EEI Conference

C. John Wilder

Chief Executive Officer

October 26, 2004

Safe Harbor Statement & Regulation G

This presentation 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. In addition to the risks and uncertainties set forth in the company's SEC filings, the forward-looking statements in this presentation could be affected by the ability of the company to implement the initiatives that are part of its restructuring, operational improvement and cost reduction program, and the terms under which the company executes those initiatives, the ability of the company to execute the financing necessary to finance its share repurchase plan and the actions of its board of directors with respect to future dividends and other cash distributions to shareholders, which will be based upon a number of factors, including the Company's profit levels, operating cash flow levels and capital requirements as well as financial and other business conditions existing at the time.

Regulation G

This presentation includes certain non-GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measure is included in the appendix of the printed version of the slides and the version included on the company's website at www.txucorp.com under Investor Resources/Presentations.

Today's Agenda

ERCOT Overview

- ERCOT market framework
- Impact of deregulation

TXU Competitive Positioning

- Three phase restructuring impact
- Capital allocation

Summary

- Conclusion

ERCOT Was Designed So That End Users Could Capture The Benefits Of Open Markets And Competition...

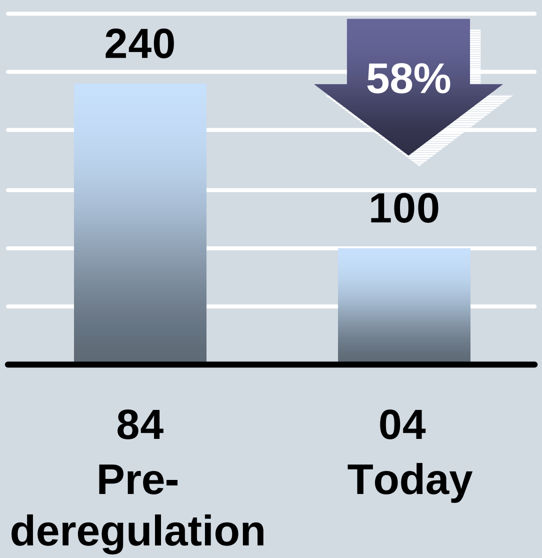
	Implementation	Impact
Wholesale	▪ Established bilateral market between generators and retailers ▪ Expedited permitting and siting for new build	▪ Large infusion of capital ▪ Investment in state of the art technology (efficient CCGT) ▪ Improved operational performance (8% improvement in utilization)
Retail	▪ PTB guaranteed sufficient headroom to spur competition ▪ Low barriers for retail certification ▪ Immediate competitive pricing for large business customers	▪ Superior customer service ▪ Large number of competitors (>80) ▪ New products (automated meter reading, online billing) ▪ Risk management services

Competition has spurred investment, increased efficiency and innovation

…Similar To Those Seen In Other Deregulated Markets

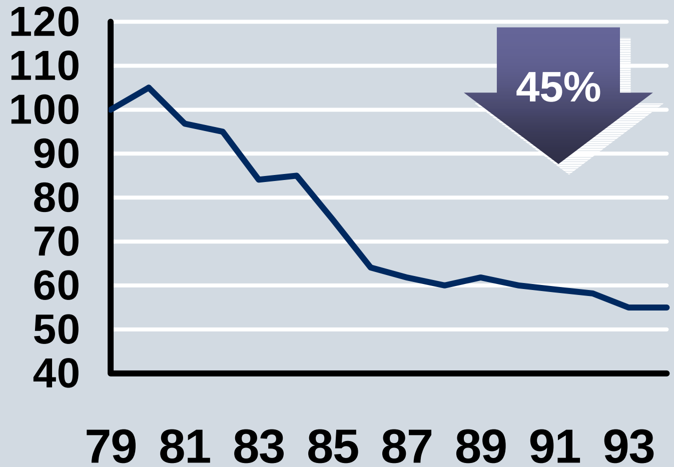
Efficiency gains...

Smaller work force:
British Telecom employees
84-04; Thousands



Price decreases...

Airline retail price compression:
Real yield index (1979=100)
79-94; No units



...And innovation

New cable services
96-04; No units

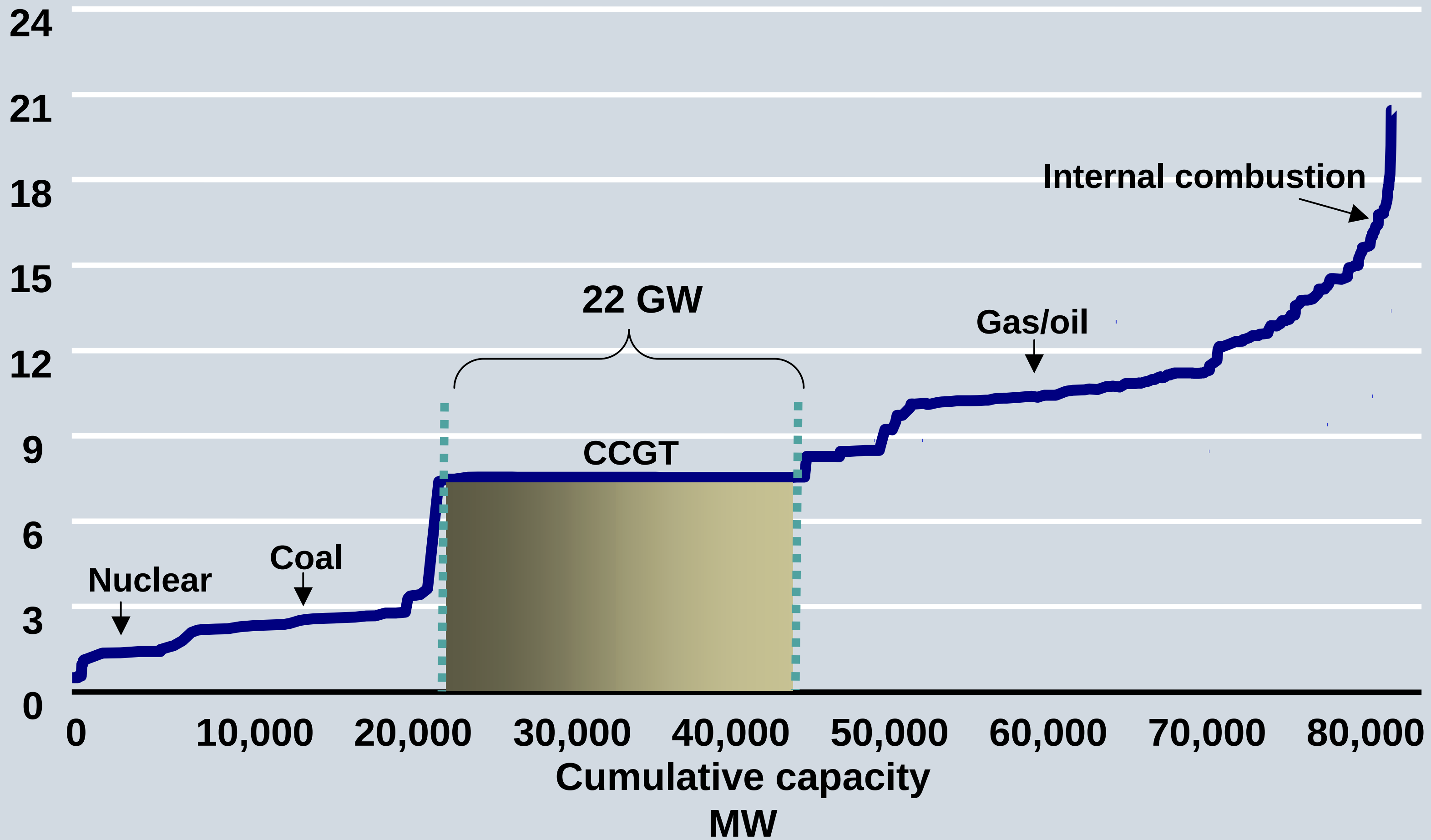
- **Access to over 300 channels (from 30)**
- **HDTV technology**
- **DSL (Internet broadband)**
- **Pay-per-View**
- **Digital Video Recorder**
- **Parental controls**

