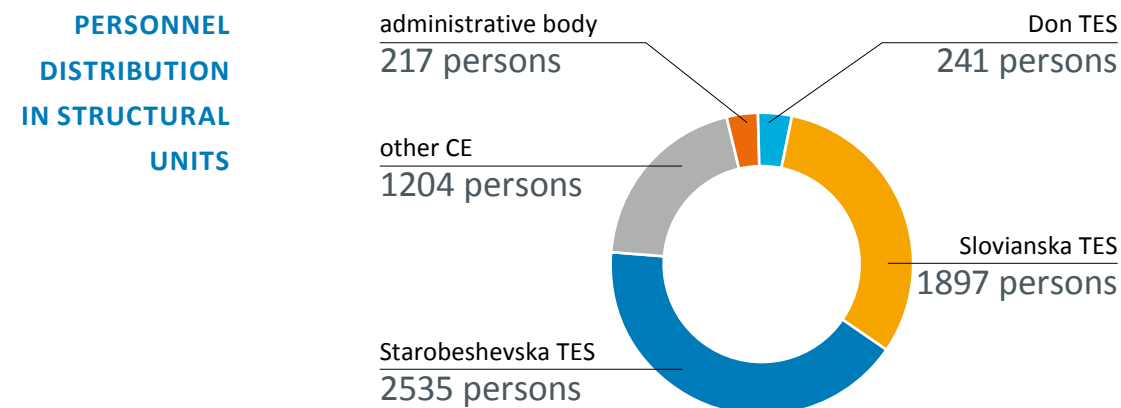
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УПРАВЛЕНИЕ ПЕРСОНАЛОМ

PERSONNEL RELATIONS IS A MAIN FUNCTION OF COMPANY MANAGEMENT AND IS ORIENTED TO INCREASING THE ACTIVITY EFFECTIVENESS THROUGH PERSONNEL QUALITY IMPROVEMENT



As a result of carrying out the measures for optimization, the number of the regular employees as compared to 2013 decreased by 3%, thus the specific number of the industrial-production personnel (industrial production personnel regular coefficient) decreased by 3,9%.



LABOUR PAYMENT

The labour payment fund as compared to 2012 **increased by 24 %** and amounted **475 571,1 million UAH** the increasing of labour payment fund is connected with:

- increase of the tariff rates (official salary) from April 01, 2013;
- payment of simultaneous remuneration to the Company's workers according to the operational results of 2012 in March 2013.

The growth of the monthly average salary was observed during 2013; it **increased by 29 %** and amounted UAH 6498.



According to the results of 2013 the increase of the labor productivity per 1 IPS employee is observed as compared to 2012:

- specific value of electric power generation **increased by 11,8 %** (from 1651 to 1845 thousand kW-h/person);
- specific value of commodities **increased by 19 %** (from 998 to 1 189 million UAH/persons).

SOCIAL GUARANTEES

ACCORDING TO THE COLLECTIVE EMPLOYMENT AGREEMENT PJSC DONBASENERGO COMPLIED WITH THE SOCIAL GUARANTEES IN 2013 BOTH IN RELATION TO THE COMPANY'S EMPLOYEES AND IN RELATION TO WORKING PENSIONERS:

- the amount of the material assistance to the Company's employees for health promotion during the leave **increased by 15 % and amounted to 28,3 million UAH** (2012 — 24,5 million UAH);
- the amount of the lump-sum rewards to commemorative and memorial dates (including awards and gratitudes) **increased by 11 % and amounted to 20,3 million UAH** (2012 — 18.4 million UAH).

THE TRANSFERS TO THE TRADE UNION INCREASED BY 45 %
AND AMOUNTED TO 5,3 MILLION UAH FOR THE ACCOUNTING PERIOD.
THESE FUNDS WERE USED FOR THE FOLLOWING ARRANGEMENT:

- social-cultural — 2,5 million UAH;
- sports — 0,3 million UAH;
- recreation — 2,4 million UAH.

THE TOTAL AMOUNT OF THE FUNDS FOR PAYMENT OF SOCIAL
AND LABOR BENEFITS IN 2013 AMOUNTED ALMOST TO 79 MILLION UAH,
WHICH IS 11 MILLION UAH MORE (16 %) THAN IN 2012, INCLUDING:

- for employees — 75,5 million UAH (+17%);
- for non-working pensioners — 3,5 million UAH (+2%).

WORK WITH STAFF

The number of the employees hired at the Company during 2013 is 641 persons.

IN 2013, THE STAFF MANAGEMENT DIRECTORATE IMPLEMENTED THE PROJECT
FOR DEVELOPMENT AND IMPLEMENTATION OF DONBASENERGO COMPETENCE
MODEL WHICH FORMED THE BASIS OF THE PROCESSES FOR SELECTION,
ASSESSMENT AND DEVELOPMENT OF THE COMPANY'S EMPLOYEES.
THE COMPETENCE MODEL INCLUDES 3 UNITS:

- value competences (establish general requirements for all employees of the Company);
- management competences (outline management skills and knowledge required for a successful manager of the Company);
- strategic competences (outline specific skills and personal features required for strategic management of the Company).

THE COMPETENCE MODEL IS THE GUIDE WHICH HELPS THE EMPLOYEES
TO FORM AND DEMONSTRATE EFFICIENT, IN THE COMPANY'S OPINION,
BUSINESS BEHAVIOUR, ESTABLISH GOOD RELATIONS
IN THE COLLECTIVE AND OUTSIDE IT

- The reference outlined in the competences is used when selecting candidates for open vacancies in the Company, as well as when creating and developing the staff reserve, forming the corporate culture, assessing the efficiency of employees' activity.

