

FOR IMMEDIATE RELEASE

TXU Reports Improved Third Quarter Results

- Third quarter 2003 earnings from continuing operations, net of preference stock dividends, were \$368 million, \$1.01 per diluted share of common stock, exceeding third quarter 2002 earnings of \$250 million, \$0.88 per diluted share of common stock, a 15 percent increase.
- Third quarter 2003 net income available to common stock was \$392 million, \$1.07 per diluted share, versus \$206 million, \$0.73 per diluted share of common stock for the same period in 2002.
- Full year 2003 guidance for earnings from continuing operations before cumulative effect of changes in accounting principles is around \$2.00 per diluted share of common stock.

DALLAS – November 5, 2003 – TXU (NYSE: TXU) announced today that third quarter earnings from continuing operations, net of preference stock dividends, for the third quarter ended September 30, 2003 were \$368 million, or \$1.01 per diluted share of common stock compared to \$250 million, \$0.88 per diluted share of common stock for the same period last year, a 15 percent increase. All of TXU's business segments performed better than last year.

Including the discontinued telecommunications business, third quarter 2003 earnings were \$392 million, or \$1.07 per diluted share of common stock. In the current period, results from discontinued operations include a \$37 million benefit from a change in estimate related to the tax basis of the telecommunications business. TXU announced its intent to sell its telecommunications business in May 2003, and expects the sale to be completed in the first quarter of 2004. Third quarter 2002 reported earnings, including the discontinued Europe and Mexico operations, were \$206 million, or \$0.73 per diluted share of common stock.

“We delivered a solid third quarter because of the improved performance in all segments of our business. TXU's third quarter results confirmed that the company is executing successfully on its 2003 plan,” said Dan Farrell, chief financial officer. “We remain committed to deliver on our initiatives, which are to deliver on the plan, strengthen the balance sheet and enhance credit, lower costs and aggressively defend and build upon our leadership positions in Texas and Australia.”

Major factors in the quarter-to-quarter comparison of earnings per diluted share of common stock reflect:

- the positive benefit of a nine percent increase in contribution margin (revenues less cost of energy sold and delivery fees) and
- reduced costs and expenses, somewhat offset by
- higher interest expense resulting from more permanent financing and strengthened liquidity, and

- an increase in the number of common shares outstanding as a result of issuances in 2002 of common stock and an increase in diluted shares due to the issuance in 2002 of subordinated notes exchangeable into TXU Corp. common stock.

Results from each of the segments are discussed further below.

Earnings from continuing operations before cumulative effect of changes in accounting principles, net of preference stock dividends, for the year-to-date period ended September 30, 2003 were \$650 million, or \$1.82 per diluted share of common stock. For the same period in 2002, results were \$674 million or \$2.48 per diluted share of common stock. Including discontinued operations and the cumulative effect of changes in accounting principles, year-to-date 2003 earnings were \$537 million, or \$1.52 per diluted share of common stock, compared to \$651 million, or \$2.40 per diluted share of common stock in the 2002 period.

For the year-to-date period ended September 30, 2003, cash provided by operating activities was \$2 billion versus \$1 billion in the same period in 2002. Improved working capital (accounts receivable, accounts payable and inventories) and an income tax refund of \$616 million, related to tax benefits associated with the write-off of the investment in Europe, were the primary drivers of the increase. At September 30, 2003, TXU had \$3.4 billion of liquidity (cash and cash equivalents and available credit facility capacity).

Year-to-date September 30, 2003, TXU reported lower debt (notes payable and long term debt, including long term debt due currently) by \$1.8 billion. The improvement includes the reclassification of the \$644 million (net of discount) of TXU Energy's exchangeable subordinated notes to preferred membership interests somewhat offset by an approximate \$279 million increase caused by the effect of the stronger Australian dollar. Year-to-date TXU has also repurchased \$91 million of preferred stock of subsidiaries, all of the \$150 million of partners' equity interest in Pinnacle One, the company's telecommunications subsidiary, and \$140 million of bonds issued by Pinnacle One. In November 2003, TXU repurchased an additional \$110 million of the Pinnacle One bonds.