A competitive market ruthlessly forces competitors to improve

Source: British telecom, O&D survey

ERCOT Has Already Seen Similar Improvement; Capital Infusion…

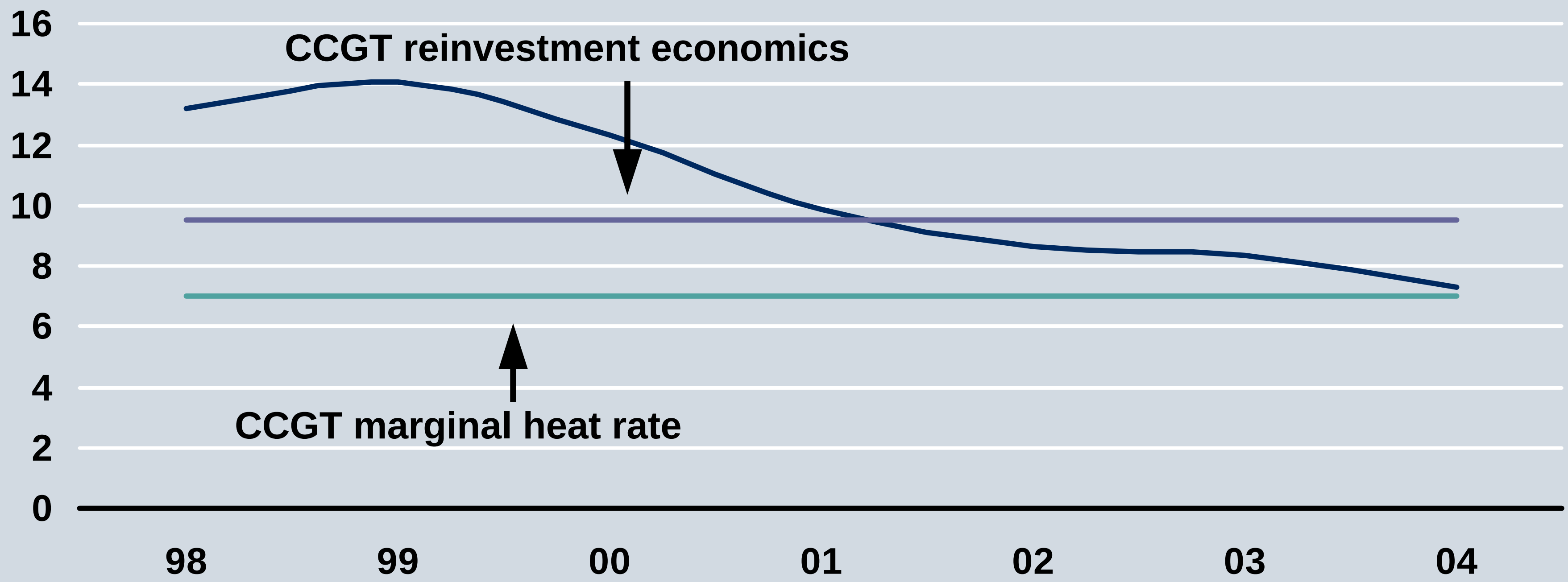
ERCOT supply curve; Implied heat rate
04; MMBtu/MWh



Deregulation led to the investment of over $15 billion and the addition of 22GW of low-cost CCGT capacity

…Which Led To A Reduction In Market Heat Rates...