- A competition of rationalization proposals "Energy Idea" was conducted at PJSC DONBASENERGO in 2013. 57 employees of the Companies participated in the competition; they generated 107 initiatives aimed at the increase of companies' activity efficiency.
- 7 proposals took the medal places; their implementation allowed ensuring the annual cost cutout of the Company up to 4.2 million UAH.

PROFESSIONAL DEVELOPMENT AND TRAINING

The Collective Employment Agreement of PJSC DONBASENERGO in 2012—2013 provided for the staff training and retraining

1 423 PERSONS WERE RETRAINED IN 2013.
THIS IS 738 PERSONS MORE THAN IN 2012, INCLUDING:

- directly at the production locations — 251 persons (12 persons in 2012),
- in educational institutions of different types 1172 persons (673 persons in 2012).

2 490,69 thousand UAH were spent for these purposes in 2013 and this allowed increasing the number of the program participants almost by 2,5 times as compared 2012.

The Staff Management Directorate specialists conduct audits of the production training system for the purpose of its quality and efficiency increase.

In addition to the professional programs and retraining courses, the employees have an opportunity to participate in competence development trainings.

The trainings for young professionals and managers of 3-5 management levels of the Company's structural units were conducted by the efforts of the internal trainers of DONBASENERGO in 2013. About 200 employees were trained the methods of efficient management, successful communication, self-development, and planning.

OCCUPATIONAL SAFETY

RECOGNITION OF THE PRIORITY FOR AN EMPLOYEE'S LIFE AND HEALTH CONSERVATION AS TO THE RESULTS OF THE PRODUCTION ACTIVITY IS THE BASIS OF THE SUSTAINABLE DEVELOPMENT OF OUR COMPANY

The integrated arrangements for achieving the set standards and increasing the existing level of occupational safety and fire safety developed according to the requirements of the Resolution of the Cabinet of Ministers of Ukraine No. 994 and Collective Employment Agreement were fulfilled completely in 2013.

The costs for occupational safety in 2013, while 15,223.5 thousand UAH were planned, amounted to **16 533,80 thousand UAH** (4,33 % of the salary fund for 2012).

For the purpose of increasing the efficiency of the occupational safety control system functioning the work for the development and introduction of the health and safety control system which meets the requirements of OHSAS 18001:2007 was performed based on the decision of the Supervisory Board. According to the approved plan of actions the following was performed:

- analysis of the existing occupational safety system (practical inspection of the structural units and working documentation analysis);
- working groups were established in each structural unit for hazards identification, risk assessment and internal audit conduct; responsible persons were determined for organization and coordination of works on OHSAS 18001:2007 introduction;
- training of the structural units' staff was conducted according to the relevant directions of OHSAS 18001:2007;
- documentation development and verification of its compliance with the standard requirements started;
- hazards were identified and risks were assessed in the structural units; actions for their minimization were developed.

In order to execute the orders of the Ministry of Coal and Power of Ukraine "On Introduction of Special Conditions for Safe Execution of Works at Electric Power Companies" at PJSC DONBASENERGO, Special Conditions of Safe Works Performance were valid twice (from 15.04.2013 to 22.04.2013 and from 30.09.2013 to 04.10.2013). 3012 inspections were conducted, 3812 working places were checked for the period of the Special Conditions validity by the responsible persons.

In 2013, the Occupational Safety and Industrial Safety Directorate specialists conducted an integrated check of DONBASENERGO structural unit. 3047 operational audits of occupational safety at working places, periodical and primary knowledge assessment for 185 specialists were conducted together with CE specialists.

According to the approved schedule Occupational Safety Days were conducted; the first managers of PJSC DONBASENERGO, their deputies, heads and specialists of the production departments of the management participated in them.

For the purpose of on-site training of TES employees to render first aid pre-doctor aid in case of accidents directly at the location of accident, CE Slovianska TES and CE Starobeshevka TES purchased simulators for injured revival drills

FIRE SAFETY

The Chief Administration of the State Emergency Service of Ukraine in Donetsk Oblast checked the compliance with the legislation requirements for fire and technogenic safety, civil protection by the structural units of PJSC DONBASENERGO in 2013 (from 10.06.2013 to 26.06.2013).

The program developed and agreed according to the check results, coordinated with the regulatory acts of fire and technogenic safety of PJSC DONBASENERGO in 2013 was fulfilled in full volume.

The level of provision with primary fire-fighting facilities at the Company is 114%.

152 fire-fighting trainings were conducted in 2013; 16 of them were conducted together with the subdivisions of the State Emergency Service in Donetsk Oblast. 2047 persons participated in the training.

3 fire-technical commissions composed of 66 persons and 4 volunteer fire brigades with the total number of 352 persons carried out their activity in the structural units.

522 on-site inspections of fire safety were conducted by PJSC DONBASENERGO subject matter specialists in 2013 for the purpose to control the compliance with the fire safety standards.

2204 employees fulfilling works with increased fire hazard were trained by the fire safety specialists from the structural units and their knowledge of fire-technical minimum was checked.

