



Banc of America Securities Annual Investment Conference

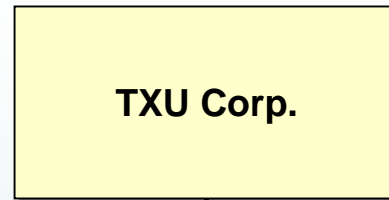
September 26, 2002

Safe Harbor Statement

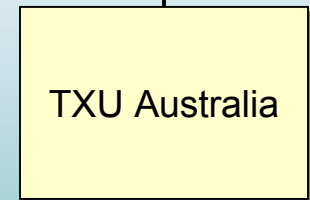
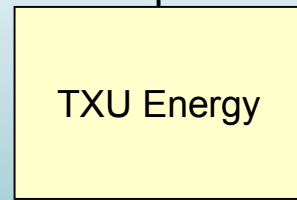
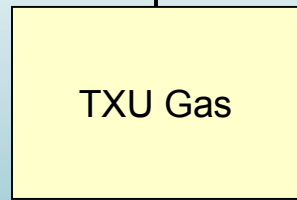
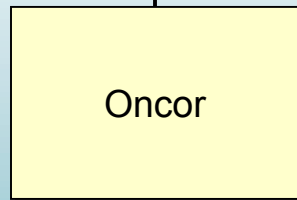


This presentation and other reports made by TXU Corp. contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Although TXU Corp. believes that in making any such statement their expectations are based on reasonable assumptions, any such 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. 2001 Form 10-K and 2002 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.

Corporate Structure



\$41 B Assets
\$28 B Revenues
11 Million Customers
330 Million MWh sold annually
2.8 TCF Gas sold annually



