

FOR IMMEDIATE RELEASE

TXU Delivers Strong Second Quarter Results

- Second quarter 2003 earnings from continuing operations, net of preference stock dividends: \$171 million, \$0.49 per diluted share, exceeds market expectations of approximately \$0.35.
- Second quarter 2003 net income available to common stock: \$105 million, \$0.31 per diluted share, which includes a charge of \$0.18 related to discontinued operations.
- Full year 2003 guidance for earnings from continuing operations before cumulative effect of changes in accounting principles remains at \$2.00 to \$2.10 per diluted share of common stock with focus on further efficiency and excellence in core operations, debt reduction, and strengthening credit.

DALLAS - July 31, 2003 – TXU (NYSE: TXU) announced today that earnings from continuing operations, net of preference stock dividends, for the second quarter ended June 30, 2003 were \$171 million, or \$0.49 per diluted share of common stock. This compares to expectations of \$0.35 per diluted share and to earnings from continuing operations for the second quarter of 2002 of \$172 million or \$0.64 per diluted share of common stock.

Including the discontinued telecommunications business, second quarter 2003 earnings were \$105 million, or \$0.31 per diluted share of common stock. TXU announced its intent to sell its telecommunications business in May 2003, and expects the sale to be completed during the first half of 2004. Second quarter 2002 reported earnings, including the discontinued Europe operations, were \$195 million, or \$0.73 per diluted share of common stock.

“TXU’s second quarter results exceeded expectations and confirmed that the company is executing successfully on its 2003 plan,” said Dan Farrell, chief financial officer. “We continue to deliver on our initiatives of enhancing credit, reducing debt, lowering costs and aggressively defending and building upon our leadership positions in Texas and Australia.”

Major factors in the quarter-to-quarter comparison of earnings per share of common stock (diluted) include an increase in the number of common shares outstanding as a result of issuances of common stock in May, August and December 2002, an increase in diluted shares due to the issuance in November 2002 of subordinated notes exchangeable into TXU Corp. common stock, and increased interest expense resulting from more permanent financing and strengthened liquidity. Available liquidity (cash and credit facilities) is currently more than \$3 billion. Lower costs (operating costs and selling, general and administrative expenses), driven by the company’s cost initiative programs, more than offset decreased contribution margin (revenues less cost of energy sales and delivery fees). 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 June 30, 2003 were \$282 million, or \$0.82 per diluted share of common stock, as compared to \$424 million or \$1.59 per diluted share of common stock for the year-to-date period ended June 30, 2002. Including discontinued operations and the cumulative effect of changes in accounting principles, year-to-date 2003 earnings were \$145 million, or \$0.45 per diluted share of common stock, as compared to \$445 million, or \$1.67 per diluted share in the 2002 period.

Business Segment Results

The North America Energy segment delivered \$154 million of net income in the second quarter of 2003 compared to \$183 million in the second quarter of 2002. This segment contains the company's generation, portfolio management, and retail operations, primarily in Texas. The lower results were mainly driven by decreased contribution margin and higher interest expense. The results benefited from lower expenses as a result of the company's cost reduction initiatives and reduced depreciation expense related primarily to extending the useful life of the company's nuclear plant as a result of a review of depreciable lives of all of the company's generation fleet.

The North America Energy Delivery segment provided \$36 million of net income in the second quarter of 2003 compared to \$41 million in the second quarter of 2002. This segment includes the electric transmission and distribution assets as well as the company's natural gas pipeline and distribution business. Natural gas delivery results improved by \$8 million as a result of decreased interest expense and increased contribution margin as a result of improved rate structures, somewhat offset by increased revenue related taxes. Electric delivery results declined \$13 million primarily as a result of increased interest expense due to more permanent financing and reduced reliance on bank borrowings.

Net income contribution from Australia was \$26 million in the second quarter of 2003, an increase of \$16 million from the prior year period. This segment includes the company's generation, portfolio management, retail, and gas and electricity delivery operations in Australia. Results benefited from increased electricity sales revenues driven primarily by customer growth, lower wholesale power costs and favorable foreign exchange rate movements.

2003 Earnings Guidance

TXU's guidance for full year earnings from continuing operations before cumulative effect of changes in accounting principles remains unchanged at \$2.00 to \$2.10 per share. Earnings for the third quarter are expected to be around \$0.90.

Conference Call

TXU's quarterly earnings teleconference with financial analysts is scheduled for 9 a.m. Central (10 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.

Quarterly Analyst Meeting

In addition, TXU will web cast live at www.txucorp.com its regular quarterly meeting with analysts in New York City on Thursday, August 7, 2003, at 8:30 a.m. Eastern (7:30 a.m. Central) and will have a replay available on the web site later that day.