Business Segment Results

The Energy segment delivered \$249 million of net income in the third quarter of 2003, an increase of \$22 million over the prior year period. This segment contains the company's generation, portfolio management, and retail operations, primarily in Texas. Improved contribution margin, lower operating costs and selling, general and administrative expenses, and lower depreciation expense were the main drivers of the improved results. Depreciation expense decreased primarily due to extension of the useful life of the company's nuclear plant following a review of the depreciable lives of all of the company's generation fleet. Partially offsetting these benefits was higher interest expense, primarily resulting from actions in late 2002 and early 2003 to more permanently finance the business and reduce reliance on bank borrowings.

The increase in contribution margin primarily resulted from increased retail and wholesale revenues. The main components of increased revenues were higher average prices in the wholesale and large business markets and increased rates in the mass market, all driven by higher natural gas costs, somewhat offset by lower portfolio management revenues. Total sales volumes decreased by seven percent as retail sales volumes decreased primarily as a result of competitive activity, while wholesale sales volumes increased. Year-to-date net mass market (residential and small/medium businesses) customer count is down by approximately three

percent, which is less than TXU's projected rate of five percent for 2003. The July outage of one unit of the company's nuclear generation plant increased costs of sales by approximately \$20 million. The impact was essentially offset by a \$19 million reduction in the retail clawback accrual as a result of TXU Energy meeting the 40 percent load threshold for the small/medium business market. Upon approval of the 40 percent threshold by the Public Utility Commission of Texas, TXU Energy will be able to offer alternatives to the price to beat to small and medium business customers in North Texas.

The Energy Delivery segment earned \$117 million of net income in the third quarter of 2003 compared to \$78 million in the third quarter of 2002. This segment includes the electric transmission and distribution assets as well as the company's natural gas pipeline and distribution business. Electric delivery's net income improved by \$30 million, largely due to higher revenues. Revenues increased because of growth, higher miscellaneous services revenues, increased transmission tariffs, and new transition charge revenues associated with securitization bonds. Combined operating costs and selling, general and administrative expenses were essentially flat in spite of increased third party transmission expenses. Initiation of amortization of certain regulatory assets in conjunction with the \$500 million of securitization bonds issued in August increased depreciation and amortization expenses. Interest expense increased primarily as a result of actions in 2002 to more permanently finance the business and reduce reliance on bank borrowings. Natural gas delivery results improved by \$9 million, largely due to higher contribution margin and lower interest expense.

Net income from the Australia segment was \$43 million in the third quarter of 2003, an increase of \$27 million from the prior year period. This segment includes the company's generation, portfolio management, retail, and gas and electricity delivery operations in Australia. Increased contribution margins, a prior period tax adjustment and approximately \$7 million benefit from the effects of the stronger Australian dollar were the main drivers of the increase. Contribution margin improved primarily as a result of increased electricity sales due to successful customer retention and acquisition activities, particularly in the business markets, and increased natural gas sales due to increased residential customers and colder weather.

2003 Earnings Guidance

TXU expects full year earnings from continuing operations before cumulative effect of changes in accounting principles to be around \$2.00 per share of common stock.

Conference Call

TXU's quarterly earnings teleconference with financial analysts is scheduled for 10 a.m. Central (11 a.m. Eastern) today. The teleconference will be broadcast live on the TXU web site (www.txucorp.com) in the Investor Resources section for any parties who wish to listen, and a replay will be available on the web site approximately two hours after the teleconference is completed. Consolidated and segment condensed income statements and operating and financial statistics and consolidated balance sheet and cash flow statements are also available on the web site at www.txucorp.com in the Investor Resources section.

TXU is a major energy company with operations in North America and Australia. TXU manages a diverse energy portfolio with a strategic mix of over \$30 billion of assets. TXU's distinctive business model for competitive markets integrates generation, portfolio management, and retail into one single business. The regulated electric and natural gas distribution and transmission businesses complement the competitive operations, using asset management skills developed over more than one hundred years, to provide reliable energy delivery to consumers and earnings and cash flow for stakeholders. In its primary market of Texas, TXU's portfolio

includes 19,000 megawatts of generation and additional contracted capacity with a fuel mix of coal/lignite, natural gas/oil, nuclear power and wind. TXU serves more than five million customers in North America and Australia, including 2.6 million competitive electric customers in Texas where it is the leading energy retailer. Visit www.txucorp.com for more information about TXU.