**North America
Energy Delivery**

**North America
Energy**

**International
Energy**

Assets: \$ 8 Billion

\$ 2 Billion

\$ 15 Billion

\$13 Billion

\$ 3 Billion

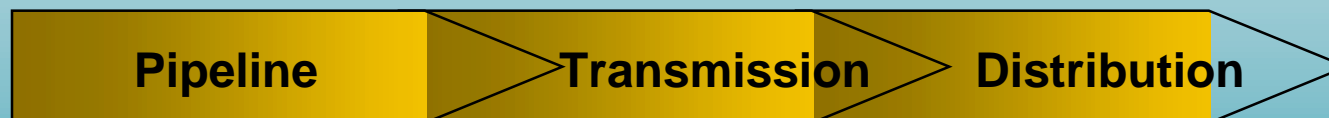
Business Model & Strategy



ENERGY



ENERGY DELIVERY

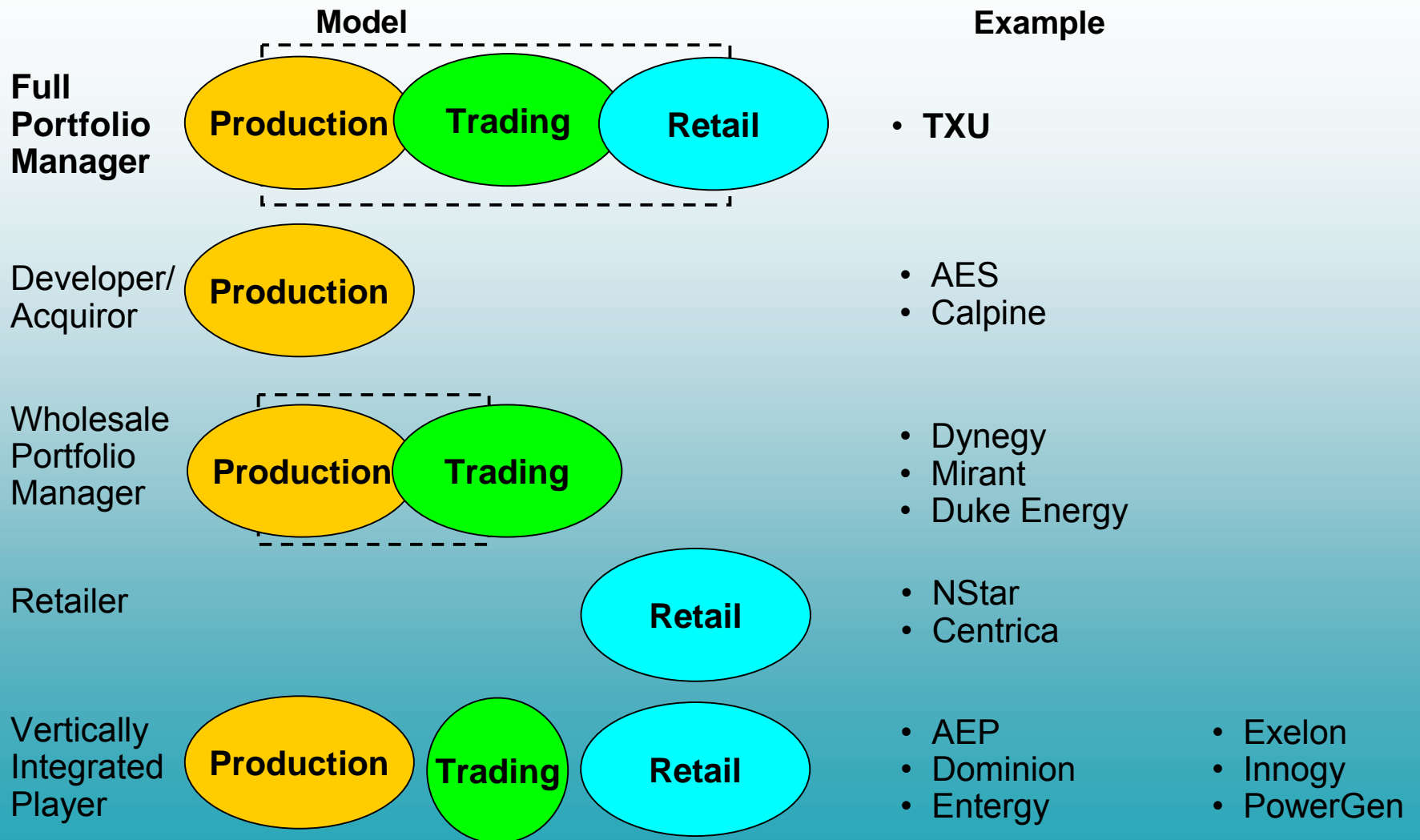


Strategy: TXU will achieve **excellent operations** of **significant scale** in **selected regions**, which **optimize a portfolio** of assets, capabilities and customer relationships across multiple products and services.