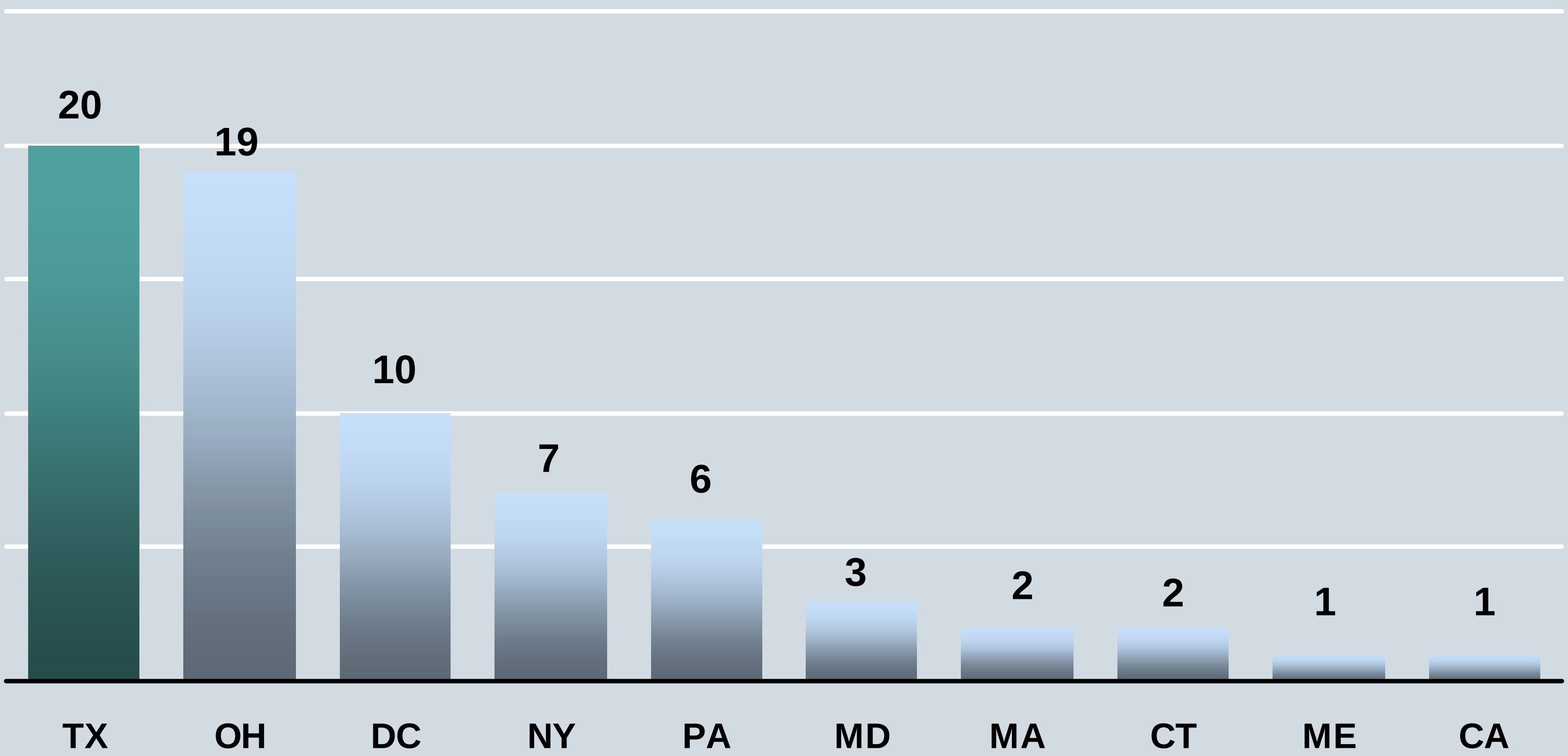
ERCOT heat rate cycle
98-04; MMBtu/MWh



If not for the capital infusion wholesale power prices may have been 50% higher

…Strong Retail Competition…

Residential customer switching
04 YTD; Percent

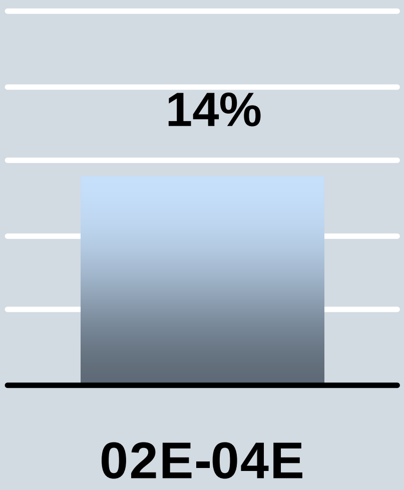


ERCOT has the most active de-regulated retail market in the US

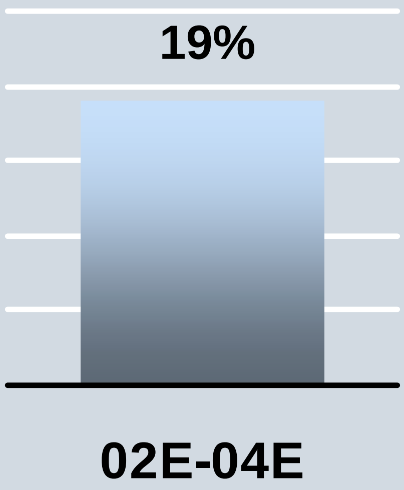
Source: KEMA

…Giving End Use Customers Access To Lower Prices

Competitive residential price[1] vs. regulated rate
02-04; Percent savings



Competitive large business price vs. regulated rate
02-04; Percent savings



2

Customers have benefited from access to lower electricity prices than they would have experienced under a regulated rate regime

[1] Competitive Residential price based on 15% discount to TXU PTB as currently offered by market competitors, e.g., Utility Choice (14.6%), Cirro (14.6%) and Gexa (16.6%); Regulated world assumes 7.8 GW (versus 22GW actually built) added capacity in the rate base at a cost of $600/kw, O&M costs approximately $20/kw-yr resulting in an average cost of $93/kw-yr average cost in the rate base

[2] Based on 04 with the following assumptions: Competitive prices assume $4.07/MMBtu Henry Hub gas price, 24X7 heat rate of 7.3 MWh/MMBtu, and incumbent residential gross margins of 30% and LC&I gross margins of 5%

Overall The Market Is Considered A Success

Issues facing the Sunset Commission	**Top issues facing Texas voters**
▪ Continuing need for the PUC	▪ Taxes
▪ ERCOT governance	▪ Education
▪ Funding for independent market oversight	▪ Healthcare
▪ Administrative penalties for market rule violations	▪ Criminal justice
	▪ Insurance reform

There appears to be little impetus to make major changes to the ERCOT framework

Source: Sunset Commission, Texas House of Representatives

Today's Agenda

ERCOT Overview

- ERCOT market framework
- Impact of deregulation

TXU Competitive Positioning

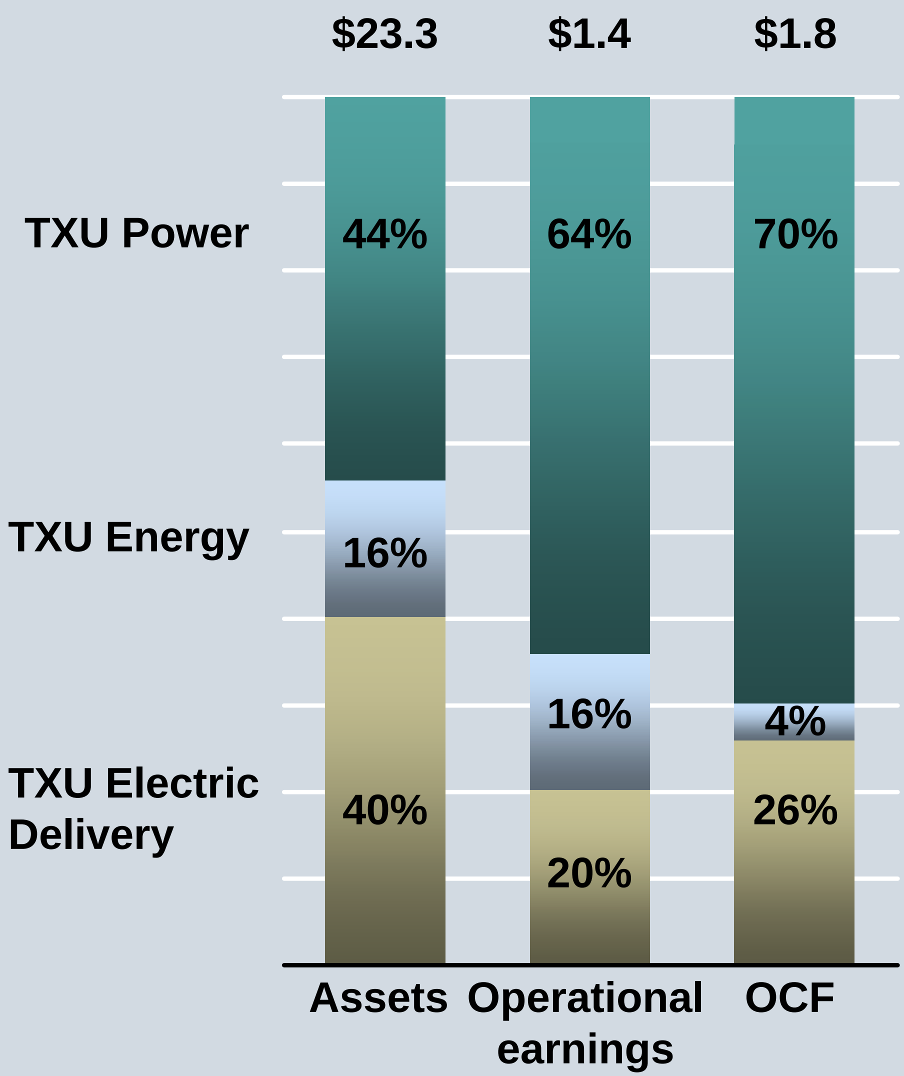
- Three phase restructuring impact
- Capital allocation