THE COSTS FOR FIRE SAFETY PROVISION AMOUNTED TO 7,402.739 THOUSAND UAH FOR 2013:

- compulsory and continuous servicing by the state emergency rescue services — **2 208,0 thousand UAH**;
- implementation of the orders made by the state fire safety supervision bodies — **2 845,0 thousand UAH**;
- maintenance of the fire protection systems, fire fighting primary means — **366,0 thousand UAH**;
- upgrading of fire-technical equipment — **192,8 thousand UAH**;
- development of design documentation in the field of fire — **553,5 thousand UAH**;
- other arrangements — **1 237,439 thousand UAH**.

ENVIRONMENTAL RESPONSIBILITY

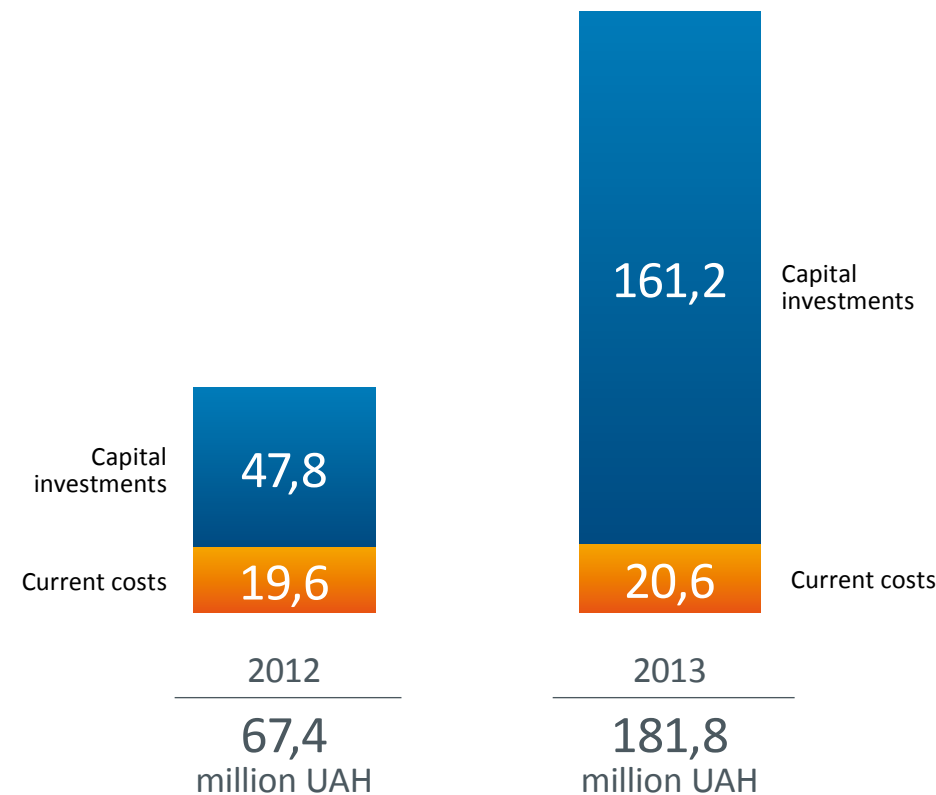
THE CONTINUOUS REDUCTION OF THE PRODUCTION ACTIVITY INFLUENCE ON THE ENVIRONMENT, ENVIRONMENTAL SAFETY PROVISION AT THE LEVEL OF THE EUROPEAN STANDARDS IS THE BASIS OF THE RESPONSIBLE APPROACH OF THE COMPANY TO THE ENVIRONMENTAL PROTECTION

THE MOST CRITICAL TASKS OF PJSC DONBASENERGO IN THE FIELD OF THE PRODUCTION ENVIRONMENTAL SAFETY INCREASE ARE AS FOLLOWS:

- introduction of up-to-date techniques for thermal and electric power generation and supply, gradual decommissioning of outdated equipment;
- repair of environmental facilities and equipment, provision of treatment equipment reliable and safe operation;
- rational use of water resources.

The Company's costs for environmental measures and compliance with the environment protection legislation increased by 114,4 million UAH and amounted to 181,8 million UAH in 2013.

ENVIRONMENTAL COSTS FOR ENVIRONMENT PROTECTION IN 2012–2013



types of costs	2012 million UAH	2013 million UAH
Atmospheric air protection	42,1	156,4
Water resources protection	6,1	9,7
Wastes handling	18,7	14,0
Soil protection and rehabilitation	0,3	0,4
Biodiversity and habitat preservation	0	0,5
Radiation security	0,008	0,013
Scientific and research works	0,1	0,8
Other directions of environment-related activity	0,07	0,02
Total:	67,4	181,8

COSTS FOR ENVIRONMENT PROTECTION AND COMPLIANCE WITH ENVIRONMENT PROTECTION LEGISLATION

ENVIRONMENTAL PARAMETERS OF THE EXPOSURE

ATMOSPHERIC AIR The increase of contaminants emissions by 15056,8 t is observed in 2013 as compared to 2012 (2012 — 117970,5 t, 2013 — 133,027.3 t).

The emissions increase is explained by electric power generation increase.

However, while electric power generation increases by 19,7% (2012 — 638,9 million kW·h, 2013 — 764,8 million kW·h, increase by 125,9 million kW·h), the emission volumes increased only by 12,8% , which is explained by the improvement of flue gas treatment against dust emissions.

WATER RESOURCES The increase of water use in 2013 by 2498,9 thousand m³ (12,1%) (2012 — 20566,3 thousand m³, 2013 — 23064,4 thousand m³) is also connected with electric power generation increase.

The increase of discharged effluents volumes by 52 thousand m³ (1 %) is explained by the water consumption rate growth.

