



EEl International Financial Conference

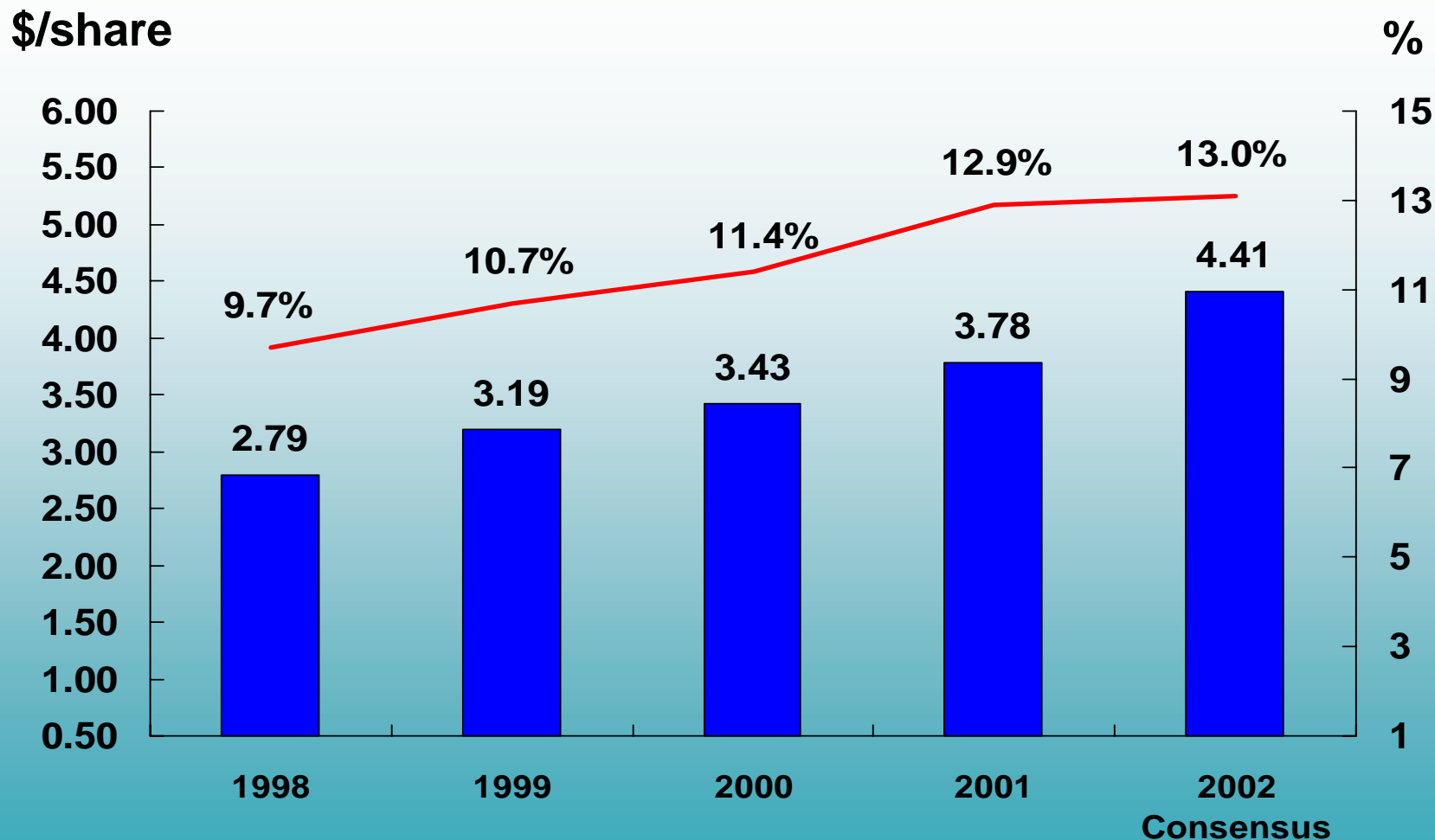
*Mike McNally
Chief Financial Officer
February 18, 2002*

Safe Harbor Statement



This presentation and other reports made by TXU Corp. contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Although TXU Corp. believes that in making any such statement their expectations are based on reasonable assumptions, any such statement involves uncertainties and is qualified in its entirety by reference to factors contained in the Forward-Looking Statements section of Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in the TXU Corp. 2000 Form 10-K and 2001 10Q's, as well as general industry trends; implementation of the 1999 Texas electric industry restructuring legislation and other legislation; changes in business strategy or development plans; changes in, or failure or inability to comply with, governmental regulations, including, without limitation, environmental regulations; changes in tax laws; among others, that could cause the actual restructuring or other results of TXU Corp. to differ materially from those projected in such forward-looking statements.