Summary

- Conclusion

To Compete In The Deregulated World TXU Is Focused On Three Core Businesses

Size and shape of TXU's businesses
05E; $ billions and percent



Structural advantages

- 2nd largest deregulated generation output
- Low cost baseload capacity and highly flexible gas fleet
- Robust wholesale market and tightening reserve margins

- Largest competitive electricity retailer
- High growth market (2.5% per year)
- Distinctive brand recognition and reputation for reliability

---

- 6th largest US transmission and distribution company
- High growth market (2.5% per year)
- Lowest wires cost in Texas

We Are Executing A Three Phase Improvement Program

Phase 3:
Allocate Capital and Grow

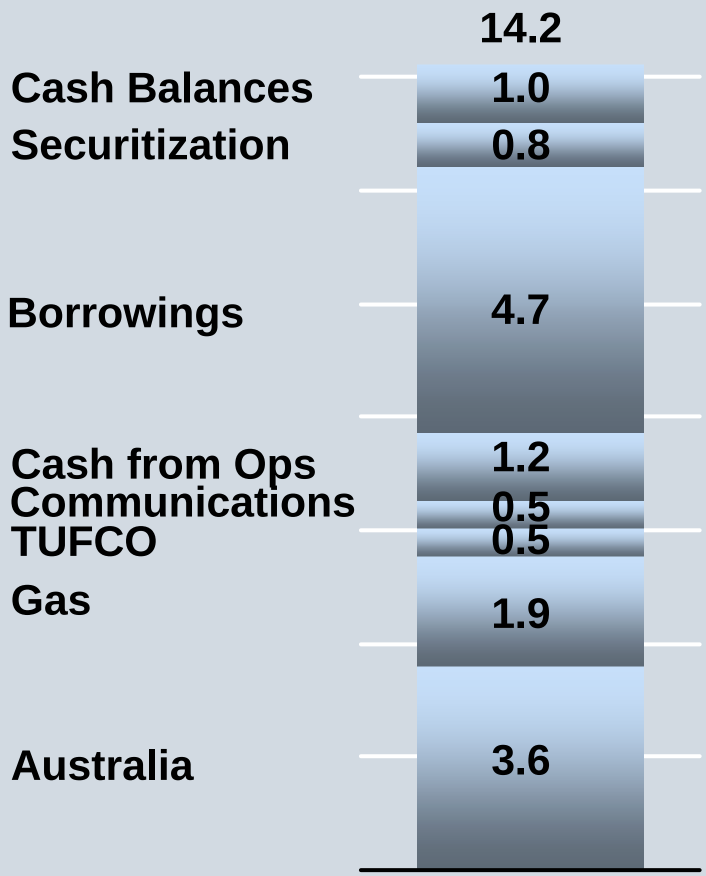
Phase 2:
Strengthen the Core & Drive Performance Improvement

Phase 1:
Rationalize, Restructure & Restore Financial Strength

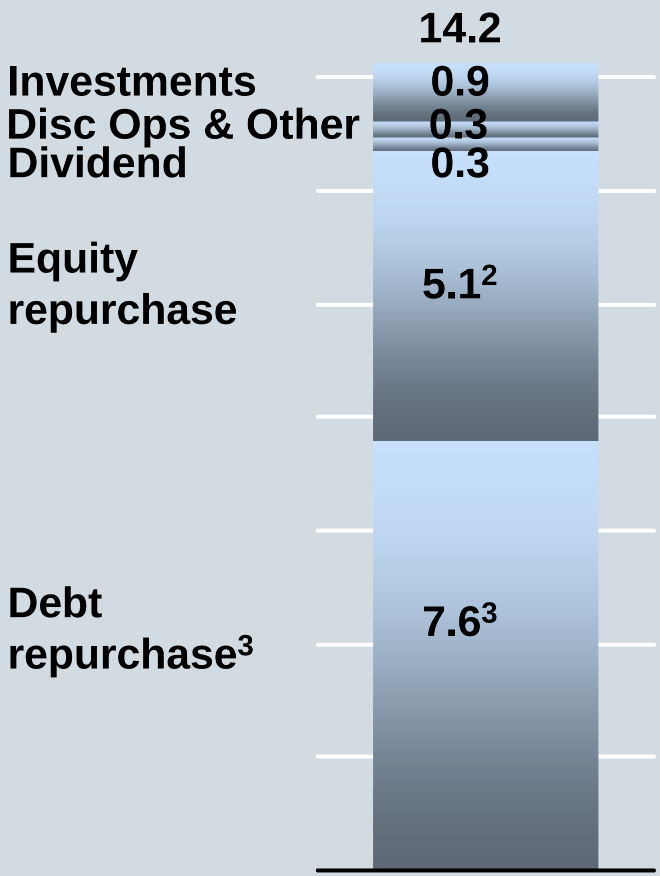
What We Needed To Do	How We Did It/ How We Are Doing It
▪ Execute no-regrets transactions ▪ Improve financial flexibility ▪ Capture "quick-hit" profitability improvements ▪ Assess key risks and implement mitigation plans	▪ Sold TXU Australia, TXU Gas, and TXU Fuel ▪ Deployed proceeds to repair balance sheet ▪ Strengthened contribution margins ▪ Implemented customer service improvements

In Phase One We Divested Non-Core Businesses, Deploying Proceeds To Improve Financial Flexibility

Phase 1: Sources of cash
04E; $ billions



Phase 1: Uses of cash
04E; $ billions



[1] Includes $1.8B debt assumed by acquirers
[2] Includes $1.1B equity portion of Exchangeable Preferred Membership Interest repurchase
[3] Includes retirements premiums of $0.5 billion