WASTES The volumes of wastes formed in 2013 as compared to 2012 increased by 235143,9 t (2012 — 720886,4 t, 2013 — 955733,6 t) and amounted to 32,6% while electric power generation increased by 19,7%.

STAROBESHEVSKA TES

SLOVIANSKA TES

ATMOSPHERIC AIR The decrease of contaminants emissions by 14405,2 t is observed in 2013 as compared to 2012 (2012 — 53437,1 t, 2013 — 39031,9 t). The emissions decrease is explained by electric power generation decrease. While electric power generation decreases by 12,2 % (2012 — 2739,746 thousand kW·h, 2013 — 2405,345 thousand kW·h, decrease by 334401 thousand kW·h), emissions volumes decreased by 27%.

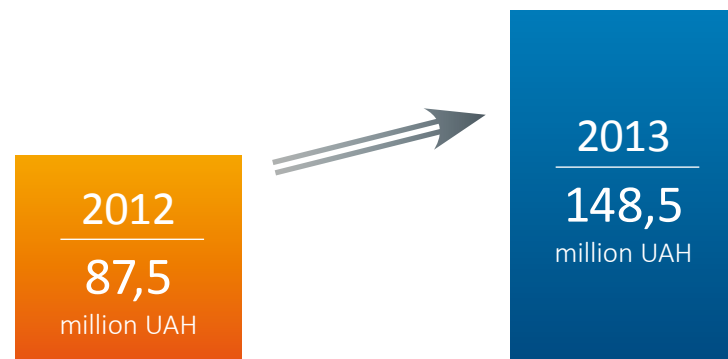
WATER RESOURCES The increase of water consumption rates in 2013 by 1794,4 thousand m³ (12,5%) (2012 — 14255,0 thousand m³, 2013 — 12460,6 thousand m³) is connected with the 1st turn electric power generation increase as compared to 2012, more water were taken according to the straight-though water scheme.

The increase of discharged effluents volumes by 30,306 thousand m³ (54.3 %) is explained by the work volume growth at the 1st run (according to the straight-though water consumption scheme).

WASTES The volumes of wastes formed in 2013 as compared to 2012 decreased by 47978,6 t (2012 — 290293,6 t, 2013 — 242314,9 t) and amounted to 16,5% while electric power generation decreased by 12,2%.

The total amount of the accrued eco-tax when carrying out the economic activity, namely for emissions, discharges and wastes disposal by PJSC DONBASENERGO amounted to 148,533 thousand UAH in 2013 and this is 61,036 thousand UAH more than 2012; this is caused by the power generation increase at Starobeshevskya TES and eco-tax rate increase.

TOTAL AMOUNT OF ACCRUED ECO-TAX



THE COMPANY PLANS TO CARRY OUT THE ENVIRONMENTAL ACTIONS IN 2014, WHICH WILL ALLOW:

- reduce emissions volumes by suspended substances by 1,0637 t/year;
- comply with the terms for emission permit in order to achieve the maximum allowable emission by suspended substances;
- reduce the level of the contamination factor impact on the environment;
- minimize the occurrence of accidents and their environmental consequences;
- improve the qualitative characteristics of discharged waters;
- provide for an empty tank for ash-slurry wastes storage without any additional land allocation;
- improve the technical condition of the reservoirs;
- receive authentic data on quantitative and qualitative characteristics of the contamination factors.

THE COSTS IN THE AMOUNT OF 269,8 MILLION UAH ARE PLANNED BY THE COMPANY FOR 2014 IN THE FIELD OF THE ENVIRONMENT PROTECTION; THEY INCLUDE:

- 208,44 million UAH — own funds,
- 10,1 UAH — from the local Conservation Funds (CF),
- 51,3 million UAH — from the State CF.

THESE AMOUNTS OF THE COSTS ARE CATEGORIZED AS FOLLOWS:

- atmospheric air protection — 175,3 million UAH;
- water resources protection and rational use — 6,3 million UAH;
- land resources protection and rational use— 0,2 million UAH;
- natural resources protection and rational use — 3,0 million UAH;
- production wastes rational use and disposal — 85,0 million UAH.

Based on the selection criteria of the State Conservation Fund and work plans of PJSC DONBASENERGO for 2014 a set of documents on the project “Starobeshevsk TES. Build-Up of Ash Dump No. 3” was sent to the Ministry of Environment and Mineral Resources for participation in the selection of targeted projects on environmental upgrading for 2014 and this project inclusion into the targeted project list for 2014.

It is planned to finance the project at the expense of the State Conservation Fund funds provided that two rounds of the selection are passed according to the Resolution of the Cabinet of Ministers of Ukraine dated 18.09.2013 No. 756.