For analysts who wish to attend the quarterly meeting in New York City, it will begin promptly at 8:30 a.m. Eastern in the St. Regis Roof Room on the 20th floor of the St. Regis Hotel (located at 2 East 55th Street).

TXU will also host a meeting for analysts in Boston at 1:30 p.m. Eastern Time on August 7, 2003, at the Boston Harbor Hotel (located at 70 Rowes Wharf on Atlantic Avenue).

Analysts who would like to attend one of these analyst meetings should RSVP to Sherri Cox at scox2@txu.com, 214/812-4901, or via fax at 214/812-3366. Please indicate your meeting preference.

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 \$31 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 a 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 June 30, 2003, by segment.

| Three Months Ended | Contribution | | Change | | EPS |
|-----------------------------------------------------------------|-------------------------------------------|-------------|------------------------------------------|-----------------------------|----------------|
| | Net Income US\$ (Millions) | EPS | US\$ (Millions) After Tax | Per Share Impact | |
| Reported Earnings 06/30/2002 (Basic & Diluted) | | | | | \$ 0.73 |
| Discontinued Operations | | | (23) | (0.09) | \$ (0.09) |
| Earnings from Continuing Operations 06/30/2002 | | | | | \$ 0.64 |
| North America Energy | 154 | 0.41 | (29) | (0.11) | |
| North America Energy Delivery | 36 | 0.10 | (5) | (0.02) | |
| Australia | 26 | 0.07 | 16 | 0.06 | |
| Corporate and Other | (45) | (0.12) | 17 | 0.06 | |
| Effect of Exchangeable Notes * | 13 | 0.03 | 13 | 0.05 | |
| Change in Common Shares Outstanding | | | | (0.19) | (0.15) |
| Earnings from Continuing Operations 06/30/2003 (Diluted) | 184 | 0.49 | 12 | | \$ 0.49 |
| Discontinued Operations | (66) | (0.18) | | | (0.18) |
| Reported Earnings 06/30/2003 (Diluted) | 118 | 0.31 | | | \$ 0.31 |

* Amount represents the interest and discount amortization associated with the TXU Energy Exchangeable Notes.

| Year to Date | Contribution | | Change | | EPS |
|-----------------------------------------------------------------|-------------------------------------------|-------------|------------------------------------------|-----------------------------|----------------|
| | Net Income US\$ (Millions) | EPS | US\$ (Millions) After Tax | Per Share Impact | |
| Reported Earnings 06/30/2002 (Basic & Diluted) | | | | | \$ 1.67 |
| Discontinued Operations | | | (21) | (0.08) | \$ (0.08) |
| Earnings from Continuing Operations 06/30/2002 | | | | | \$ 1.59 |
| North America Energy | 189 | 0.50 | (181) | (0.67) | |
| North America Energy Delivery | 146 | 0.39 | 4 | 0.01 | |
| Australia | 53 | 0.14 | (8) | (0.03) | |
| Corporate and Other | (106) | (0.28) | 43 | 0.16 | |
| Effect of Exchangeable Notes * | 26 | 0.07 | 26 | 0.10 | |
| Change in Common Shares Outstanding | | | | (0.34) | (0.77) |
| Earnings from Continuing Operations 06/30/2003 (Diluted) | 308 | 0.82 | (116) | | \$ 0.82 |
| Discontinued Operations | (79) | (0.22) | | | (0.22) |
| Cumulative Effect of Accounting Changes | (58) | (0.15) | | | (0.15) |
| Reported Earnings 06/30/2003 (Diluted) | 171 | 0.45 | | | \$ 0.45 |

* Amount represents the interest and discount amortization associated with the TXU Energy Exchangeable Notes.