Track Record of Financial Success



* Excludes unusual items

■ EPS* — ROE*

Achievements



Year End Report Card

12.2% Total Return

Outperformed the S&P Electrics and the S&P 500

\$3.78 Operating EPS

Earnings per share growth of 10% over 2000

12.9% Return on Equity

Increase of 11% over 2000

55% Debt

On target to reach by mid - year

- Two great businesses created by structural separation of the merchant energy & energy delivery businesses
- Disposition of power plants in UK and US and networks in UK
- Acquired/developed talent and developed retail/wholesale capabilities required for success in competitive markets
- Successfully implemented processes and systems to manage a competitive market in ERCOT
- Successfully transitioned into the deregulated Texas electricity market
- Introduced Oncor Utility Solutions

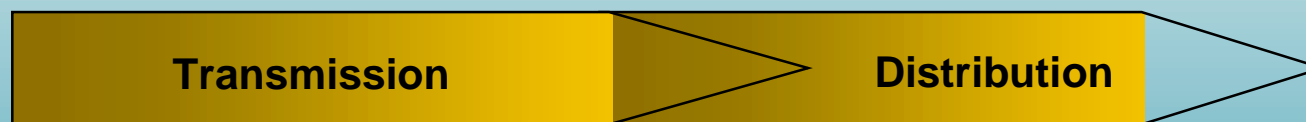
Business Model & Strategy



MERCHANT ENERGY



ENERGY DELIVERY

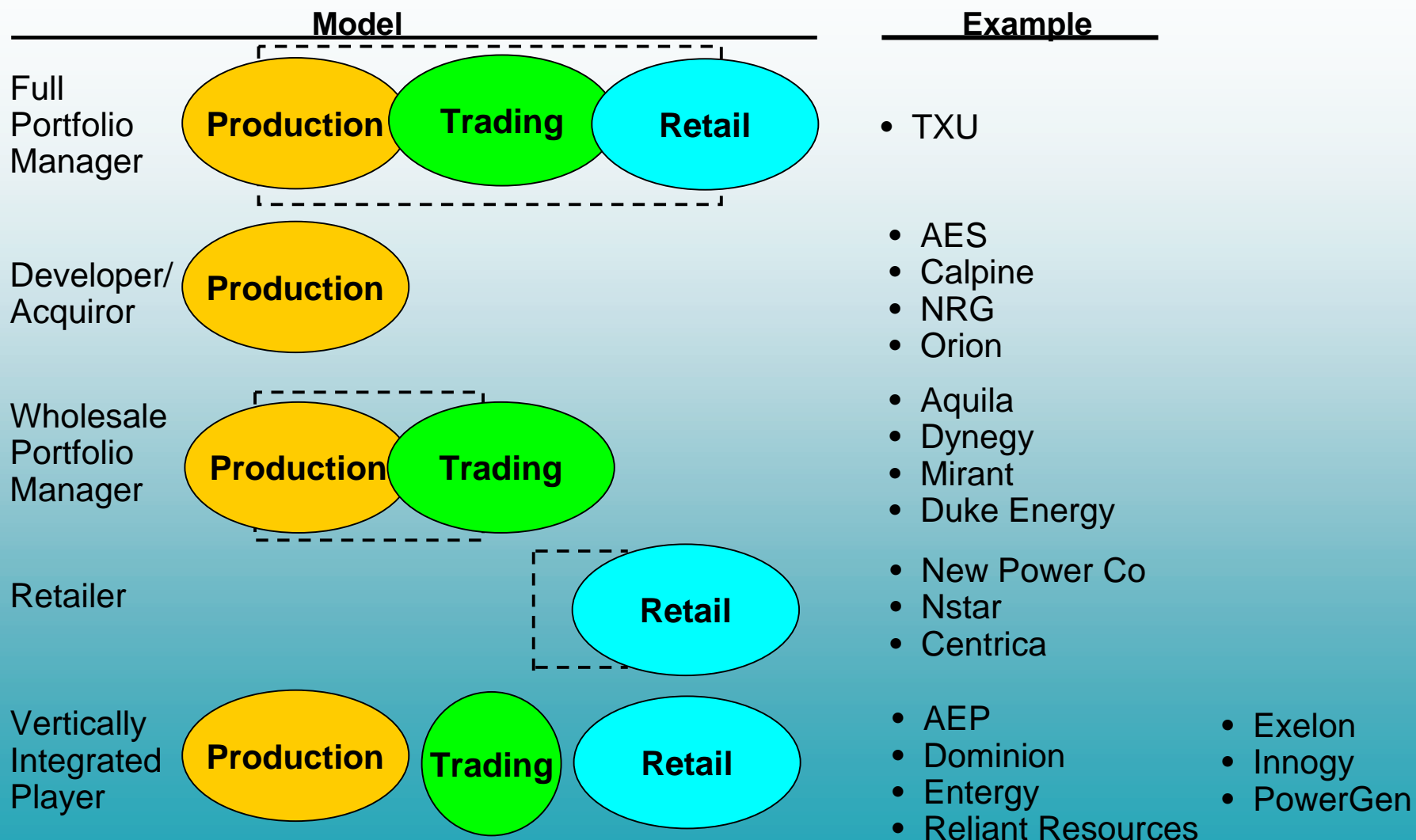


Strategy: TXU will achieve **excellent operations** of **significant scale** in **selected regions**, which **optimize a portfolio** of assets, capabilities and customer relationships across multiple products and services.

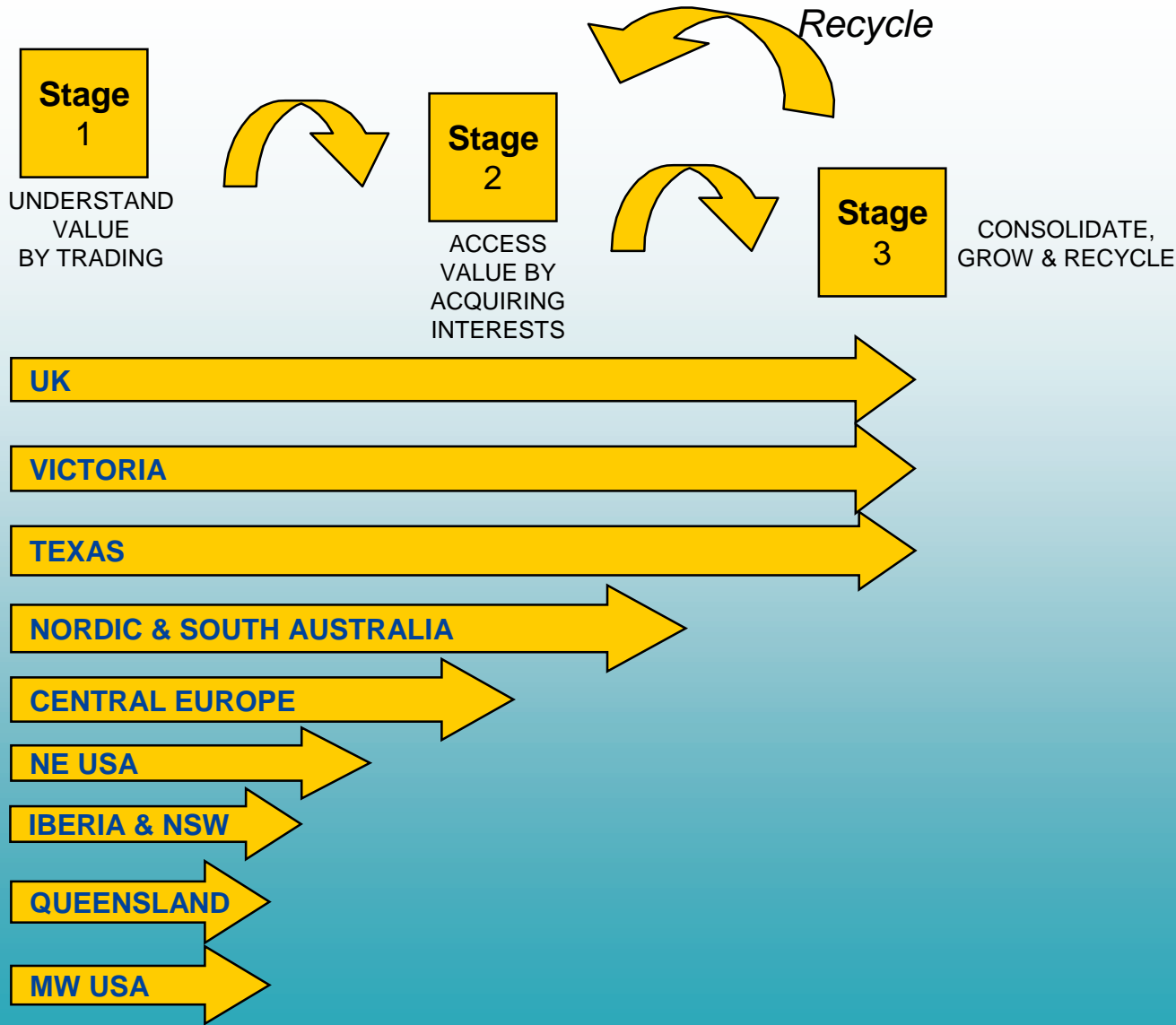
Distinctive Business Model



TXU's Approach is Differentiated from Other Merchant Companies Through its Integration of Production, Trading and Retail Activities