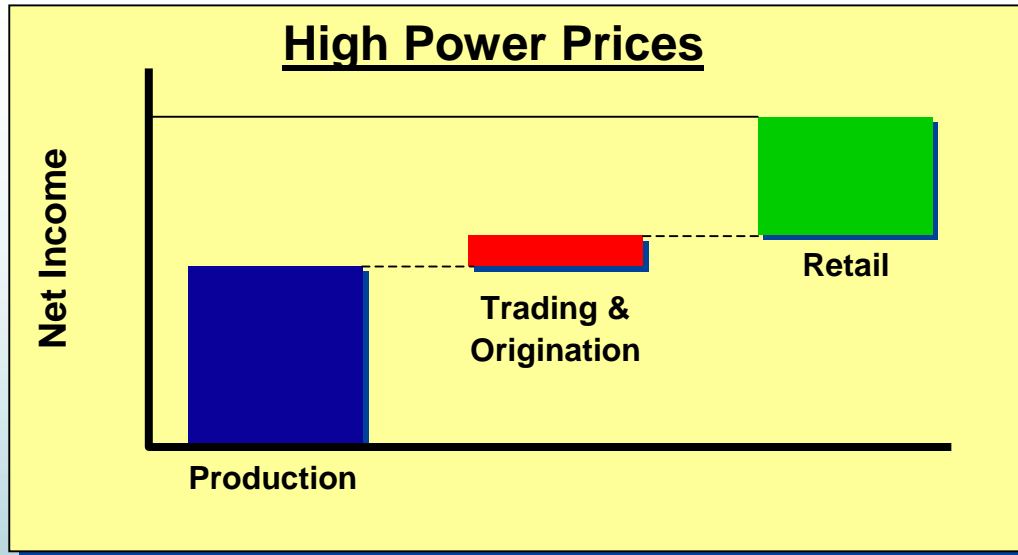
Distinctive Energy Business Model



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

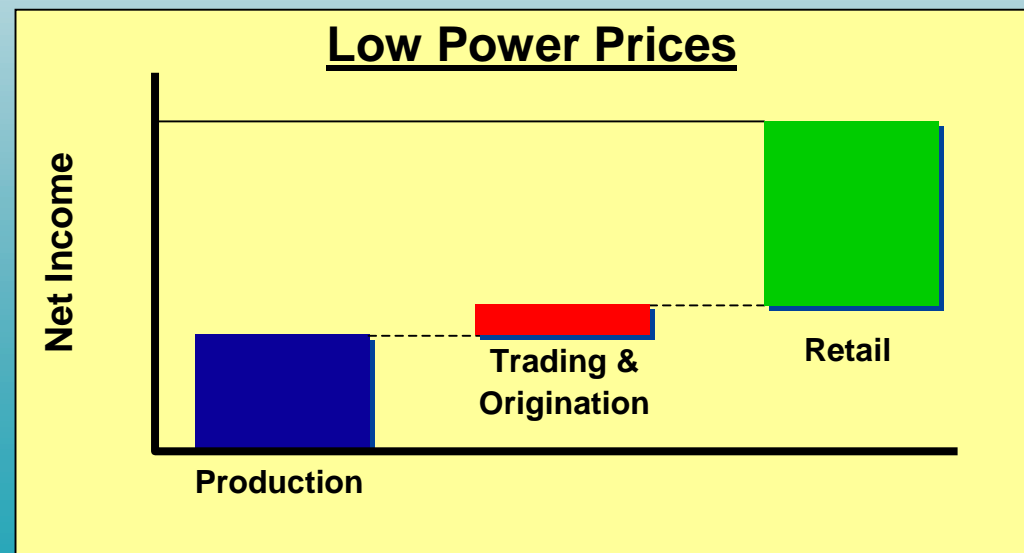


Benefits of TXU's Business Model



TXU's business model captures value across a range of market conditions.

