



Earnings Review Second Quarter 2003

July 31, 2003

Investor Relations Calendar



Analyst Meetings in New York and Boston

10-Q Anticipated Filing

Lehman Brothers Conference, New York

Merrill Lynch Conference, New York

EEl Annual Financial Conference, Florida

August 7

August 14-18

September 2-4

September 17-18

October 27-29

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. 2002 Form 10-K and 2003 10-Q'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; capital markets conditions; competition; rating agency actions; among others, that could cause the results of TXU Corp. to differ materially from those projected in such forward-looking statements.

Highlights

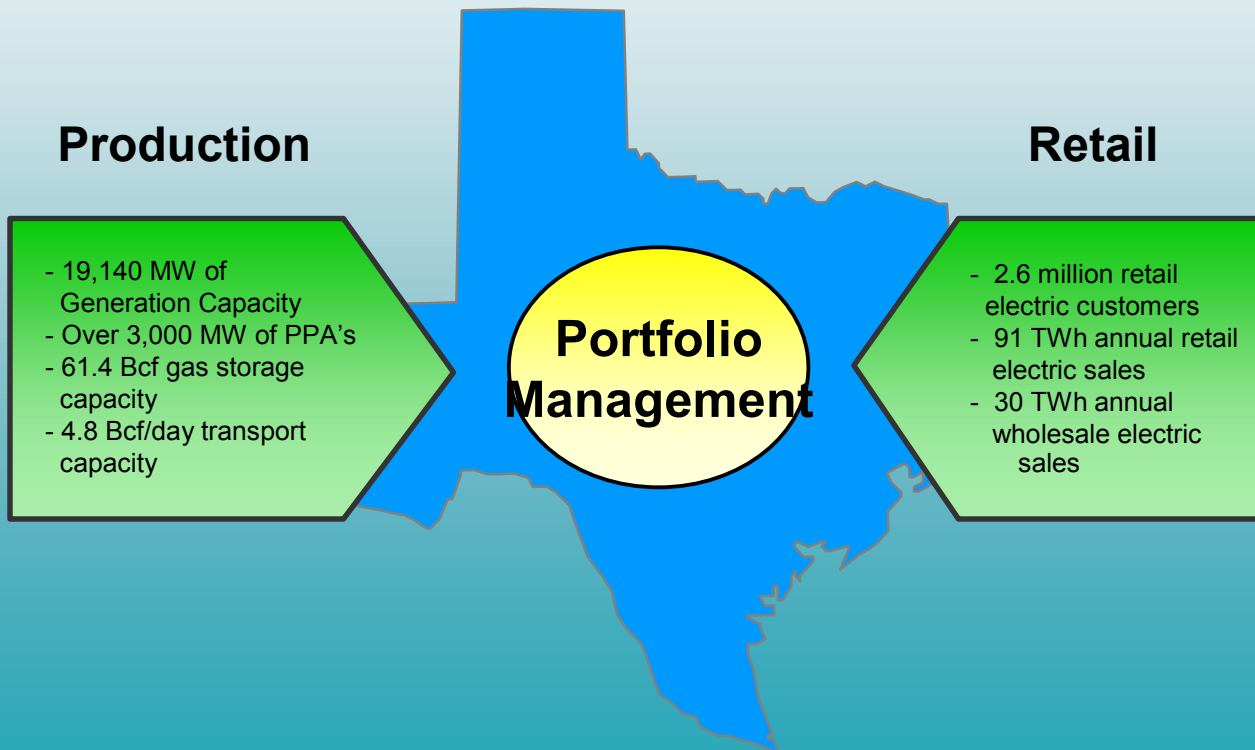


- **2Q 2003 net income available to common stock:**
\$105 million, \$0.31 per diluted share
 - *Includes \$0.18 charge related to discontinued operations of telecommunications business*
- **2Q 2003 earnings from continuing operations:**
\$171 million, \$0.49 per diluted share
 - *Exceeds target of approximately \$0.35 per share*
- **Year to date 2003 earnings from continuing operations before cumulative effect of changes in accounting principles:**
\$282 million, \$0.82 per diluted share
- **Year to date 2003 net income available to common stock:**
\$145 million, \$0.45 per diluted share
- **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**

North America Energy



- Contains the company's electricity generation, portfolio management and wholesale and retail energy sales operations primarily in the competitive Texas market.
- Delivered \$154 million of net income in the second quarter of 2003
 - Decreased contribution margin and higher interest expense
 - Combined reduced operating and SG&A costs consistent with cost reduction initiatives
 - 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.