This release contains forward-looking statements, which are subject to various risks and uncertainties. Discussion of risks and uncertainties that could cause actual results to differ materially from management's current projections, forecasts, estimates and expectations is contained in the company's SEC filings. The risks and uncertainties set forth in the company's SEC filings include TXU's ability to negotiate satisfactory terms and obtain all necessary governmental and other approvals and consents for the sale of TXU Communications, prevailing government policies on environmental, tax or accounting matters, regulatory and rating agency actions, weather conditions, unanticipated population growth or decline and changes in market demand and demographic patterns, changing competition for customers including the deregulation of the U.S. electric utility industry and the entry of new competitors, pricing and transportation of crude oil, natural gas and other commodities, financial and capital market conditions, unanticipated changes in operating expenses and capital expenditures, legal and administrative proceedings and settlements, inability of the various counterparties to meet their obligations with respect to financial instruments, and changes in technology used and services offered by TXU Corp.

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TXU Corp.

The following table identifies the components of the **contribution** and **change** in earnings for the quarter ended September 30, 2003, by segment.

	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Three Months Ended					
Reported Earnings 09/30/2002 (Basic & Diluted)					\$ 0.73
Discontinued Operations			44	0.15	\$ 0.15
Earnings from Continuing Operations 09/30/2002					\$ 0.88
Energy	249	0.66	22	0.08	
Energy Delivery	117	0.31	39	0.14	
Australia	43	0.11	27	0.10	
Corporate and Other	(41)	(0.10)	30	0.11	
Effect of TXU Energy Preferred Securities *	13	0.03	13	0.05	
Change in Common Shares Outstanding				(0.35)	0.13
Earnings from Continuing Operations 09/30/2003 (Diluted)	381	1.01	131		\$ 1.01
Discontinued Operations	24	0.06			0.06
Reported Earnings 09/30/2003 (Diluted)	405	1.07			\$ 1.07

* Amount represents the interest and discount amortization associated with the TXU Energy exchangeable preferred securities which are dilutive for EPS calculations.

	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Year to Date					
Reported Earnings 09/30/2002 (Basic & Diluted)					\$ 2.40
Discontinued Operations			23	0.08	\$ 0.08
Earnings from Continuing Operations 09/30/2002					\$ 2.48
Energy	438	1.16	(159)	(0.56)	
Energy Delivery	263	0.70	43	0.15	
Australia	96	0.25	19	0.07	
Corporate and Other	(147)	(0.40)	73	0.26	
Effect of TXU Energy Preferred Securities *	40	0.11	40	0.14	
Change in Common Shares Outstanding				(0.72)	(0.66)
Earnings from Continuing Operations 09/30/2003 (Diluted)	690	1.82	16		\$ 1.82
Discontinued Operations	(55)	(0.15)			(0.15)
Cumulative Effect of Accounting Changes	(58)	(0.15)			(0.15)
Reported Earnings 09/30/2003 (Diluted)	577	1.52			\$ 1.52

* Amount represents the interest and discount amortization associated with the TXU Energy exchangeable preferred securities which are dilutive for EPS calculations.

These tables are furnished in response to your request for information concerning the Company and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.