Disciplined Portfolio Development



Indicative Consolidated Net Income New Segments (\$Millions)



	<u>2001</u>	<u>2002</u>	<u>2003</u>
Merchant Energy			
N. America	\$6	\$650	\$720
Europe	311	420	465
Australia	<u>53</u>	<u>70</u>	<u>75</u>
	\$370	\$1,140	\$1,260
Energy Delivery			
N. America	873	285	295
Corp. & Other	<u>(263)</u>	<u>(245)</u>	<u>(230)</u>
Total	\$980	\$1,180	\$1,325

Indicative Consolidated Cash Flow (\$Millions)

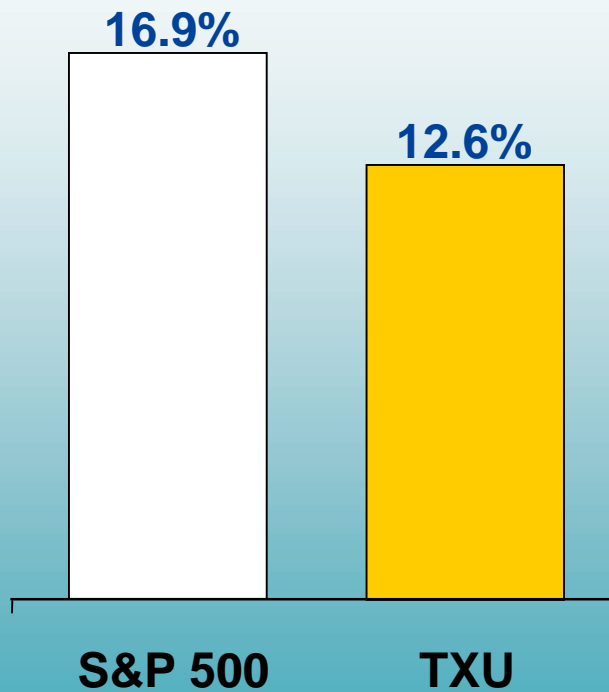


	<u>2002</u>	<u>2003</u>
Cash from operations	\$2,300	\$2,500
Asset sales	2,300	---
Securitization	<u>500</u>	<u>---</u>
Total	\$5,100	\$2,500
Maintenance cap ex	800	700
Dividend	<u>650</u>	<u>650</u>
Available cash flow	\$3,650	\$1,150

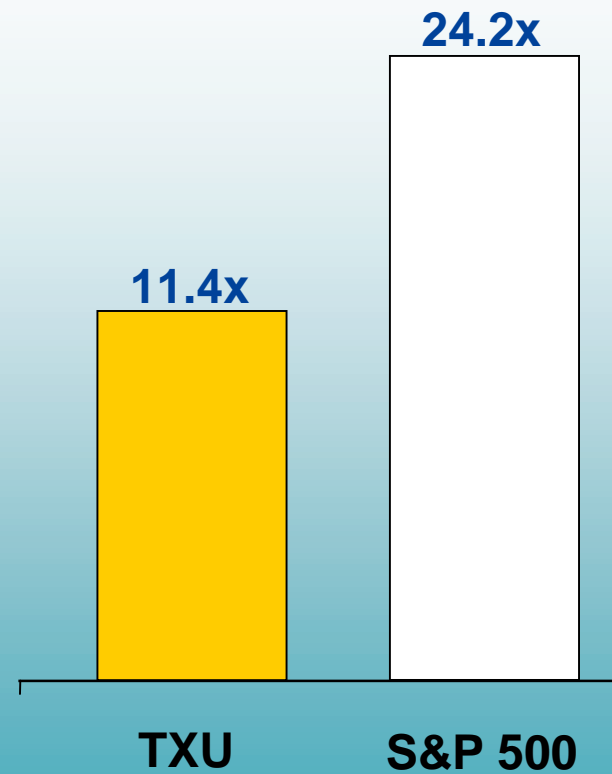
Compelling Valuation Story



5-Year Total Return Estimates *



P/2002E *



* Source: Bloomberg and I/B/E/S as of 2/14/2002

Questions?