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 June 30, 2003

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|----------------------------------------------------------------------------------------------------------------------|----------------------------|----------|----------|----------------------------|----------|----------|
| | June 30, | | | June 30, | | |
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| | <i>millions of dollars</i> | | | <i>millions of dollars</i> | | |
| Operating revenues..... | \$ 2,672 | \$ 2,505 | 6.7 | \$ 5,471 | \$ 4,958 | 10.3 |
| Costs and expenses: | | | | | | |
| Cost of energy sold and delivery fees..... | 1,176 | 983 | 19.6 | 2,563 | 1,783 | 43.7 |
| Operating costs..... | 426 | 402 | 6.0 | 851 | 767 | 11.0 |
| Depreciation and amortization..... | 208 | 213 | (2.3) | 432 | 433 | (0.2) |
| Selling, general and administrative expenses..... | 269 | 330 | (18.5) | 516 | 668 | (22.8) |
| Franchise and revenue-based taxes..... | 120 | 117 | 2.6 | 231 | 235 | (1.7) |
| Other income..... | (23) | (19) | 21.1 | (34) | (26) | 30.8 |
| Other deductions..... | 7 | 12 | (41.7) | 24 | 59 | (59.3) |
| Interest income..... | (10) | (7) | 42.9 | (19) | (15) | 26.7 |
| Interest expense and other charges..... | 248 | 217 | 14.3 | 496 | 433 | 14.5 |
| Total costs and expenses..... | 2,421 | 2,248 | 7.7 | 5,060 | 4,337 | 16.7 |
| Income from continuing operations before income taxes and cumulative effect of changes in accounting principles..... | 251 | 257 | (2.3) | 411 | 621 | (33.8) |
| Income tax expense..... | 74 | 79 | (6.3) | 118 | 186 | (36.6) |
| Income from continuing operations before cumulative effect of changes in accounting principles..... | 177 | 178 | (0.6) | 293 | 435 | (32.6) |
| Income (loss) from discontinued operations, including tax effects..... | (66) | 23 | - | (79) | 21 | - |
| Cumulative effect of changes in accounting principles, net of tax benefit..... | - | - | - | (58) | - | - |
| Net income..... | 111 | 201 | (44.8) | 156 | 456 | (65.8) |
| Preference stock dividends..... | 6 | 6 | - | 11 | 11 | - |
| Net income available for common stock..... | \$ 105 | \$ 195 | (46.2) | \$ 145 | \$ 445 | (67.4) |
| Average shares of common stock outstanding, basic (millions)..... | 321 | 269 | 19.3 | 321 | 267 | 20.2 |
| Average shares of common stock outstanding, diluted (millions)..... | 378 | 269 | 40.5 | 378 | 267 | 41.6 |
| Per share of common stock: | | | | | | |
| Basic earnings: | | | | | | |
| Income from continuing operations before cumulative effect of changes in accounting principles..... | \$ 0.54 | \$ 0.64 | (15.6) | \$ 0.88 | \$ 1.59 | (44.7) |
| Income (loss) on discontinued operations, including tax effects..... | \$ (0.21) | \$ 0.09 | - | \$ (0.25) | \$ 0.08 | - |
| Cumulative effect of changes in accounting principles, net of tax benefit..... | \$ - | \$ - | - | \$ (0.18) | \$ - | - |
| Net income available for common stock..... | \$ 0.33 | \$ 0.73 | (54.8) | \$ 0.45 | \$ 1.67 | (73.1) |
| Diluted earnings: | | | | | | |
| Income from continuing operations before cumulative effect of changes in accounting principles..... | \$ 0.49 | \$ 0.64 | (23.4) | \$ 0.82 | \$ 1.59 | (48.4) |
| Income (loss) on discontinued operations, including tax effects..... | \$ (0.18) | \$ 0.09 | - | \$ (0.22) | \$ 0.08 | - |
| Cumulative effect of changes in accounting principles, net of tax benefit..... | \$ - | \$ - | - | \$ (0.15) | \$ - | - |
| Net income available for common stock..... | \$ 0.31 | \$ 0.73 | (57.5) | \$ 0.45 | \$ 1.67 | (73.1) |
| Dividends declared..... | \$ 0.125 | \$ 0.600 | (79.2) | \$ 0.250 | \$ 1.200 | (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)