The Second Phase Is Underway And Will Establish A Solid Foundation For Growth

Phase 3:
Allocate Capital and Grow

Phase 2:
Strengthen the Core & Drive Performance Improvement

Phase 1:
Rationalize, Restructure & Restore Financial Strength

What We Needed To Do	How We Did It/ How We Are Doing It
▪ Undertake comprehensive review of business performance ▪ Identify profitability improvements based on detailed assessments ▪ Embed profitability improvement targets in business plan	▪ Launched > 25 teams to develop improvement plans ▪ Link initiative targets to the financial plan and incentive compensation

Looking At Other Deregulated Industries We Have Observed Five Critical Performance Levers For the Winners

TXU

1 Commercial Excellence

- Asset optimization
- Commodity risk management

2 Cost Leadership

- World class industrial production costs
- Lean SG&A

3 Operational Excellence

- Top decile reliability
- Capacity factors

4 Market Leadership

- Superior customer service/brand management
- Value based pricing

5 Performance Management

- High performance culture
- Balanced cascading scorecards
- Incentives linked to key value drivers

We Leveraged These Performance Levers To Design Improvement Programs For Each Business

	Strategy	Objectives	Implementation
 TXU Power	• Cost leadership • Operational excellence	• Top decile cost performance • Top decile production performance	• TXU operating system (lean) • Strategic sourcing
 TXU Energy	• Market leadership • Commercial excellence	• Excellent customer service • Retain and grow profitable customer base • Top decile purchased power performance	• Customer experience • Customer segmentation
 TXU Electric Delivery	• Operational excellence • Cost leadership	• Achieve industry leading safety performance • Top decile reliability • Top decile cost performance • Earn allowable return	• TXU operating system(lean) • Strategic sourcing • Technological innovation

TXU Power Is Focused On Cost Leadership And Operational Excellence

EBIT improvement vs 04E
05-07; $ millions

Performance Lever	05E	06E	07E	Examples of Initiatives
Commercial Excellence	-	-	-	
Cost Leadership	70	115	150	• Strategic sourcing • Operating system • Benefit expense reduction
Operational excellence	(40)[1]	80	15[2]	• Improved capacity factor • Plant outage avoidance
Market effects	505	130	(95)	• Market price impacts
Improvement Plan Total	520-550	310-340	60-80	

[1] Impacts from Dual Outage
[2] Impact of nuclear steam generator replacement

We Leveraged These Performance Levers To Design Improvement Programs For Each Business

	Strategy	Objectives	Implementation
 TXU Power	• Cost leadership • Operational excellence	• Top decile cost performance • Top decile production performance	• TXU operating system(lean) • Strategic sourcing
 TXU Energy	• Commercial excellence • Cost leadership • Market leadership	• Excellent customer service • Retain and grow profitable customer base • Top decile purchased power performance	• Customer experience • Customer segmentation
 TXU Electric Delivery	• Cost leadership • Operational excellence	• Achieve industry leading safety performance • Top decile reliability • Top decile cost performance • Earn allowable return	• TXU operating system(lean) • Strategic sourcing • Technological innovation

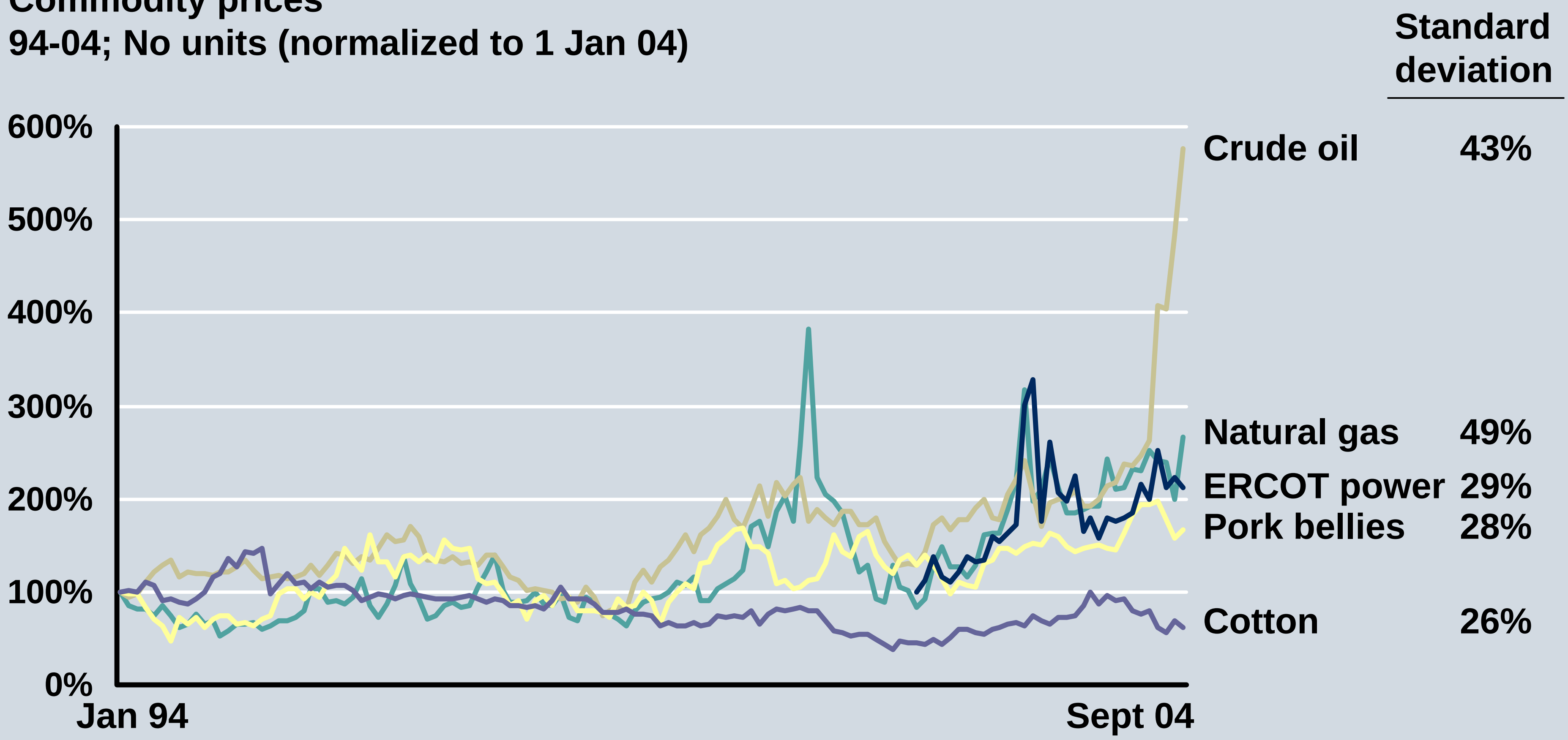
TXU Energy Is Focused On Commercial Excellence, Cost Leadership And Market Leadership