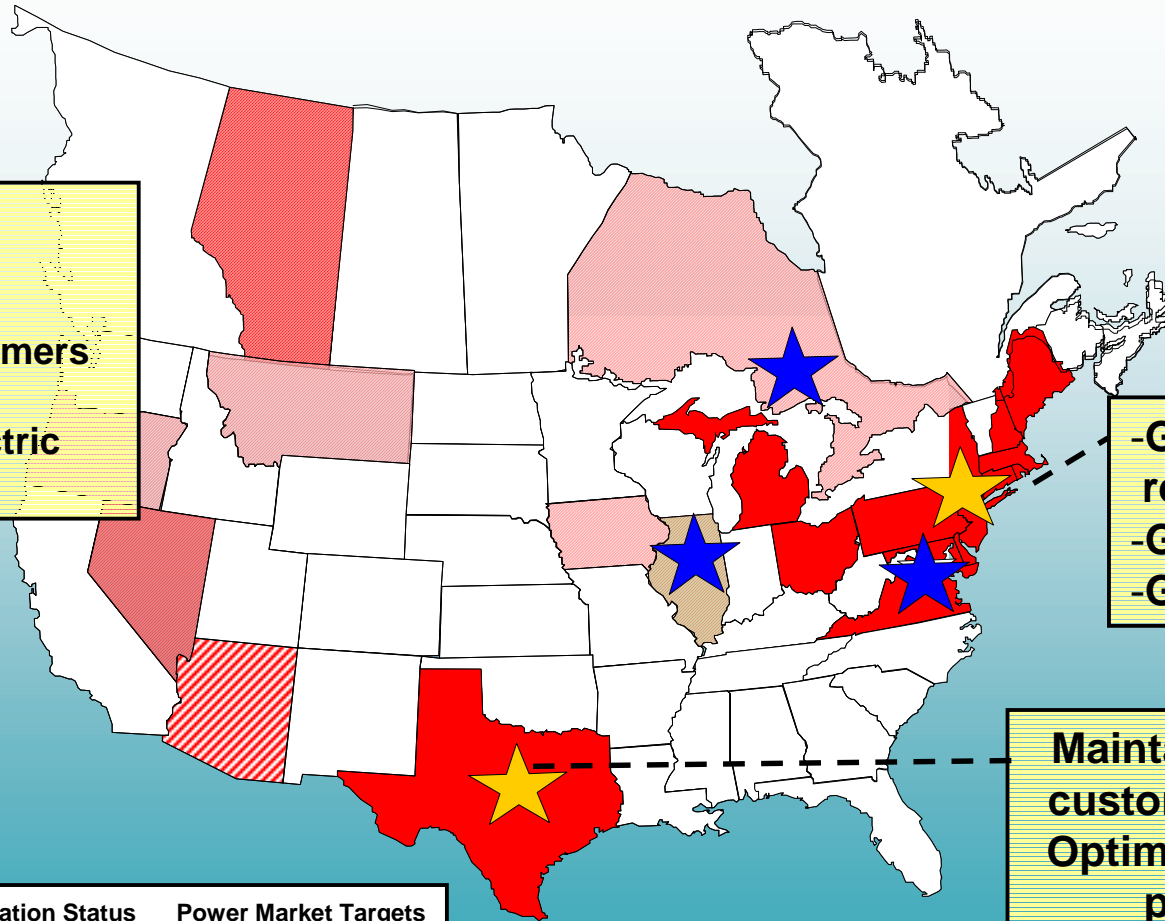
“Illustrative”



North America Energy



North America
2.7 million electric customers
1.4 million gas customers
22 GW generation