A PERSPECTIVE PLAN OF ENVIRONMENTAL PROTECTION MEASURES AIMED AT THE CONTAMINANT EMISSIONS REDUCTION AND BRINGING THEM TO DIRECTIVE 2001/80/EC IS IMPLEMENTED IN THE COMPANY FOR REDUCING THE NEGATIVE IMPACT ON THE ENVIRONMENT:

STAROBESHEVSKA TES

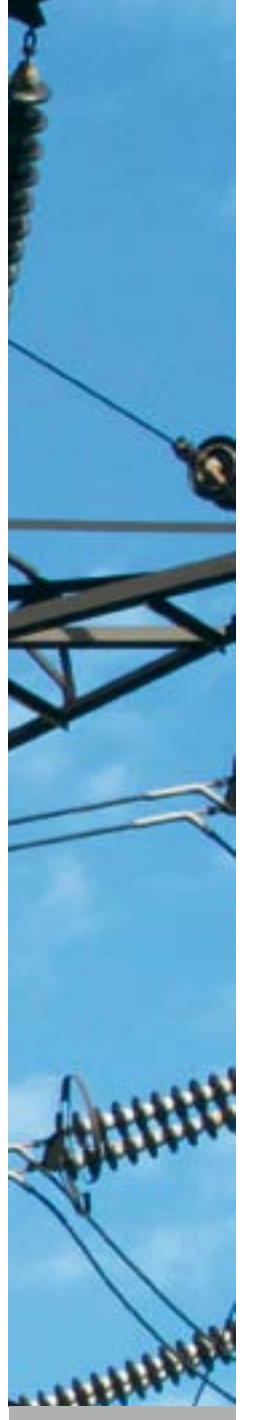
Measures	Expected result	Project implementation beginnin	Term implementation
Reconstruction of gas treatment equipment in power generation units No. 5, 6, 8-13 to reduce the process standards for the emission of suspended substances, which are not identified by composition up to 50 mg/m3	Dust emission reduction to 6930 t/year in each unit No. 5,6,8-13	2014	2016
blulfur treatment unit in power generationunits No. 5, 6, 8-13 to achieve the process standard of sulfur dioxide emissions to 400 mg/m3	Sulfur dioxide emissions reduction to 6960 t/g in each unit No. 5,6,8-13	2014	2017–2018
Construction of nitrogen treatment unit in power generation units No. 5, 6, 8-13 to achieve the process standard of dioxide nitrogen emissions (in terms of nitrogen dioxide) to 200 mg/m3	Nitrogen oxide emissions reduction (in terms of nitrogen dioxide) to 4,000 t/year in each unit No. 5,6,8-13	2015	2017–2018

SLOVIANSKA TES

Measures	Expected result	Project implementation beginnin	Term implementation
Upgrading of thermal power units (boilers No. 6, No. 7) with achievement of the norms of: – suspended substances which are not identified by composition — 100 mg/m ³ , – sulfur dioxide — 1760 mg/m ³ , – nitrogen oxides (in terms of nitrogen dioxide) — 600 mg/m ³ .	Dust emissions reduction to 9,268 t/year. Sulfur dioxide emissions reduction to 11,784 t/year. Nitrogen dioxide emissions reduction to 104,25 t/year.	2014	2016–2018
Upgrading of electric filter with equipment replacement in unit No. 7, as well as sulfur and nitrogen treatment unit to achieve the process standards: – emissions of suspended substances, which are not identified by composition to 50 mg/m ³ , – emissions of sulfur dioxide to 400 mg/m ³ , – emissions of nitrogen oxides (in terms of nitrogen dioxide) to 200 mg/m ³ .	Dust emission reduction to 9270 t/year. Sulfur dioxide emissions reduction to 2262 t/year. Nitrogen dioxide emissions reduction to 5257 t/year.	2014	2016–2018



ANNEXES



6

Donbasenergo

ANNEX 1
BALANCE SHEET
(FINANCIAL REPORT)
AS OF DECEMBER 31,
2013
FORM No. 1

ASSET	Line code	At the beginning of the reporting period	At the end of the reporting period
I. NON-CURRENT ASSETS			
Intangible assets:			
Remaining value	1000	3 437	6 823
Initial value	1001	5 691	9 730
Accumulated depreciation	1002	2 254	2 907
In-progress capital investments	1005	434 305	1 140 417
Fixed assets:			
Remaining value	1010	1 060 382	1 404 634
Initial value	1011	2 216 202	2 505 323
Depreciation	1012	1 155 820	1 100 689
Investment property:			
Fair (remaining) value of investment property	1015	3 631	4 296
Initial value of investment property	1016	7 223	7 748
Depreciation	1017	3 592	3 452
Long-term biological assets	1020		
Long-term financial investments:			
That are accounted based on the pattern of	1030		
Other financial investments	1035		
Long-term receivables	1040	69	40
Deferred tax assets	1045	260 008	222 305
Other non-current assets	1090		
Total according to section I	1095	1 761 832	2 778 515
II. CURRENT ASSETS			
Inventories:			
Production stocks	1100	738 457	498 391
Current biological assets	1101	718 839	478 475
Unfinished production	1110		
Finished goods	1102	6 037	8 487
Goods	1103	3 205	2 709
Notes receivable	1104	10 376	8 720
Receivables for production, goods, work, services:	1120		2 391
Receivables' net disposal value	1125	302 513	443 999
Accounts receivables:			
For advances paid out	1130	17 625	11 262
For settlements with budget	1135	1 730	1 163
Including income tax	1136		
Receivables in respect of internal settlements	1145		
Other current receivables	1155	18 147	18 877
Current financial investments	1160		
Money and their equivalents:			
Money and their equivalents:	1165	79 938	202 383
Including cash	1166	196	127
Expenses related to future	1170	1 065	0
Інші оборотні активи	1190	816	13 770
Total according to section II	1195	1 160 291	1 192 236
III. NON-CURRENT ASSETS DEDUCTED FROM SALE AND DISPOSAL GROUPS			
BALANCE	1200		
BALANCE	1300	2 922 123	3 970 751