For the Periods Ended September 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>(millions of dollars, except per share amounts)</i>					
Operating revenues	\$ 3,136	\$ 2,918	7.5	\$ 8,607	\$ 7,876	9.3
Costs and expenses:						
Cost of energy sold and delivery fees	1,342	1,279	4.9	3,905	3,062	27.5
Operating costs	418	407	2.7	1,273	1,187	7.2
Depreciation and amortization	223	220	1.4	655	653	0.3
Selling, general and administrative expenses	280	320	(12.5)	799	975	(18.1)
Franchise and revenue-based taxes	104	108	(3.7)	335	343	(2.3)
Other income	(26)	(20)	30.0	(66)	(46)	43.5
Other deductions	13	23	(43.5)	36	82	(56.1)
Interest income	(6)	(6)	-	(25)	(21)	19.0
Interest expense and related charges	240	214	12.1	736	647	13.8
Total costs and expenses	2,588	2,545	1.7	7,648	6,882	11.1
Income from continuing operations before income taxes and cumulative effect of changes in accounting principles	548	373	46.9	959	994	(3.5)
Income tax expense	175	118	48.3	293	304	(3.6)
Income from continuing operations before cumulative effect of changes in accounting principles	373	255	46.3	666	690	(3.5)
Income (loss) from discontinued operations, net of tax effect	24	(44)	-	(55)	(23)	-
Cumulative effect of changes in accounting principles, net of tax benefit	-	-	-	(58)	-	-
Net income	397	211	88.2	553	667	(17.1)
Preference stock dividends	5	5	-	16	16	-
Net income available for common stock	\$ 392	\$ 206	90.3	\$ 537	\$ 651	(17.5)
Average shares of common stock outstanding, basic (millions)	322	282	14.2	321	272	18.0
Average shares of common stock outstanding, diluted (millions)	379	282	34.4	378	272	39.0
Per share of common stock:						
Basic earnings:						
Income from continuing operations before cumulative effect of changes in accounting principles	\$ 1.14	\$ 0.88	29.5	\$ 2.02	\$ 2.48	(18.5)
Income (loss) on discontinued operations, net of tax effect	\$ 0.08	\$ (0.15)	-	\$ (0.17)	\$ (0.08)	-
Cumulative effect of changes in accounting principles, net of tax benefit	\$ -	\$ -	-	\$ (0.18)	\$ -	-
Net income available for common stock	\$ 1.22	\$ 0.73	67.1	\$ 1.67	\$ 2.40	(30.4)
Diluted earnings:						
Income from continuing operations before cumulative effect of changes in accounting principles	\$ 1.01	\$ 0.88	14.8	\$ 1.82	\$ 2.48	(26.6)
Income (loss) on discontinued operations, net of tax effect	\$ 0.06	\$ (0.15)	-	\$ (0.15)	\$ (0.08)	87.5
Cumulative effect of changes in accounting principles, net of tax benefit	\$ -	\$ -	-	\$ (0.15)	\$ -	-
Net income available for common stock	\$ 1.07	\$ 0.73	46.6	\$ 1.52	\$ 2.40	(36.7)
Dividends declared	\$ 0.125	\$ 0.600	(79.2)	\$ 0.375	\$ 1.800	(79.2)

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.) and all Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

TXU CORP. AND SUBSIDIARIES

Condensed Statements of Consolidated Cash Flows

(Unaudited)

	Nine Months Ended September 30,	
	2003	2002
	<i>millions of dollars</i>	
Cash flows - operating activities:		
Income from continuing operations before cumulative effect of changes in accounting principles	\$ 666	\$ 690
Adjustments to reconcile income from continuing operations before cumulative effect of changes in accounting principles to cash provided by operating activities:		
Depreciation and amortization	712	715
Deferred income taxes and investment tax credits -- net	118	169
Net gain from sale of assets	(39)	(30)
Net unrealized gain from mark-to-market valuations of commodity contracts	(15)	(6)
Net equity loss from unconsolidated affiliates and joint ventures	18	40
Recovery of gas costs	47	67
Reduction in regulatory liability	(125)	(112)
Reduction in retail clawback accrual	(19)	-
Asset Impairment charge	-	11
Changes in operating assets and liabilities	674	(505)
Cash provided by operating activities	<u>2,037</u>	<u>1,039</u>
Cash flows - financing activities:		
Issuances of securities:		
Long-term debt	2,449	2,868
Common stock	27	717
Retirements/repurchases of securities:		
Long-term debt	(1,705)	(2,707)
Preferred stock of subsidiaries	(91)	-
Change in notes payable:		
Commerical paper	11	284
Banks	(2,301)	(693)
Cash dividends paid:		
Common stock	(120)	(481)
Preference stock	(16)	(16)
Redemption deposits applied to debt retirements	210	-
Debt premium, discount, and reacquisition expenses	(27)	(77)
Other financing costs	-	(30)
Cash used in financing activities	<u>(1,563)</u>	<u>(135)</u>
Cash flow - investing activities:		
Capital expenditures	(640)	(733)
Proceeds from sale of assets	19	445
Acquisitions of businesses	(150)	(36)
Nuclear fuel	(45)	(51)
Investment in collateral trust	(525)	-
Other	(17)	(25)
Cash used in investing activities	<u>(1,358)</u>	<u>(400)</u>
Effect of exchange rates on cash and cash equivalents	-	(6)
Cash used by discontinued operations	<u>(39)</u>	<u>(601)</u>
Net change in cash and cash equivalents	(923)	(103)
Cash and cash equivalents -- beginning balance	<u>1,574</u>	<u>216</u>
Cash and cash equivalents -- ending balance	<u>\$ 651</u>	<u>\$ 113</u>