| | Six Months Ended June 30, | |
|----------------------------------------------------------------------------------------------------------|------------------------------|---------------|
| | 2003 | 2002 |
| | <i>millions of dollars</i> | |
| Cash flows - operating activities | | |
| Income from continuing operations before cumulative effect of changes in accounting principles | \$ 293 | \$ 435 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 470 | 467 |
| Deferred income taxes and investment tax credits -- net | 87 | (6) |
| Gains from sale of assets | (20) | (13) |
| Net unrealized gain from mark-to-market valuations of commodity contracts | (27) | (6) |
| Net loss associated with unconsolidated affiliates and joint ventures | 16 | 24 |
| Over recovered fuel | 34 | 67 |
| Reduction in regulatory liability | (78) | (41) |
| Changes in operating assets and liabilities | 667 | (315) |
| Cash provided by operating activities | <u>1,442</u> | <u>612</u> |
| Cash flows - financing activities | | |
| Issuances of securities: | | |
| Long-term debt | 1,317 | 1,846 |
| Common stock | 8 | 605 |
| Retirements/repurchases of securities: | | |
| Long-term debt | (761) | (1,677) |
| Preferred stock of subsidiaries, subject to mandatory redemption | (4) | - |
| Change in notes payable: | | |
| Commerical paper | 11 | 383 |
| Banks | (2,299) | (517) |
| Cash dividends paid: | | |
| Common stock | (80) | (318) |
| Preference stock | (11) | (11) |
| Redemption deposits applied to debt retirements | 210 | - |
| Debt premium, discount, financing and reacquisition expenses | (53) | (81) |
| Cash provided by (used in) financing activities | <u>(1,662)</u> | <u>230</u> |
| Cash flow - investing activities | | |
| Capital expenditures | (458) | (502) |
| Proceeds from sale of assets | 15 | 444 |
| Acquisitions of businesses | (150) | (36) |
| Nuclear fuel | (35) | (50) |
| Other | 14 | (43) |
| Cash used in investing activities | <u>(614)</u> | <u>(187)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 8 | (16) |
| Cash used by discontinued operations | (15) | (595) |
| Net change in cash and cash equivalents | (841) | 44 |
| Cash and cash equivalents -- beginning balance | <u>1,574</u> | <u>216</u> |
| Cash and cash equivalents -- ending balance | <u>\$ 733</u> | <u>\$ 260</u> |

TXU CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

| | June 30, 2003 | December 31, 2002 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------|
| | <i>(millions of dollars)</i> | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 733 | \$ 1,574 |
| Restricted cash | - | 210 |
| Accounts receivable - trade | 1,529 | 1,696 |
| Income taxes receivable | 33 | 488 |
| Inventories | 522 | 493 |
| Commodity contract assets | 1,366 | 1,298 |
| Assets of telecommunications holding company | 145 | - |
| Other current assets | 233 | 263 |
| Total current assets | <u>4,561</u> | <u>6,022</u> |
| Investments: | | |
| Restricted cash | 111 | 96 |
| Other investments | 640 | 757 |
| Property, plant and equipment - net | 20,467 | 19,642 |
| Goodwill | 1,723 | 1,588 |
| Regulatory assets - net | 1,880 | 1,772 |
| Commodity contract assets | 646 | 657 |
| Cash flow hedges and other derivative assets | 160 | 150 |
| Other noncurrent assets | 336 | 332 |
| Telecommunications assets held for sale | 654 | - |
| Total assets | <u>\$ 31,178</u> | <u>\$ 31,016</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Notes payable: | | |
| Commercial paper | \$ 33 | \$ 18 |
| Banks | 8 | 2,306 |
| Long-term debt due currently | 743 | 958 |
| Accounts payable - trade | 1,083 | 1,054 |
| Commodity contract liabilities | 1,198 | 1,138 |
| Liabilities of telecommunications holding company | 854 | - |
| Other current liabilities | 1,073 | 1,209 |
| Total current liabilities | <u>4,992</u> | <u>6,683</u> |
| Accumulated deferred income taxes and investment tax credits | 4,322 | 4,060 |
| Commodity contract liabilities | 554 | 520 |
| Cash flow hedges and other derivative liabilities | 363 | 220 |
| Other noncurrent liabilities and deferred credits | 2,298 | 2,144 |
| Long-term debt, less amounts due currently | 12,563 | 11,597 |
| Telecommunications liabilities held for sale | 105 | - |
| Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company: | | |
| TXU Corp. obligated | 368 | 368 |
| Subsidiary obligated | 147 | 147 |
| Preferred stock of subsidiaries: | | |
| Not subject to mandatory redemption | 190 | 190 |
| Subject to mandatory redemption | 17 | 21 |
| Shareholders' equity: | | |
| Preferred stock not subject to mandatory redemptions | 300 | 300 |
| Common stock without par value | 12 | 7,995 |
| Additional paid in capital | 8,097 | 111 |
| Retained deficit | (2,834) | (2,900) |
| Accumulated other comprehensive loss | (316) | (440) |
| Total shareholders' equity | <u>5,259</u> | <u>5,066</u> |
| Total liabilities and shareholders' equity | <u>\$ 31,178</u> | <u>\$ 31,016</u> |