LIABILITIES	Line code	At the beginning of the reporting period	At the end of the reporting period
I. SHAREHOLDER'S INVESTMENT			
Registered capital	1400	236 443	236 443
Additional capital	1405-1410		20 134
Surplus funds	1415	2 085	3 634
Retained profit (retained loss)	1420	419 810	953 821
Unpaid capital	1425		
Disposed capital	1430		-926
Total according to section I	1495	658 338	1 213 106
II. LONG-TERM LIABILITIES AND FINANCING			
Deferred tax liabilities	1500		
Pension liabilities	1505	262 263	261 666
Long-term bank loans	1510	146 386	263 170
Other long-term liabilities	1515	6 967	6 967
Long-term financing	1520	22 912	11 902
Including long-term financing for personnel costs	1521	0	0
Special purpose financing	1525	1 482	1 482
Total according to section II	1595	440 010	545 187
III. CURRENT LIABILITIES AND FINANCING			
Bank short credit	1600	312 693	411 776
Notes issued	1605		
Current payables on: long-term liabilities	1610	62 210	314 707
Goods, work, services	1615	530 520	559 050
Settlements with budget	1620	116 905	114 803
Including income tax	1621	0	64 483
Settlements in respect of insurance	1625	7 144	8 009
Settlements in respect of labor payments	1630	14 122	17 360
Settlements in respect of advances received	1635	672 571	666 663
Settlements in respect of payments to partners	1640	26 457	26 788
Internal settlements	1645		
Current financing	1660	69 084	82 655
Income related to future reinsurers	1665	9 724	8 527
Other current liabilities	1690	2 345	2 120
Total according to section III	1695	1 823 775	2 212 458
IV. LIABILITIES CONNECTED WITH NON-CURRENT ASSETS, WHICH ARE DEDUCTED FROM SALE AND DISPOSAL GROUPS			
BALANCE	1700		
BALANCE	1900	2 922 123	3 970 751

I. FINANCIAL OPERATIONS			
description	line code	for the reporting period	for the same period of previous year
Products sales net income (services, works)	2 000	5 680 432	4 647 568
Costs of goods sold (products, works, services)	2 050	4 569 197	4 096 531
Gross:			
income	2 090	1 111 235	551 037
loss	2 095	0	0
Other operating incomes	2 120	166 738	15 546
Administrative expenses	2 130	170 123	113 962
Marketing expenses	2 150	12 939	17 032
Other operating expenses	2 180	320 777	258 557
Financial results from operational activities:			
income	2 190	774 134	177 032
loss	2 195	0	0
Equity income	2 200		
Other financial incomes	2 220	4 337	113 416
Other incomes	2 240	19 102	13 027
Financial expenses	2 250	86 865	156 830
Equity loss	2 255		
Other expenses	2 270	16 402	19 900
Financial result before taxation:			
income	2 290	694 306	126 745
loss	2 295	0	0
Expenses (income) from value added tax	2 300	162 777	95 770
Expenses (income) from the stop of activity performance after taxation	2 305		
Net financial result:			
income	2 350	531 529	30 975
loss	2 355	0	0
II. TOTAL REVENUE			
description	line code	for the reporting period	for the same period of previous year
Increases (writedowns) in the value of assets			
Increases (writedowns) in financial instruments			
Share premium fund			
Fraction of the other total revenue of associated and common enterprises			
Other total revenue		40 801	-9 226
Other total revenue before taxation		40 801	-9 226
Value added tax connected with other total revenue		7 344	-1 937
Other total revenue after taxation		33 457	-7 289
Total revenue (the sum of lines 2350,2355 and 2460)		564 986	23 686

III. ELEMETS OF OPERATING EXPENSES			
description	line code	for the reporting period	for the same period of previous year
Material expenses	2 500	3 847 650	3 516 155
Labor payment expenses	2 505	484 868	420 841
Fringe benefit expenses	2 510	204 595	162 549
Amortization	2 515	134 091	82 303
Other operating expenses	2 520	335 455	385 232
TOTAL	2 550	5 006 659	4 567 080
IV. SHARES' EFFECTIVENESS CALCULATION RATES			
description	line code	for the reporting period	for the same period of previous year
Average annual quantity of ordinary shares	2 600	23 644 301	23 644 301
Adjusted average annual quantity of ordinary shares	2 605		
Net income per one ordinary share	2 610	22,48	1,31
Adjusted net income per one ordinary share	2 615		
Dividends per one ordinary share	2 650		