EBIT improvement vs 04E
05-07; $ millions

Performance Lever	05E	06E	07E	Examples of Initiatives
Commercial Excellence	150	325	395	• Optimization of gas plant and purchased power • Improved large business margins and volumes • Hedge roll off
Cost Leadership	185	215	240	• SG&A reductions • Back-office joint venture • Improved Bad debt • Gas plant O&M reductions
Operational excellence	-	-	-	
Market Leadership	(120)	125	260	• Increased revenue from fuel factor adjustment and out of territory growth • Decreased customer churn rates due to improved customer service
Improvement Plan Total	200-230	650-680	875-925	

Similar To Other Commodities Electricity Is Volatile…

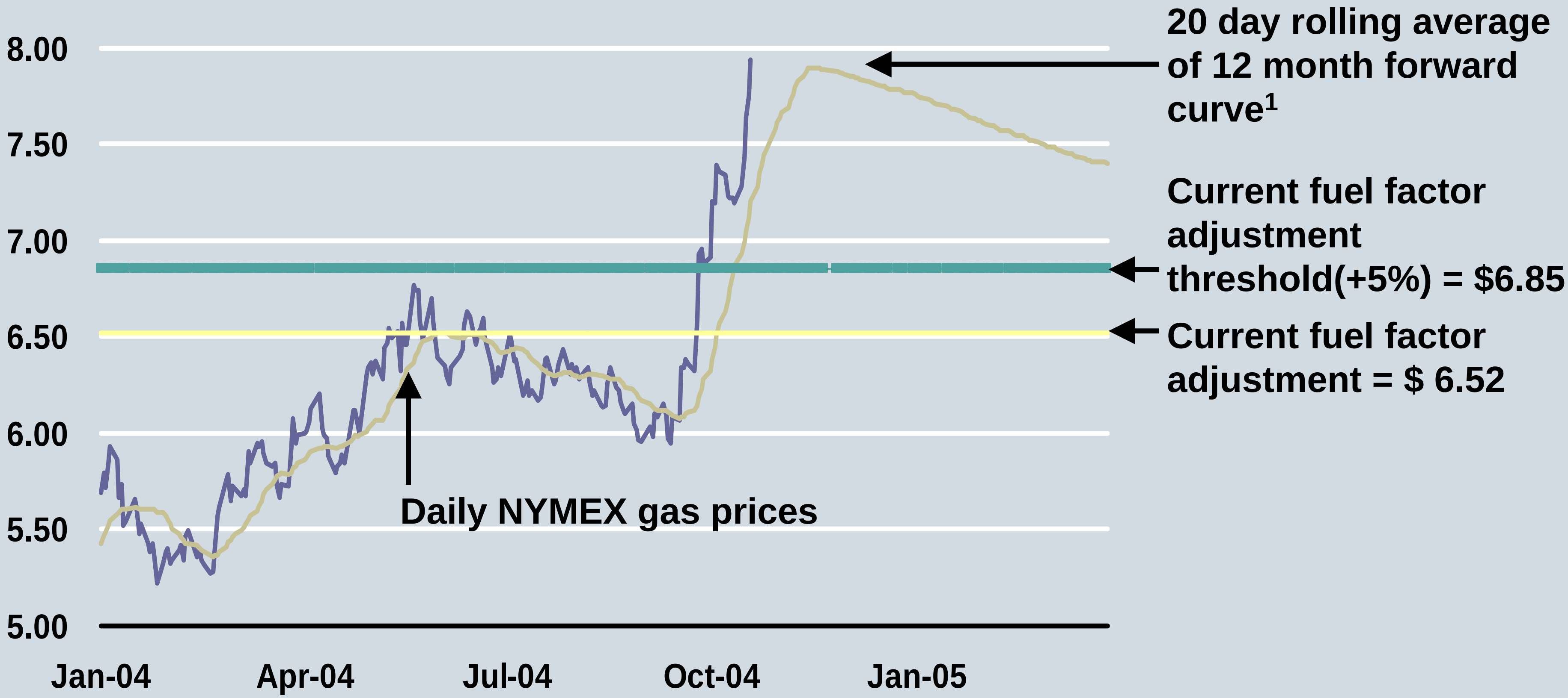
Commodity prices
94-04; No units (normalized to 1 Jan 04)



Power prices are less volatile than both crude oil and natural gas

…But Unlike Other Commodities, Its Cost Is Not Directly Passed Through To The Consumer…

Historical Gas Prices vs. Forward Curve
04-05; $/MMBtu



Based on the PTB framework, retail price can only be adjusted after large shifts in the forward gas curve