TXU CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

	September 30,	December 31,
	2003	2002
	<i>(millions of dollars)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 651	\$ 1,574
Restricted cash	-	210
Accounts receivable - trade	1,332	1,696
Income taxes receivable	36	488
Inventories	546	493
Commodity contract assets	746	1,298
Assets of telecommunications holding company	103	-
Other current assets	272	263
Total current assets	<u>3,686</u>	<u>6,022</u>
Investments:		
Restricted cash	643	96
Other investments	658	757
Property, plant and equipment - net	20,464	19,642
Goodwill and other unamortized intangible assets	1,737	1,588
Regulatory assets - net	1,934	1,772
Commodity contract assets	461	657
Cash flow hedges and other derivative assets	145	150
Other noncurrent assets	371	332
Telecommunications assets held for sale	670	-
Total assets	<u>\$ 30,769</u>	<u>\$ 31,016</u>
LIABILITIES, PREFERRED INTERESTS AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable:		
Commercial paper	\$ 34	\$ 18
Banks	6	2,306
Long-term debt due currently	402	958
Accounts payable - trade	891	1,054
Commodity contract liabilities	550	1,138
Liabilities of telecommunications holding company	695	-
Other current liabilities	1,087	1,209
Total current liabilities	<u>3,665</u>	<u>6,683</u>
Accumulated deferred income taxes and investment tax credits	4,374	4,060
Commodity contract liabilities	404	520
Cash flow hedges and other derivative liabilities	279	220
Other noncurrent liabilities and deferred credits	2,350	2,144
Telecommunications liabilities held for sale	133	-
Long-term debt, less amounts due currently	12,596	11,597
Preferred stock of subsidiaries subject to mandatory redemption	522	-
Total liabilities	<u>24,323</u>	<u>25,224</u>
Preferred stock of subsidiaries subject to mandatory redemption	-	536
Preferred stock of subsidiaries not subject to mandatory redemption	757	190
Shareholders' equity:		
Preferred stock not subject to mandatory redemptions	300	300
Common stock without par value	25	7,995
Additional paid in capital	8,097	111
Retained deficit	(2,480)	(2,900)
Accumulated other comprehensive loss	(253)	(440)
Total shareholders' equity	<u>5,689</u>	<u>5,066</u>
Total liabilities, preferred interests and shareholders' equity	<u>\$ 30,769</u>	<u>\$ 31,016</u>

TXU CORP CONSOLIDATED STATISTICS
Consolidated Operating Statistics
Periods Ended September 30, 2003 and 2002