ANNEX 3
PERFORMANCE
OF FINANCIAL
PLAN RATES FOR
12 MONTHS 2013

Rates	line code	2012 (de facto – 12 months)	2013 (plan – 12 months)	2013 (de facto – 12 months)
PROFIT GENERATION OF THE ENTERPRISE				
Incomes				
Income (revenue) from goods sold (products, works, services)	001	5 577 081	6 442 609	6 816 519
Value added tax	002	929 513	1 073 768	1 136 087
Net income (revenue) from goods sold (products, works, services)	006	4 647 568	5 368 841	5 680 432
Generation of electric power by thermoelectric power stations	006/1	4 629 439	5 350 227	5 664 565
Generation and spreading of thermal energy	006/4	18 129	18 614	15 867
Other operating incomes	007	15 546	159 140	166 738
Other financial incomes	009	113 416	4 222	4 337
Other incomes	010	13 027	16 606	19 102
TOTAL INCOMES	012	4 789 557	5 548 809	5 870 609
Expenses				
Costs of goods sold (products, works, services)	013	4 096 531	4 885 061	4 569 197
Generation of electric power by thermoelectric power stations	013/1	4 058 385	4 845 791	4 534 289
Generation and spreading of thermal energy	013/4	38 146	39 270	34 908
Administrative expenses	014	113 962	171 646	170 123
Marketing expenses	015	17 032	17 814	12 939
Other operating expenses	016	258 557	183 276	320 777
Financial expenses	017	156 830	98 866	86 865
Other expenses	019	19 900	28 714	16 402
Tax on income	020	95 770	66 957	162 777
Total expenses	022	4 758 582	5 452 334	5 339 080
Financial results				
Gross income (loss)	023	551 037	483 780	1 111 235
Generation of electric power by thermoelectric power stations	023/1	571 054	504 436	1 130 276
Generation and spreading of thermal energy	023/4	-20 017	-20 656	-19 041
Financial result from operating activity	024	177 032	270 184	774 134
Financial result from ordinary activity before taxation	025	126 745	163 432	694 306
Net income (loss)	027	30 975	96 475	531 529
Obligatory payments to the budget and state trust funds (payment of)				
Current taxes and obligatory payments to the budget, including:	37	481 009	535 541	528 282
Value added tax	037/1	219 531	151 430	151 440
Income tax	037/3	151 256	221 845	213 436
Contributions to state trust funds, including:	039	163 695	180 268	206 099
Unified social tax		154 213	164 003	190 150
Other obligatory payments to the budget	040	58 666	66 557	72 168

Plan 1 quarter 2013	Fact 1 quarter 2013	Plan 2 quarter 2013	Fact 2 quarter 2013	Plan 3 quarter 2013	Fact 3 quarter 2013	Plan 4 quarter 2013	Fact 4 quarter 2013	Deviation +/- fact/plan 2013	% of completion
1 592 942	1 427 833	1 541 736	1 548 778	1 338 720	1 824 164	1 969 211	2 015 744	373 910	106 %
265 490	237 972	256 956	258 130	223 120	304 027	328 202	335 958	62 319	106 %
1 327 452	1 189 861	1 284 780	1 290 648	1 115 600	1 520 137	1 641 009	1 679 786	311 591	106 %
1 317 606	1 181 100	1 282 902	1 289 765	1 115 419	1 520 181	1 634 300	1 673 519	314 338	106 %
9 846	8 761	1 878	883	181	-44	6 709	6 267	-2 747	85 %
45 470	40 194	49 538	43 881	50 407	39 173	13 725	43 490	7 598	105 %
0	1 778		865		874	4 222	820	115	103 %
1 466	3 546	1 680	6 565	1 588	4 160	11 872	4 831	2 496	115 %
1 374 388	1 235 379	1 335 998	1 341 959	1 167 595	1 564 344	1 670 828	1 728 927	321 800	106 %
1 290 227	1 048 358	1 114 186	881 067	1 129 714	1 223 340	1 350 934	1 416 432	-315 864	94 %
1 270 520	1 033 178	1 109 415	878 825	1 128 393	1 222 073	1 337 463	1 400 213	-311 502	94 %
19 707	15 180	4 771	2 242	1 321	1 267	13 471	16 219	-4 362	89 %
34 947	31 197	32 820	36 260	29 458	38 424	74 421	64 242	-1 523	99 %
6 132	3 498	5 175	2 935	5 194	3 005	1 313	3 501	-4 875	73 %
50 593	37 228	55 020	42 293	55 194	39 625	22 469	201 631	137 501	175 %
15 628	9 859	16 200	14 187	15 966	17 123	51 072	45 696	-12 001	88 %
436	300	629	4 932	398	13 799	27 251	-2 629	-12 312	57 %
0	0	7 100	-20	0	49 611	59 857	113 186	95 820	243 %
1 397 963	1 130 440	1 231 130	981 654	1 235 924	1 384 927	1 587 317	1 842 059	-113 254	98 %
37 225	141 503	170 594	409 581	-14 114	296 797	290 075	263 354	627 455	230 %
47 086	147 922	173 487	410 940	-12 974	298 108	296 837	273 306	625 840	224 %
-9 861	-6 419	-2 893	-1 359	-1 140	-1 311	-6 762	-9 952	1 615	92 %
-8 977	109 774	127 117	371 974	-53 553	254 916	205 597	37 470	503 950	287 %
-23 575	104 939	111 968	360 285	-68 329	229 028	143 368	54	530 874	425 %
-23 575	104 939	104 868	360 305	-68 329	179 417	83 511	-113 132	435 054	551 %
116 082	177 215	104 792	121 528	35 801	113 258	278 866	116 281	-7 259	99 %
8 414	101 806	425	2 706	0	6 000	142 591	40 928	10	100 %
58 018	46 012	60 031	66 661	258	72 799	103 538	27 964	-8 409	96 %
46 960	57 187	40 892	46 882	40 417	47 348	51 999	54 682	25 831	114 %
43 096	53 320	37 014	42 779	36 481	43 430	47 412	50 621	26 147	116 %
12 046	20 127	14 781	16 383	15 751	16 697	23 979	18 961	5 611	108 %