[1] Assumes all future prices are equal to forward curve as of October 22, 2004

…Making Retail Economics Unsustainable Without Further Price Adjustments

ESTIMATES

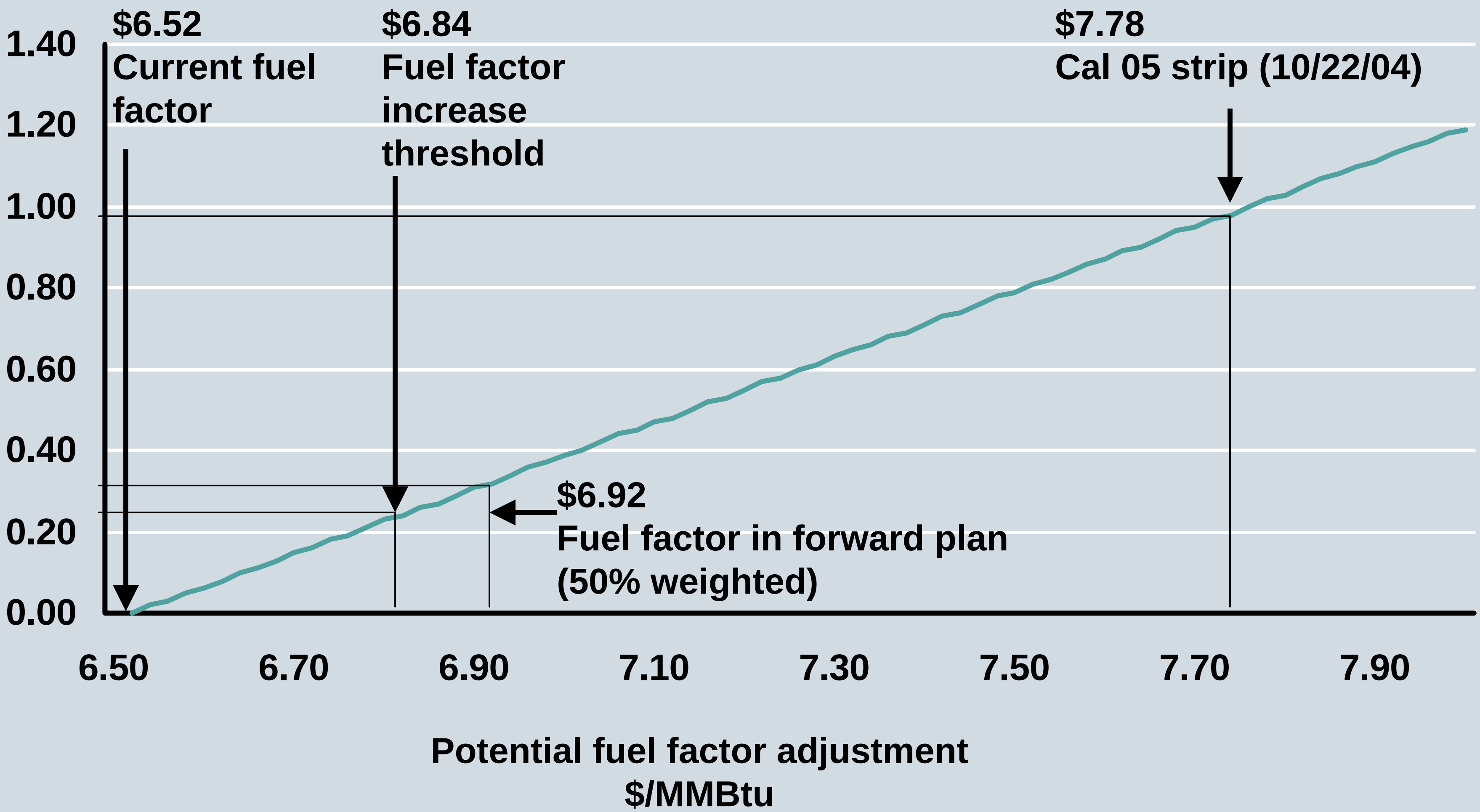
		No fuel factor adjustment	Modeled fuel factor adjustment in current plan	Potential fuel factor adjustment
North Texas residential gross margin 05E; $/MMBtu	TXU	10	13	19
	Attacker[1]	(5)	(2)	3
North Texas residential net margin[2] 05E; $/MMBtu	TXU	3	4	7
	Attacker	(7)	(5)	(2)
Cal 05 gas, $/MMBtu		7.63	7.63	7.63
PTB Strike, $/MMBtu		6.52	6.92	7.63

[1] Includes acquisition costs of $150/MWh amortized over 24 months

[2] Includes impact of SG&A, bad debt, income taxes and revenue taxes; Attacker economics based on 10% discount from PTB, SG&A of $2.5/MWh, bad debt equals 1.3% of revenues, income taxes at 35% rate, revenue taxes equals 1.8% of revenues; forward curve as of October 21, 2004

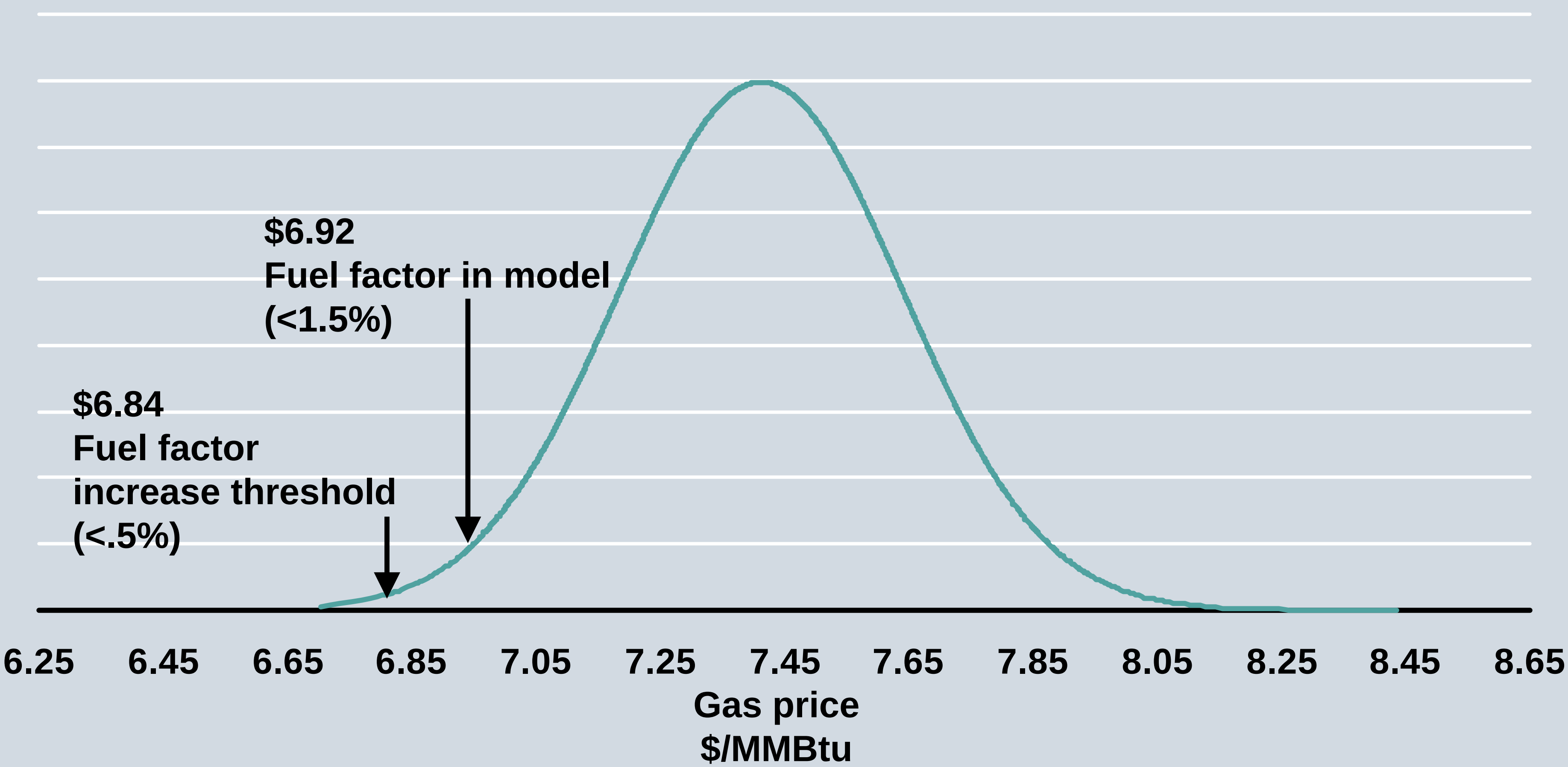
A Potential Strike Has Significant Upside For TXU…

Operational EPS impact of potential fuel factor increase
05E; $ per share



…And Based On Historical Trends Is Likely To Occur

Frequency distribution of potential 05 gas prices[1]
05E; $/MMBtu



Based on historical price movements there is less than 0.5% chance that TXU would not be eligible for a fuel factor adjustment in 05