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

| Operating statistics-volumes | Three Months Ended | | | Six Months Ended | | |
|-----------------------------------------------------------------------------------------------------|--------------------|----------|--------|------------------|----------|--------|
| | 2003 | 2002 | % | 2003 | 2002 | % |
| Retail electric sales (gigawatt-hours) | 21,741 | 24,383 | (10.8) | 43,007 | 48,177 | (10.7) |
| Retail gas sales (billion cubic feet) | 35 | 38 | (7.9) | 117 | 114 | 2.6 |
| Wholesale electric sales: (gigawatt-hours) | 8,966 | 7,882 | 13.8 | 16,831 | 14,634 | 15.0 |
| North America electricity distribution (gigawatt-hours) | 24,378 | 26,232 | (7.1) | 48,286 | 49,818 | (3.1) |
| Australia electricity distribution (gigawatt-hours, non-affiliated) | 614 | 529 | 16.1 | 1,211 | 994 | 21.8 |
| North America gas pipeline transportation (billion cubic feet, excludes retail gas distribution) | 92 | 116 | (20.7) | 178 | 218 | (18.3) |
| Retail customers & points of delivery (end of period & in thousands) | | | | | | |
| Electric | | | | 3,214 | 3,265 | (1.6) |
| Gas | | | | 1,934 | 1,864 | 3.8 |
| Total customers | | | | 5,148 | 5,129 | 0.4 |
| Points of delivery-North American electricity distribution | | | | 2,909 | 2,887 | 0.8 |
| Points of delivery-Australia electricity distribution | | | | 554 | 541 | 2.4 |
| Points of delivery-Australia gas distribution | | | | 473 | 459 | 3.1 |
| Total points of delivery | | | | 1,027 | 1,000 | 2.7 |
| Operating revenues (in millions of dollars) | | | | | | |
| Retail electric: | | | | | | |
| Residential | \$ 881 | \$ 838 | 5.1 | \$ 1,621 | \$ 1,575 | 2.9 |
| Commercial & industrial | 904 | 883 | 2.4 | 1,732 | 1,979 | (12.5) |
| Total | 1,785 | 1,721 | 3.7 | 3,353 | 3,554 | (5.7) |
| Retail gas: | | | | | | |
| Residential | 146 | 97 | 50.5 | 562 | 327 | 71.9 |
| Commercial and industrial | 96 | 78 | 23.1 | 316 | 207 | 52.7 |
| Total | 242 | 175 | 38.3 | 878 | 534 | 64.4 |
| Wholesale electric revenues | 295 | 232 | 27.2 | 542 | 389 | 39.3 |
| North America electricity distribution | 486 | 500 | (2.8) | 992 | 994 | (0.2) |
| Australia electricity distribution (non-affiliated) | 14 | 9 | 55.6 | 27 | 18 | 50.0 |
| Australia gas distribution (non-affiliated) | 12 | 11 | 9.1 | 17 | 15 | 13.3 |
| North America gas pipeline transportation (excludes retail gas distribution) | 12 | 17 | (29.4) | 28 | 29 | (3.4) |
| Wholesale energy portfolio management activities | 79 | 126 | (37.3) | 189 | 133 | 42.1 |
| Other revenues, less intercompany eliminations | (253) | (286) | (11.5) | (555) | (708) | (21.6) |
| Total operating revenues | \$ 2,672 | \$ 2,505 | 6.7 | \$ 5,471 | \$ 4,958 | 10.3 |
| Financial statistics & ratios - June 2003 | | | | | | |
| Common stock data: | | | | | | |
| Shares outstanding-end of period (millions) | | | | 322 | | |
| Book value per share-end of period | | | | \$ 15.40 | | |
| Return on average common stock equity (based on continuing operations for the last 12 month period) | | | | (0.5) % | | |
| Capitalization (millions) and capitalization ratios (end of period) | | | | | | |
| Long-term debt excluding equity-linked securities & exchangeable subordinated notes | \$ 10,480 | | | 56.5 % | | |
| Equity-linked securities | 1,440 | | | 7.8 | | |
| Exchangeable subordinated notes (net of discount) | 642 | | | 3.5 | | |
| Total long-term debt | 12,562 | | | 67.8 | | |
| Preferred securities of subsidiary trusts | 516 | | | 2.8 | | |
| Preference & preferred stock | 507 | | | 2.7 | | |
| Common stock equity | 4,959 | | | 26.7 | | |
| Total | \$ 18,544 | | | 100.0 % | | |

Additional financial information is available on request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411
(214) 812-4600.