ANNEX 4
RECEIVABLES FOR
DECEMBER 31, 2013

	Thou- sands UAH	Including carried receivables for January 01, 2013
I. CURRENT RECEIVABLES:		
1. Payments with the State Enterprise ENEGORYNOK	777 060	234 815
For electrical power	697 087	154 842
3% per annum, inflation, state duty	79 973	79 973
2. Electrical power for auxiliaries	0	0
3. Heat power for the enterprise	700	218
4. Heat power for citizens	5 560	3 510
5. Performed services	1 076	202
6. Materials	286	0
7. Spare parts, equipment	4	4
8. Telecommunication services	1	0
9. Rental services	352	139
10. Municipal services for enterprises	3 701	3 139
11. Municipal services for citizens	6 942	6 371
12. Product	2 425	7
13. Fuel, including	868	868
mazut	0	0
coal (including "Coal of Ukraine" – 0)	868	868
gas	0	0
oil and lubricants	0	0
14. Budget	32 373	31 210
15. Finished goods	4 249	320
16. Advances, including	11 406	520
mazut	0	0
coal	0	0
gas	4 700	0
value added tax	-2 019	0
17. Settlements in respect of advance holders	24	0
18. Settlements in respect of loans for employees	41	0
19. Settlements in respect of claims, including:	1 082	587
coal (readdressing etc.)	606	124
mazut (readdressing)	0	0
20. Settlements in respect of social insurance	657	0
21. Расчеты векселями	2 391	0
22. Others, including:	8 803	3 115
Settlements with NEC Energy and Fuel (gas – 2002 year)	1 169	1 169
TOTAL:	860 001	285 025
II. LONG-TERM RECEIVABLES		
Settlements in respect of advances paid out	40	37
TOTAL:	40	37
Total receivables:	860 041	285 062
III. DOUBTFUL DEBTS RESERVE, INCLUDING	-382 309	-279 343
State Enterprise ENEGORYNOK	-337 547	-234 815
Municipal services	-8 491	-8 406
Heat power	-1 774	-1 716
NEC Energy and Fuel	-1 169	-1 169
Others	-33 328	-33 237
TOTAL INCLUDING DOUBTFUL DEBTS RESERVE:	477 732	5 719

During the reporting period receivables of PJSC Donbasenergo were increased from UAH 626754,00 to UAH 860001,00 in the amount of UAH 233247,00, that makes 37%.

As of December 31, 2013 the structure of receivables of PJSC Donbasenergo (in % of the total debts) is:

- Electric power, supplied to the State Enterprise ENEGORYNOK UAH 777060,00 – 90,4%;
- Settlements with budget UAH 32 373,00 – 3,8%;
- Services provided UAH 18 206,00 – 2,1%;
- Advances paid out (without VAT) UAH 11 406,00 – 1,3%.

Receivables for other types of products is not more than 1% of the total.

The increase of receivables in the amount of 233,2 mio is a result of current receivables for supplied electric power to the State Enterprise ENEGORYNOK.

ANNEX 5

Payables as for
December 31, 2013

	Thousands UAH	Including carried receivables for January 01, 2013
I. Current receivables:		
1. Fuel, including:	281 765	3 657
gas	3 592	3 488
mazut	0	0
oil and lubricants	1 486	0
Coal (including the State Enterprise "Coal of Ukraine" — 33 116)	276 687	169
2. Services performed on turnaround maintenance	8 896	1
3. Services performed on capital construction	3 983	95
4. Material	10 536	26
5. Spare part, equipment	7 199	44
6. Telecommunication services	100	0
7. Rental services	8	0
8. Municipal services for enterprises (including fuel transportation services 2,424)	233	0
9. Municipal services for citizens	160	0
10. Electric and thermal power	15	0
11. Other services	11 318	13
12. Product	917	11
13. Advances (including the State Enterprise Energorynok — 797 000,00; VAT — 132 833,00)	799 913	376
Including VAT	-133 250	-7
14. Budget	114 803	1
15. Loans	17 360	0
16. Contributions (including deferred income tax)	8 009	1
Pension fund, unified social fund	8 001	1
For insurance, others	8	0
17. Settlement with partners	26 788	26 457
18. Non-current assets	234 307	2 375
19. Others	1 101	0
20. Settlements in respect of tax calculations	632	288
II. Current debts on long-term liabilities, including	314 707	1 972
Loan of Savings-bank (12 th and 13 ^d unit of Starobeshevska TES, 7 th Slovianska TES)	312 735	0
Loan of IBRD on fuel	1 174	1 174
Loan of EBRD	798	798
TOTAL:	1 709 500	35 310
III. Long-term payables, including:	6 967	6 967
State municipal reserve	6 967	6 967
Total debts:	1 716 467	42 277

During the reporting period payables of PJSC Donbasenergo were increased from UAH 1432274,00 to UAH 1709500,00 in the amount of UAH 277226,00 that makes 19%.

As of December 31, 2013 the structure of payables of PJSC Donbasenergo (in % of the total debts) is:

- Advances received (without VAT) UAH666,663.00 — 39,0 %;
- Current debts:
 - under long-term liabilities UAH 314707,00 — 18,4 %
 - for coal UAH 276 687,00 — 16,2 %
 - for non-current assets UAH 23430 — 13,7 %;
- Settlements with budget UAH114,803.00 — 6,7 %;
- Settlements with partners UAH26,788.00 — 1,6 % ;
- Settlements in respect of labor payments UAH17,360.00 — 1,0 %;
- Payables on other types of currents liabilities is not more than 1% of the total debts in PAJSC Donbasenergo;
- The increase of payables in the amount of UAH 277,2 mio is a result of:
 - increasing of loan debts of Savings-bank, which were invited for reconstruction of units No.12, No.13 of Starobeshevska and Slovianska TES in the amount of UAH 252,5 mio;
 - increasing of debts on non-current asset, which are connected with capital construction in the amount of UAH 171,6 mio.