142,000 miles of electric and gas T&D lines



-Gas & electric retail expansion
-Generation
-Gas storage

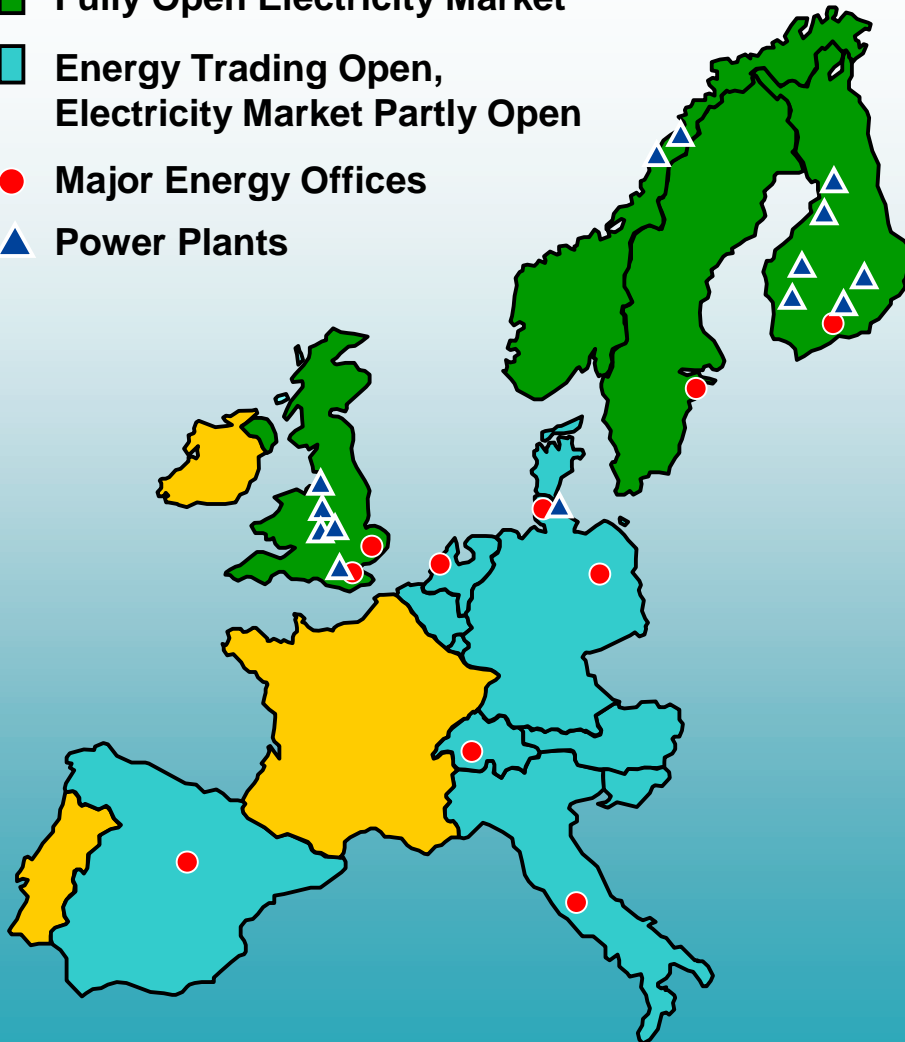
Maintain and grow customer position,
Optimize upstream positions