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY SEGMENT (TXU ENERGY LLC)

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For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|----------------------------------------------------------------------------------------------|--------------------------------|----------|----------|------------------------------|----------|----------|
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| | <i>millions of dollars</i> | | | <i>millions of dollars</i> | | |
| Operating revenues..... | \$ 2,045 | \$ 2,019 | 1.3 | \$ 3,851 | \$ 3,818 | 0.9 |
| Costs and expenses: | | | | | | |
| Cost of energy sold and delivery fees..... | 1,282 | 1,185 | 8.2 | 2,500 | 2,126 | 17.6 |
| Operating costs..... | 186 | 178 | 4.5 | 379 | 340 | 11.5 |
| Depreciation and amortization..... | 95 | 107 | (11.2) | 208 | 226 | (8.0) |
| Selling, general and administrative expenses..... | 153 | 217 | (29.5) | 297 | 437 | (32.0) |
| Franchise and revenue-based taxes..... | 27 | 26 | 3.8 | 55 | 56 | (1.8) |
| Other income..... | (16) | (13) | 23.1 | (24) | (15) | 60.0 |
| Other deductions..... | 3 | 2 | 50.0 | 5 | 5 | - |
| Interest income..... | (1) | - | - | (3) | (9) | (66.7) |
| Interest expense and other charges..... | 86 | 50 | 72.0 | 163 | 109 | 49.5 |
| Total costs and expenses..... | 1,815 | 1,752 | 3.6 | 3,580 | 3,275 | 9.3 |
| Income before income taxes and cumulative effect of changes in accounting principles..... | 230 | 267 | (13.9) | 271 | 543 | (50.1) |
| Income tax expense..... | 76 | 84 | (9.5) | 82 | 173 | (52.6) |
| Income before cumulative effect of changes in accounting principles... | 154 | 183 | (15.8) | 189 | 370 | (48.9) |
| Cumulative effect of changes in accounting principles, net of tax benefit..... | - | - | - | (58) | - | - |
| Net income..... | \$ 154 | \$ 183 | (15.8) | \$ 131 | \$ 370 | (64.6) |

The North America Energy segment represents the electricity generation, portfolio management and wholesale and retail energy sales operations of TXU Energy 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.

NORTH AMERICA ENERGY SEGMENT
Operating and Financial Statistics
Periods Ended June 30, 2003 and 2002

| Operating statistics - Volumes | Three Months | | | Six Months | | |
|-----------------------------------------------------------------------------------------|--------------|----------|-----------|------------|----------|-----------|
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| Retail electric sales (gigawatt-hours) | 19,804 | 22,771 | (13.0) | 39,202 | 45,157 | (13.2) |
| Wholesale electric sales volumes (gigawatt-hours) | 8,384 | 7,115 | 17.8 | 15,835 | 13,314 | 18.9 |
| Retail electric customers (end of period and in thousands - number of meters) | | | | 2,649 | 2,731 | (3.0) |
| Operating revenues (millions of dollars) | | | | | | |
| Retail electric: | | | | | | |
| Residential | \$ 808 | \$ 781 | 3.5 | \$ 1,492 | \$ 1,476 | 1.1 |
| Commercial & industrial | 832 | 831 | 0.1 | 1,580 | 1,881 | (16.0) |
| Total | 1,640 | 1,612 | 1.7 | 3,072 | 3,357 | (8.5) |
| Wholesale electric | 281 | 209 | 34.4 | 518 | 355 | 45.9 |
| Wholesale energy portfolio management activities | 62 | 112 | (44.6) | 153 | 49 | - |
| Other revenues | 62 | 86 | (27.9) | 108 | 57 | 89.5 |
| Total operating revenues | \$ 2,045 | \$ 2,019 | 1.3 | \$ 3,851 | \$ 3,818 | 0.9 |
| Weather (average for service area) | | | | | | |
| Percent of normal: | | | | | | |
| Cooling degree days | 107.0 % | 106.6 % | 0.4 Pts | 104.7 % | 106.1 % | (1.4) Pts |
| Heating degree days | 64.0 % | 69.0 % | (5.0) Pts | 103.9 % | 99.2 % | 4.7 Pts |

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY DELIVERY SEGMENT

For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|---------------------------------------------------|----------------------------|--------|----------|----------------------------|----------|----------|
| | June 30, | | | June 30, | | |
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| | <i>millions of dollars</i> | | | <i>millions of dollars</i> | | |
| Operating revenues..... | \$ 684 | \$ 657 | 4.1 | \$ 1,811 | \$ 1,495 | 21.1 |
| Costs and expenses: | | | | | | |
| Cost of gas sold..... | 89 | 72 | 23.6 | 519 | 252 | - |
| Operating costs..... | 217 | 204 | 6.4 | 428 | 389 | 10.0 |
| Depreciation and amortization..... | 87 | 84 | 3.6 | 174 | 163 | 6.7 |
| Selling, general and administrative expenses..... | 82 | 90 | (8.9) | 166 | 182 | (8.8) |
| Franchise and revenue-based taxes..... | 88 | 80 | 10.0 | 162 | 159 | 1.9 |
| Other income..... | (1) | (6) | (83.3) | (3) | (4) | (25.0) |
| Other deductions..... | - | - | - | - | 1 | - |
| Interest income..... | (14) | (10) | 40.0 | (30) | (21) | 42.9 |
| Interest expense and other charges..... | 86 | 82 | 4.9 | 178 | 161 | 10.6 |
| Total costs and expenses..... | 634 | 596 | 6.4 | 1,594 | 1,282 | 24.3 |
| Income before income taxes..... | 50 | 61 | (18.0) | 217 | 213 | 1.9 |
| Income tax expense..... | 14 | 20 | (30.0) | 71 | 71 | - |
| Net income..... | \$ 36 | \$ 41 | (12.2) | \$ 146 | \$ 142 | 2.8 |

The North America 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.