	Three Months Ended			Nine Months Ended		
	2003	2002	%	2003	2002	%
Operating statistics-volumes						
Retail electric sales (gigawatt-hours) (a)	25,787	29,420	(12.3)	68,794	77,613	(11.4)
Retail gas sales (billion cubic feet)	36	35	2.9	152	152	-
Wholesale electric sales: (gigawatt-hours) (a)	11,100	10,306	7.7	27,931	24,940	12.0
Electricity distribution (gigawatt-hours)	31,881	30,040	6.1	80,167	79,858	0.4
Australia electricity distribution (gigawatt-hours)	584	600	(2.7)	1,795	1,594	12.6
Gas pipeline transportation (billion cubic feet)	97	129	(24.8)	275	347	(20.7)
Retail customers & points of delivery (end of period & in thousands)						
Electric				3,173	3,299	(3.8)
Gas				1,941	1,877	3.4
Total customers				5,114	5,176	(1.2)
Points of delivery-Electricity distribution				2,920	2,902	0.6
Points of delivery-Australia electricity distribution				557	545	2.2
Points of delivery-Australia gas distribution				477	463	3.0
Total points of delivery - Australia				1,034	1,008	2.6
Operating revenues (in millions of dollars)						
Retail electric:						
Residential	\$ 1,223	\$ 1,159	5.5	\$ 2,842	\$ 2,734	4.0
Commercial & industrial	927	897	3.3	2,661	2,877	(7.5)
Total	2,150	2,056	4.6	5,503	5,611	(1.9)
Retail gas:						
Residential	168	107	57.0	730	434	68.2
Commercial and industrial	86	61	41.0	402	267	50.6
Total	254	168	51.2	1,132	701	61.5
Wholesale electric revenues	414	318	30.2	957	705	35.7
Electricity distribution	613	557	10.1	1,605	1,551	3.5
Australia electricity distribution	14	10	40.0	41	28	46.4
Australia gas distribution	17	12	41.7	34	27	25.9
Gas pipeline transportation	15	20	(25.0)	43	48	(10.4)
Wholesale energy portfolio management activities	19	164	(88.4)	207	298	(30.5)
Other revenues, less intercompany eliminations	(360)	(387)	(7.0)	(915)	(1,093)	(16.3)
Total operating revenues	\$ 3,136	\$ 2,918	7.5	\$ 8,607	\$ 7,876	9.3
Financial statistics & ratios - September 2003						
Common stock data:						
Shares outstanding-end of period (millions)				324		
Book value per share-end of period				\$ 16.64		
Return on average common stock equity (based on continuing operations)				1.2 %		
Capitalization (millions) and capitalization ratios (end of period)						
Long-term debt excluding equity-linked securities	\$ 11,156			57.0 %		
Equity-linked securities	1,440			7.4		
Exchangeable preferred membership interests (net of discount)	644			3.3		
Preferred securities of subsidiary trusts	516			2.6		
Preference & preferred stock	419			2.2		
Common stock equity	5,389			27.5		
Total	\$ 19,564			100.0 %		

(a) 2002 data revised

Additional financial information is available on request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411
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TXU CORP. AND SUBSIDIARIES
ENERGY SEGMENT (TXU ENERGY COMPANY LLC)

3

For the Periods Ended September 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 2,453	\$ 2,420	1.4	\$ 6,304	\$ 6,238	1.1
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,543	1,536	0.5	4,043	3,662	10.4
Operating costs.....	171	183	(6.6)	550	536	2.6
Depreciation and amortization.....	100	116	(13.8)	308	342	(9.9)
Selling, general and administrative expenses.....	168	199	(15.6)	465	623	(25.4)
Franchise and revenue-based taxes.....	29	27	7.4	84	83	1.2
Other income.....	(20)	(18)	11.1	(44)	(33)	33.3
Other deductions.....	8	3	-	13	8	62.5
Interest income.....	-	-	-	(3)	(8)	(62.5)
Interest expense and related charges.....	83	46	80.4	246	154	59.7
Total costs and expenses.....	2,082	2,092	(0.5)	5,662	5,367	5.5
Income before income taxes and cumulative effect of changes in accounting principles.....	371	328	13.1	642	871	(26.3)
Income tax expense.....	122	101	20.8	204	274	(25.5)
Income before cumulative effect of changes in accounting principles...	249	227	9.7	438	597	(26.6)
Cumulative effect of changes in accounting principles, net of tax benefit.....	-	-	-	(58)	-	-
Net income.....	\$ 249	\$ 227	9.7	\$ 380	\$ 597	(36.3)

The Energy segment represents the electricity generation, portfolio management and wholesale and retail energy sales operations of TXU Energy Company LLC, operating principally in the competitive Texas market.

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.) and all Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

ENERGY SEGMENT
Operating and Financial Statistics
Periods Ended September 30, 2003 and 2002