Deregulation Status	Power Market Targets
Fully Open	Primary
Opening Market	Secondary
Closed	

International Energy- Europe & Australia



- Fully Open Electricity Market
- Energy Trading Open, Electricity Market Partly Open
- Major Energy Offices
- ▲ Power Plants



United Kingdom

5.5 million customers
7,300 MW generation

Nordic

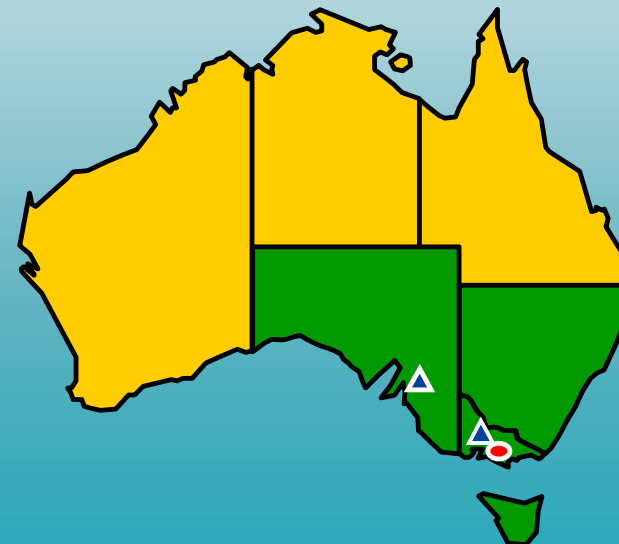
0.1 million customers
780 MW generation

Germany

0.65 million customers
175 MW generation

Australia

1 million customers
2,300 MW Generation
31,000 distribution miles

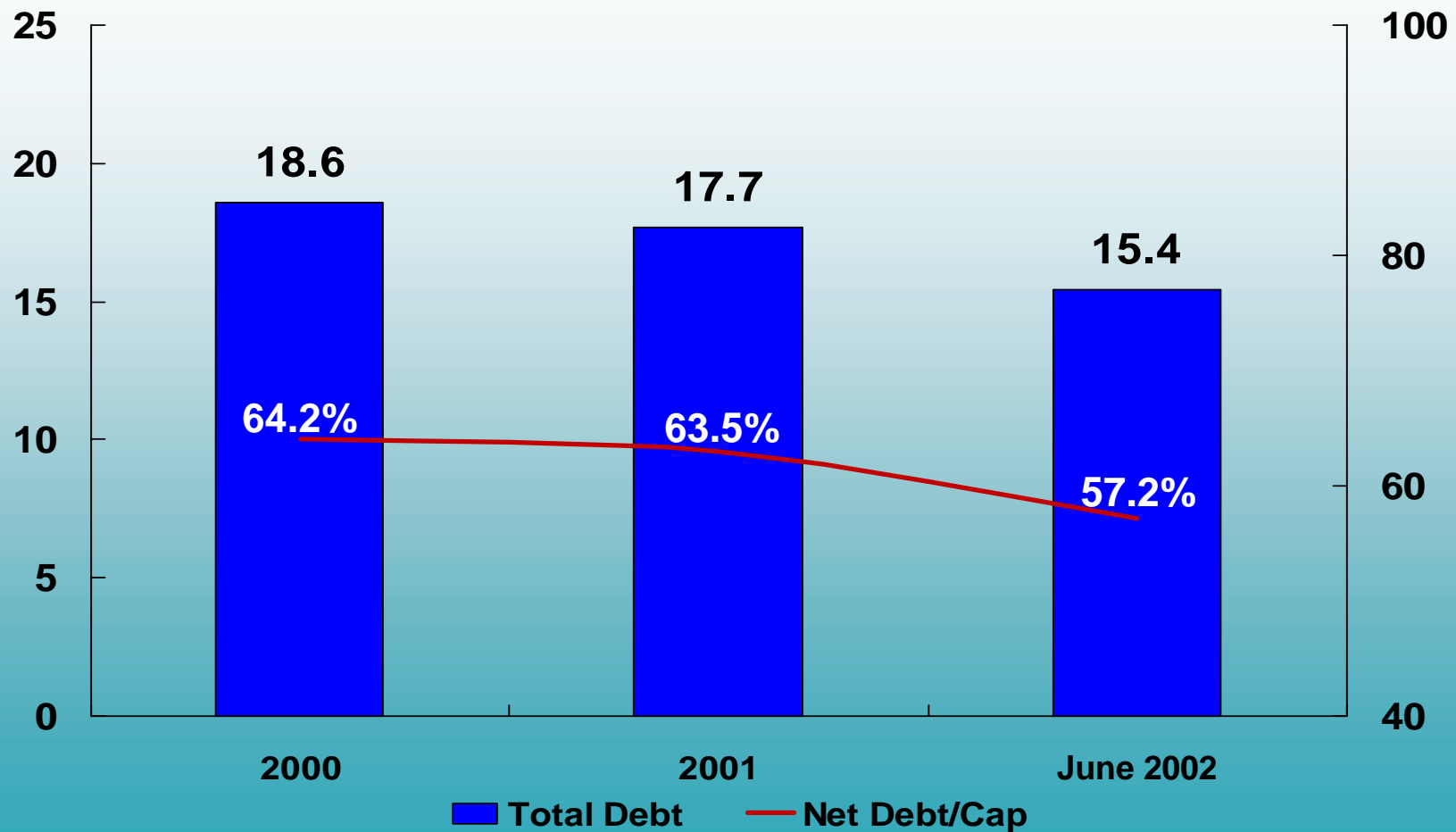


Enhanced Credit Strength



\$ Billions
of Debt

% Net Debt to
Capital



* Note: Excludes equity-linked securities

TXU Financial Strategy



- **Earnings, cash flow and ROIC focus**
- **Growth prospects:**
 - **North America Energy Delivery**
 - **North America Energy**
 - **International Energy**
- **Disciplined investment approach - focused on Accretion, IRR and RAROC metrics**
- **Balance sheet strength and flexibility**

Strong Cash Flow Generation



Sources

- **Cash from operations**
- **Asset sales**
- **Equity Issuance**
- **Securitization**

Uses

- **Dividend**
- **Debt Reduction**
- **Sustaining Capex**
- **Development Capex**