NORTH AMERICA ENERGY DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended June 30, 2003 and 2002

| Operating statistics - Volumes | Three Months | | | Six Months | | |
|------------------------------------------------------------------------------------------|---------------|---------------|---------------|-----------------|-----------------|---------------|
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| Electric energy delivered (gigawatt-hours) | <u>24,378</u> | <u>26,232</u> | <u>(7.1)</u> | <u>48,286</u> | <u>49,818</u> | <u>(3.1)</u> |
| Retail gas distribution (billion cubic feet): | | | | | | |
| Residential | 8 | 10 | (20.0) | 53 | 51 | 3.9 |
| Commercial | 8 | 9 | (11.1) | 32 | 31 | 3.2 |
| Industrial & electric generation | 1 | 1 | - | 3 | 4 | (25.0) |
| Total | <u>17</u> | <u>20</u> | <u>(15.0)</u> | <u>88</u> | <u>86</u> | <u>2.3</u> |
| Pipeline transportation (billion cubic feet, excludes retail gas distribution) | <u>92</u> | <u>116</u> | <u>(20.7)</u> | <u>178</u> | <u>218</u> | <u>(18.3)</u> |
| Retail customers & points of delivery (end of period & in thousands) | | | | | | |
| Retail gas distribution customers | | | | <u>1,458</u> | <u>1,433</u> | <u>1.7</u> |
| Electricity distribution points of delivery | | | | <u>2,909</u> | <u>2,887</u> | <u>0.8</u> |
| Operating revenues (millions of dollars) | | | | | | |
| Electricity distribution | | | | | | |
| Affiliated (North America Energy) | \$ 349 | \$ 397 | (12.1) | \$ 726 | \$ 813 | (10.7) |
| Non-affiliated | 137 | 103 | 33.0 | 266 | 181 | 47.0 |
| Total | <u>486</u> | <u>500</u> | <u>(2.8)</u> | <u>992</u> | <u>994</u> | <u>(0.2)</u> |
| Retail gas distribution: | | | | | | |
| Residential | 94 | 76 | 23.7 | 495 | 299 | 65.6 |
| Commercial | 66 | 44 | 50.0 | 249 | 142 | 75.4 |
| Industrial & electric generation | 10 | 5 | - | 20 | 13 | 53.8 |
| Subtotal | <u>170</u> | <u>125</u> | <u>36.0</u> | <u>764</u> | <u>454</u> | <u>68.3</u> |
| Pipeline transportation (excludes retail gas distribution) | 12 | 17 | (29.4) | 28 | 29 | (3.4) |
| Other revenues, net of eliminations | 16 | 15 | 6.7 | 27 | 18 | 50.0 |
| Total | <u>198</u> | <u>157</u> | <u>26.1</u> | <u>819</u> | <u>501</u> | <u>63.5</u> |
| Total operating revenues | <u>\$ 684</u> | <u>\$ 657</u> | <u>4.1</u> | <u>\$ 1,811</u> | <u>\$ 1,495</u> | <u>21.1</u> |

TXU CORP. AND SUBSIDIARIES
AUSTRALIA SEGMENT

2

For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|---------------------------------------------------|----------------------------|--------|----------|----------------------------|--------|----------|
| | June 30, | | | June 30, | | |
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| | <i>millions of dollars</i> | | | <i>millions of dollars</i> | | |
| Operating revenues..... | \$ 274 | \$ 216 | 26.9 | \$ 499 | \$ 428 | 16.6 |
| Costs and expenses: | | | | | | |
| Cost of energy sold and delivery fees..... | 134 | 108 | 24.1 | 229 | 180 | 27.2 |
| Operating costs..... | 24 | 23 | 4.3 | 45 | 42 | 7.1 |
| Depreciation and amortization..... | 22 | 17 | 29.4 | 41 | 32 | 28.1 |
| Selling, general and administrative expenses..... | 25 | 20 | 25.0 | 43 | 34 | 26.5 |
| Other income..... | - | (1) | - | - | (1) | - |
| Other deductions..... | 1 | 2 | (50.0) | 2 | 4 | (50.0) |
| Interest income..... | (2) | - | - | (3) | - | - |
| Interest expense and other charges..... | 36 | 33 | 9.1 | 70 | 62 | 12.9 |
| Total costs and expenses..... | 240 | 202 | 18.8 | 427 | 353 | 21.0 |
| Income before income taxes..... | 34 | 14 | - | 72 | 75 | (4.0) |
| Income tax expense..... | 8 | 4 | - | 19 | 14 | 35.7 |
| Net Income..... | \$ 26 | \$ 10 | - | \$ 53 | \$ 61 | (13.1) |
| Exchange rates..... | 0.6406 | 0.5513 | | 0.6169 | 0.5352 | |