Operating statistics - Volumes	Three Months			Nine Months		
	2003	2002	% Change	2003	2002	% Change
Retail electric sales (gigawatt-hours)	23,450	27,394	(14.4)	62,652	72,551	(13.6)
Wholesale electric sales volumes (gigawatt-hours) (a)	10,677	9,255	15.4	26,512	22,569	17.5
Total electric sales volumes (gigawatt-hours)	<u>34,127</u>	<u>36,649</u>	<u>(6.9)</u>	<u>89,164</u>	<u>95,120</u>	<u>(6.3)</u>
Retail electric customers (end of period and in thousands - number of meters)				2,617	2,763	(5.3)
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 1,139	\$ 1,093	4.2	\$ 2,631	\$ 2,569	2.4
Commercial & industrial	847	839	1.0	2,427	2,720	(10.8)
Total	<u>1,986</u>	<u>1,932</u>	<u>2.8</u>	<u>5,058</u>	<u>5,289</u>	<u>(4.4)</u>
Wholesale electric	406	302	34.4	924	657	40.6
Wholesale energy portfolio management activities	16	152	(89.5)	169	201	(15.9)
Other revenues	45	34	32.4	153	91	68.1
Total operating revenues	<u>\$ 2,453</u>	<u>\$ 2,420</u>	<u>1.4</u>	<u>\$ 6,304</u>	<u>\$ 6,238</u>	<u>1.1</u>
Weather (average for service area)						
Percent of normal:						
Cooling degree days	99.0 %	99.8 %	(0.8) Pts	101.0 %	102.1 %	(1.1) Pts
Heating degree days	- %	- %	- Pts	102.6 %	98.8 %	3.8 Pts

(a) 2002 data revised

For the Periods Ended September 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 786	\$ 694	13.3	\$ 2,597	\$ 2,189	18.6
Costs and expenses:						
Cost of gas sold.....	65	45	44.4	584	297	96.6
Operating costs.....	221	213	3.8	652	602	8.3
Depreciation and amortization.....	97	83	16.9	271	246	10.2
Selling, general and administrative expenses.....	81	83	(2.4)	247	265	(6.8)
Franchise and revenue-based taxes.....	76	77	(1.3)	238	236	0.8
Other income.....	(3)	(1)	-	(9)	(5)	80.0
Other deductions.....	-	2	-	-	3	-
Interest income.....	(15)	(11)	36.4	(45)	(32)	40.6
Interest expense and related charges.....	87	83	4.8	265	244	8.6
Total costs and expenses.....	609	574	6.1	2,203	1,856	18.7
Income before income taxes.....	177	120	47.5	394	333	18.3
Income tax expense.....	60	42	42.9	131	113	15.9
Net income.....	\$ 117	\$ 78	50.0	\$ 263	\$ 220	19.5

The Energy Delivery segment includes the electricity transmission and distribution business of Oncor Electric Delivery Company and the natural gas pipeline and distribution business of TXU Gas Company, both of which are subject to regulation by Texas authorities.

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.) and all Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

ENERGY DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended September 30, 2003 and 2002

Operating statistics - Volumes	Three Months			Nine Months		
	2003	2002	% Change	2003	2002	% Change
Electric energy delivered (gigawatt-hours) (a)	31,881	30,040	6.1	80,167	79,858	0.4
Retail gas distribution (billion cubic feet):						
Residential	6	6	-	59	57	3.5
Commercial	7	7	-	38	38	-
Industrial & electric generation	1	1	-	5	5	-
Total	14	14	-	102	100	2.0
Pipeline transportation (billion cubic feet)	97	129	(24.8)	275	347	(20.7)
Retail customers & points of delivery (end of period & in thousands)						
Retail gas distribution customers				1,457	1,443	1.0
Electricity distribution points of delivery				2,920	2,902	0.6
Operating revenues (millions of dollars)						
Electricity distribution						
Affiliated (Energy)	\$ 441	\$ 438	0.7	\$ 1,167	\$ 1,252	(6.8)
Non-affiliated	172	119	44.5	438	299	46.5
Total	613	557	10.1	1,605	1,551	3.5
Retail gas distribution:						
Residential	75	64	17.2	570	363	57.0
Commercial	53	39	35.9	302	180	67.8
Industrial & electric generation	11	5	-	31	18	72.2
Subtotal	139	108	28.7	903	561	61.0
Pipeline transportation	15	20	(25.0)	43	48	(10.4)
Other revenues, net of eliminations	19	9	-	46	29	58.6
Total	173	137	26.3	992	638	55.5
Total operating revenues	\$ 786	\$ 694	13.3	\$ 2,597	\$ 2,189	18.6