Priorities



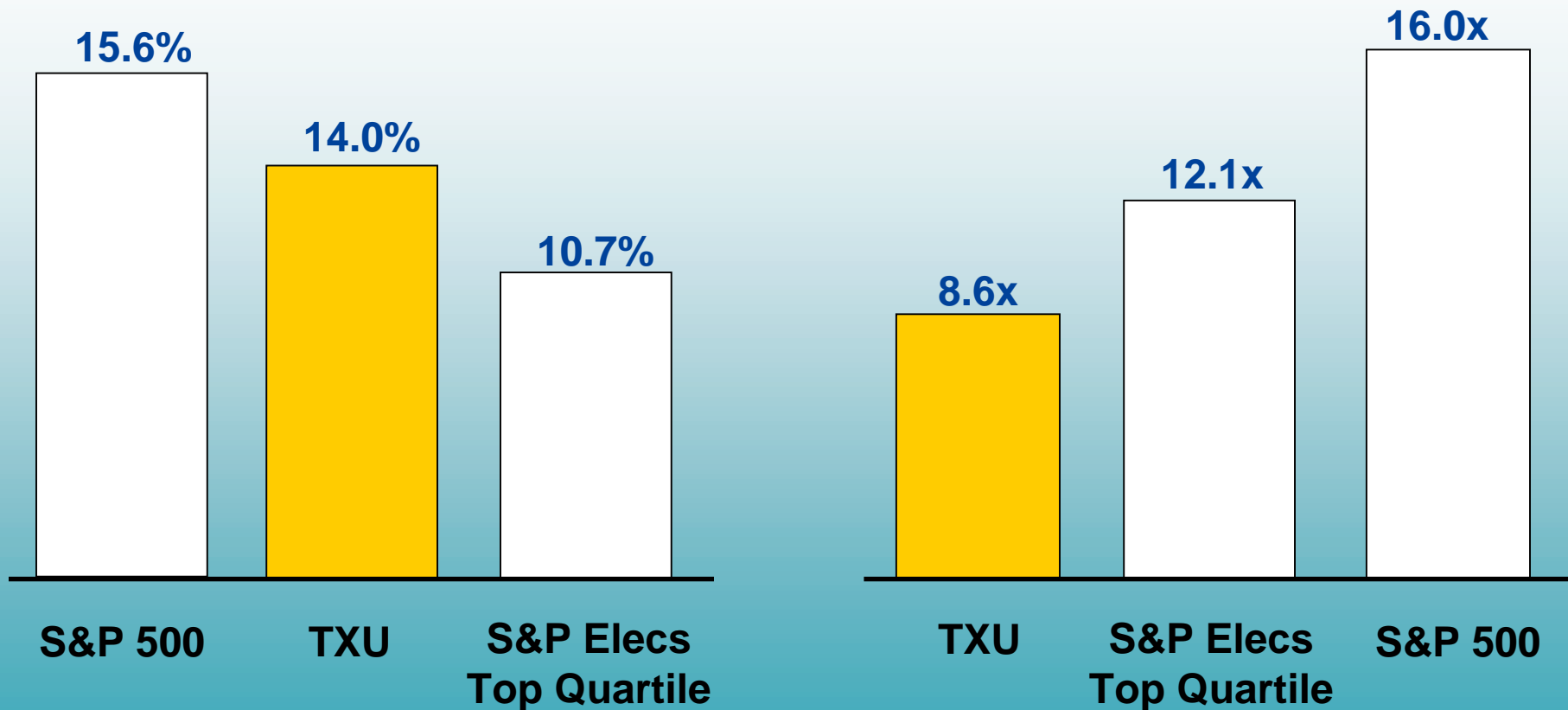
- **Maintain credit strength**
- **Deliver earnings and cash flow growth**
- **Deliver on UK initiatives - #1 Restructure upstream positions**
- **Pursue disciplined growth**
- **Achieve material and sustainable cost reduction**
- **Set the standard for risk management**

Compelling Valuation Story



5-Year Total Return Estimates *

P/2003E *



* Source: Bloomberg and IBES as of 9/20/02