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.

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.

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

| | Three Months Ended | | | Six Months Ended | | |
|-------------------------------------------------------------------------------------|--------------------|---------------|---------------|------------------|---------------|---------------|
| | 2003 | 2002 | % Change | 2003 | 2002 | % Change |
| Operating statistics - Volumes | | | | | | |
| Retail electric sales (gigawatt-hours): | | | | | | |
| Residential | 710 | 658 | 7.9 | 1,309 | 1,222 | 7.1 |
| Commercial & industrial | 1,227 | 954 | 28.6 | 2,496 | 1,798 | 38.8 |
| Total | <u>1,937</u> | <u>1,612</u> | <u>20.2</u> | <u>3,805</u> | <u>3,020</u> | <u>26.0</u> |
| Retail gas sales (billion cubic feet) | <u>18</u> | <u>18</u> | <u>-</u> | <u>29</u> | <u>28</u> | <u>3.6</u> |
| Delivered electricity distribution (gigawatt-hours, non-affiliated) | <u>614</u> | <u>529</u> | <u>16.1</u> | <u>1,211</u> | <u>994</u> | <u>21.8</u> |
| Retail gas distribution volumes (billion cubic feet, non-affiliated) | <u>10</u> | <u>10</u> | <u>-</u> | <u>17</u> | <u>16</u> | <u>6.3</u> |
| Wholesale electric sales: | | | | | | |
| (gigawatt-hours) | <u>582</u> | <u>767</u> | <u>(24.1)</u> | <u>996</u> | <u>1,320</u> | <u>(24.5)</u> |
| Retail customers & points of delivery (end of period & in thousands) | | | | | | |
| Electric | | | | 565 | 534 | 5.8 |
| Gas | | | | 476 | 431 | 10.4 |
| Total | | | | <u>1,041</u> | <u>965</u> | <u>7.9</u> |
| Electricity distribution points of delivery | | | | 554 | 541 | 2.4 |
| Gas distribution points of delivery | | | | 473 | 459 | 3.1 |
| Total points of delivery | | | | <u>1,027</u> | <u>1,000</u> | <u>2.7</u> |
| Operating revenues (millions of dollars) | | | | | | |
| Retail electric: | | | | | | |
| Residential | \$ 73 | \$ 57 | 28.1 | \$ 129 | \$ 99 | 30.3 |
| Commercial & industrial | 72 | 52 | 38.5 | 152 | 98 | 55.1 |
| Total | <u>145</u> | <u>109</u> | <u>33.0</u> | <u>281</u> | <u>197</u> | <u>42.6</u> |
| Electricity distribution (non-affiliated) | <u>14</u> | <u>9</u> | <u>55.6</u> | <u>27</u> | <u>18</u> | <u>50.0</u> |
| Retail gas: | | | | | | |
| Residential (a) | 52 | 21 | - | 67 | 28 | - |
| Commercial & industrial | 20 | 29 | (31.0) | 47 | 52 | (9.6) |
| Total | <u>72</u> | <u>50</u> | <u>44.0</u> | <u>114</u> | <u>80</u> | <u>42.5</u> |
| Gas distribution (non-affiliated) | <u>12</u> | <u>11</u> | <u>9.1</u> | <u>17</u> | <u>15</u> | <u>13.3</u> |
| Wholesale electric revenues | <u>14</u> | <u>23</u> | <u>(39.1)</u> | <u>24</u> | <u>34</u> | <u>(29.4)</u> |
| Wholesale electric portfolio management activities & other revenues | <u>17</u> | <u>14</u> | <u>21.4</u> | <u>36</u> | <u>84</u> | <u>(57.1)</u> |
| Total operating revenues | <u>\$ 274</u> | <u>\$ 216</u> | <u>26.9</u> | <u>\$ 499</u> | <u>\$ 428</u> | <u>16.6</u> |

(a) 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.