(a) 2002 data revised

For the Periods Ended September 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	<u>2003</u>	<u>2002</u>	<u>% Change</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 321	\$ 234	37.2	\$ 820	\$ 662	23.9
Costs and expenses:						
Cost of energy sold and delivery fees.....	153	118	29.7	382	298	28.2
Operating costs.....	28	19	47.4	73	61	19.7
Depreciation and amortization.....	21	17	23.5	62	49	26.5
Selling, general and administrative expenses.....	30	30	-	73	64	14.1
Other income.....	(1)	(4)	(75.0)	-	(2)	-
Other deductions.....	1	-	-	2	1	-
Interest income.....	(1)	-	-	(4)	-	-
Interest expense and related charges.....	39	32	21.9	109	94	16.0
Total costs and expenses.....	270	212	27.4	697	565	23.4
Income before income taxes.....	51	22	-	123	97	26.8
Income tax expense.....	8	6	33.3	27	20	35.0
Net Income.....	\$ 43	\$ 16	-	\$ 96	\$ 77	24.7
Exchange rates.....	0.6592	0.5477		0.6311	0.5394	

The Australia segment includes electricity generation, energy distribution, portfolio management, wholesale and retail energy sales and gas storage businesses operating in southern Australia, in largely competitive markets.

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AUSTRALIA SEGMENT
Operating and Financial Statistics
Periods Ended September 30, 2003 and 2002

	Three Months Ended			Nine Months Ended		
	2003	2002	% Change	2003	2002	% Change
Operating statistics - Volumes						
Retail electric sales (gigawatt-hours) (a):						
Residential	952	822	15.8	2,298	2,083	10.3
Commercial & industrial	1,385	1,204	15.0	3,844	2,979	29.0
Total	<u>2,337</u>	<u>2,026</u>	<u>15.4</u>	<u>6,142</u>	<u>5,062</u>	<u>21.3</u>
Retail gas sales (billion cubic feet)	<u>22</u>	<u>21</u>	<u>4.8</u>	<u>50</u>	<u>52</u>	<u>(3.8)</u>
Delivered electricity distribution (gigawatt-hours)	<u>584</u>	<u>600</u>	<u>(2.7)</u>	<u>1,795</u>	<u>1,594</u>	<u>12.6</u>
Retail gas distribution volumes (billion cubic feet)	<u>13</u>	<u>12</u>	<u>8.3</u>	<u>29</u>	<u>28</u>	<u>3.6</u>
Wholesale electric sales: (gigawatt-hours) (a)	<u>423</u>	<u>1,051</u>	<u>(59.8)</u>	<u>1,419</u>	<u>2,371</u>	<u>(40.2)</u>
Retail customers & points of delivery (end of period & in thousands)						
Electric				556	536	3.7
Gas				484	434	11.5
Total				<u>1,040</u>	<u>970</u>	<u>7.2</u>
Electricity distribution points of delivery				557	545	2.2
Gas distribution points of delivery				477	463	3.0
Total points of delivery				<u>1,034</u>	<u>1,008</u>	<u>2.6</u>
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 84	\$ 66	27.3	\$ 211	\$ 165	27.9
Commercial & industrial	80	58	37.9	234	157	49.0
Total	<u>164</u>	<u>124</u>	<u>32.3</u>	<u>445</u>	<u>322</u>	<u>38.2</u>
Electricity distribution	<u>14</u>	<u>10</u>	<u>40.0</u>	<u>41</u>	<u>28</u>	<u>46.4</u>
Retail gas:						
Residential (b)	93	43	-	160	71	-
Commercial & industrial	22	17	29.4	69	69	-
Total	<u>115</u>	<u>60</u>	<u>91.7</u>	<u>229</u>	<u>140</u>	<u>63.6</u>
Gas distribution	<u>17</u>	<u>12</u>	<u>41.7</u>	<u>34</u>	<u>27</u>	<u>25.9</u>
Wholesale electric revenues	<u>8</u>	<u>16</u>	<u>(50.0)</u>	<u>33</u>	<u>48</u>	<u>(31.3)</u>
Wholesale electric portfolio management activities & other revenues	<u>3</u>	<u>12</u>	<u>(75.0)</u>	<u>38</u>	<u>97</u>	<u>(60.8)</u>
Total operating revenues	<u>\$ 321</u>	<u>\$ 234</u>	<u>37.2</u>	<u>\$ 820</u>	<u>\$ 662</u>	<u>23.9</u>

(a) 2002 data revised

(b) Revenue growth reflected a former agency arrangement for certain customers, which converted to a direct sales relationship in late 2002, with revenue in 2002 representing the service fee. Reported volumes for 2003 and 2002 are comparable.