North America Energy Delivery



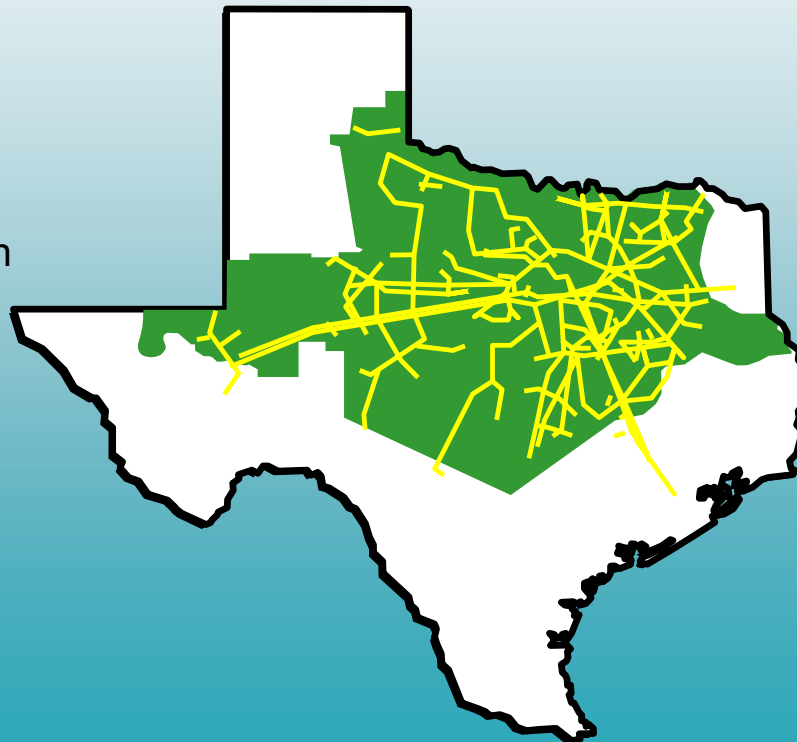
- Contains the electricity transmission and distribution business of Oncor Electric Delivery Company and the natural gas pipeline and distribution business of TXU Gas Company, both of which are subject to regulation by Texas authorities.
- Delivered \$36 million of net income in the second quarter of 2003
 - Gas business: Results improved due to improved contribution margin, and decreased interest expense somewhat offset by increased revenue related taxes
 - Electric delivery: Results declined slightly, primarily as a result of increased interest expense

Electric line miles:

- 14,000 transmission
- 95,000 distribution

Gas line miles:

- 6,800 pipeline
- 26,000 distribution



- Growing and diverse service area
- Reasonable regulatory environment
- Electric delivers 105 TWh annually with 2.9 million points of delivery
- Gas delivers 140 Bcf annually with 1.5 million points of delivery

TXU Australia



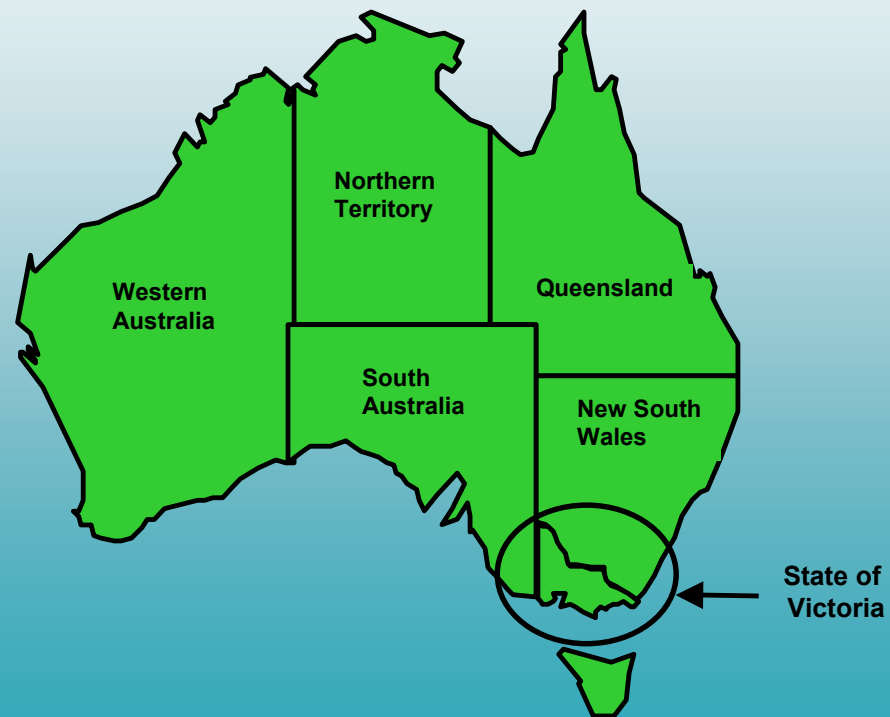
- Australia includes the company's generation, portfolio management, retail and wholesale operations, and the regulated electricity and gas delivery operations in Australia.
- Net income contribution of \$26 million in the second quarter of 2003
- Current period benefited from continued customer growth, lower wholesale power costs and favorable currency exchange rate movement

Energy Delivery

- Incentive based regulation
- 26,000 Electric distribution line miles - delivers 6.5 TWh annually
- 5,000 miles of gas distribution pipe - delivers over 65 Bcf annually
- Gas storage >10 Bcf

Energy

- Over 1 million gas and electricity customers
- 1,280 MW Generation capacity
- 966 MW master hedge agreement



Balance Sheet & Cash Flows



- **Currently more than \$3 billion of available liquidity (cash and credit facilities)**
- **For the six months ended June 30, 2003 cash provided by operating activities was \$1.4 billion, an increase of \$830 million**
 - **includes \$615 million tax refund in Q1**
- **Debt from continuing operations is down \$1.5 billion year to date**

Initiatives



- **Strengthen balance sheet and enhance credit**
- **Deliver on the 2003 plan**
- **Achieve major, sustainable cost reductions**
- **Aggressively defend and build on leadership position in Texas and Australia**