[1] Curve based on volatility of forward curve from Nov 1 to Dec 31 of entire year from 90-03

We Leveraged These Performance Levers To Design Improvement Programs For Each Business

TXU Power

TXU Energy

TXU Electric Delivery

	Strategy	Objectives	Implementation
TXU Power	• Cost leadership • Operational excellence	• Top decile cost performance • Top decile production performance	• TXU operating system(lean) • Strategic sourcing
TXU Energy	• Commercial excellence • Cost leadership • Market leadership	• Excellent customer service • Retain and grow profitable customer base • Top decile purchased power performance	• Customer experience • Customer segmentation
TXU Electric Delivery	• Cost leadership • Operational excellence	• Achieve industry leading safety performance • Top decile reliability • Top decile cost performance • Earn allowable return	• TXU operating system(lean) • Strategic sourcing • Technological innovation

TXU Electric Delivery Is Focused On Cost Leadership…

EBIT improvement vs 04E
05-07; $ millions

Theme	05E	06E	07E	Examples of Initiatives
Commercial Excellence	-	-	-	
Cost Leadership	0	10	15	• Improved focus on O&M cost management • Strategic sourcing
Operational excellence	-	-	-	
Market Leadership	95	140	210	• Market growth • Transmission investment
Improvement Plan Total	90-100	140-160	210-240	

These Improvement Programs For Each Business Will Drive Overall Performance For TXU

TXU Power

TXU Energy

TXU Electric Delivery

Strategy	Objectives	Implementation
• Cost leadership • Operational excellence	• Top decile cost performance • Top decile production performance	• TXU operating system (lean) • Strategic sourcing
• Commercial excellence • Cost leadership • Market leadership	• Excellent customer service • Retain and grow profitable customer base • Top decile purchased power performance	• Customer experience • Customer segmentation
• Cost leadership • Operational excellence	• Achieve leading safety performance • Top decile reliability • Top decile cost performance • Earn allowable return	• TXU operating system (lean) • Strategic sourcing • Technological innovation

TXU Is Driving Performance Improvement Across All Four Performance Levers…

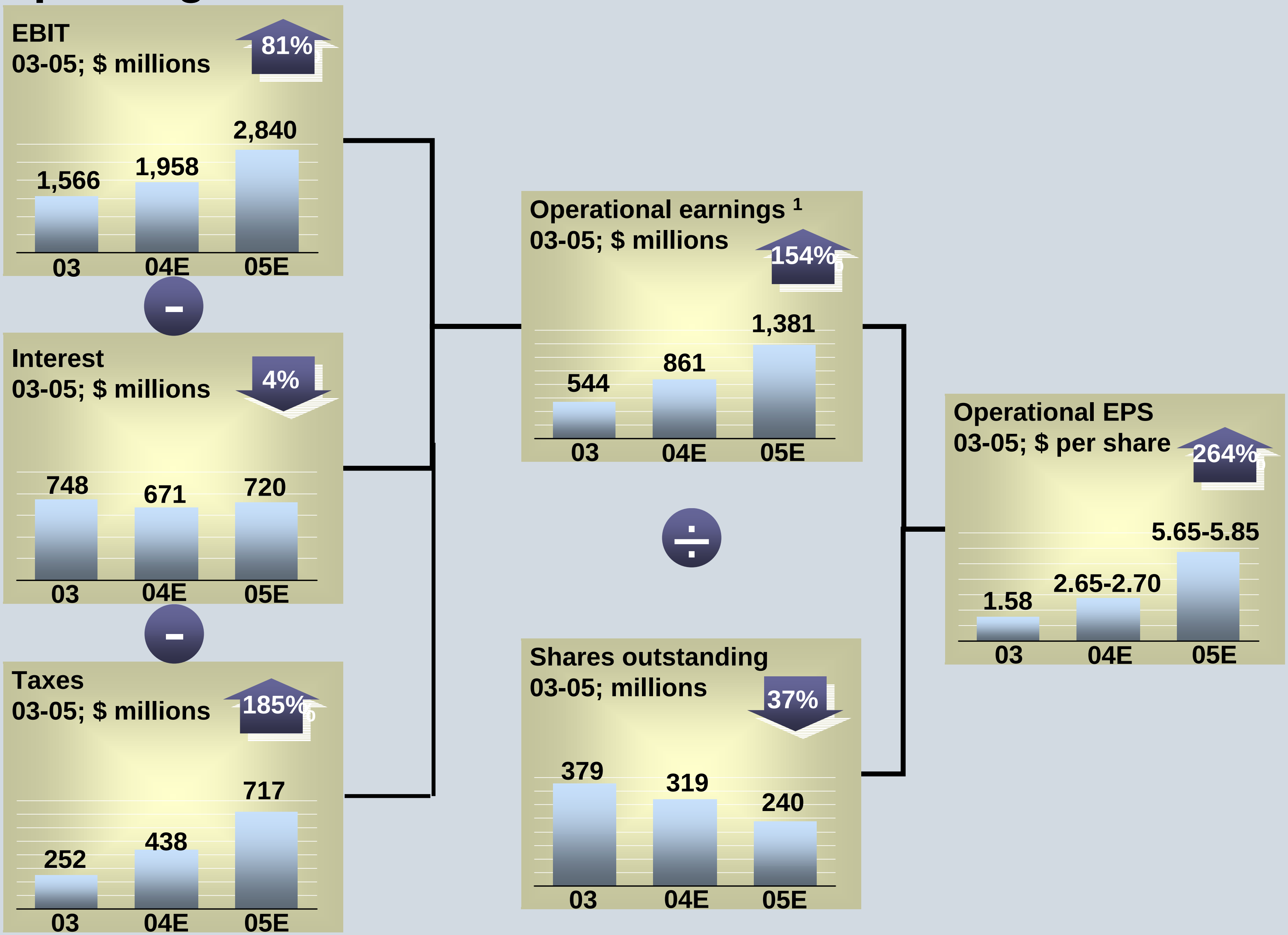
EBIT improvement vs 04E
05-07; $ millions

Theme	05E	06E	07E	Examples of Initiatives
Commercial Excellence	150	325	395	• Optimization of gas plant and purchased power • Improved large business margins and volumes
Cost Leadership	285	410	480	• SG&A reductions • CG Energy joint venture • Improved focus on O&M cost management
Operational excellence	(40)	80	15	• Improved capacity factor • Plant outage avoidance
Market Leadership	485	400	380	• Increased revenue from PTB strikes and out of territory price increases • Decreased customer churn rates due to improved customer service
Improvement Plan Total	850-910	1,180-1,250	1,240-1,300	

The "$600 million over 5 years" [1] is now "$750 million over 3 years"

[1] Improvement program discussed at Lehman Brothers and Merrill Lynch Power Conferences

Improving EPS…



[1] Includes impact from preferred dividends and excludes extraordinary items, changes in accounting principles and special items

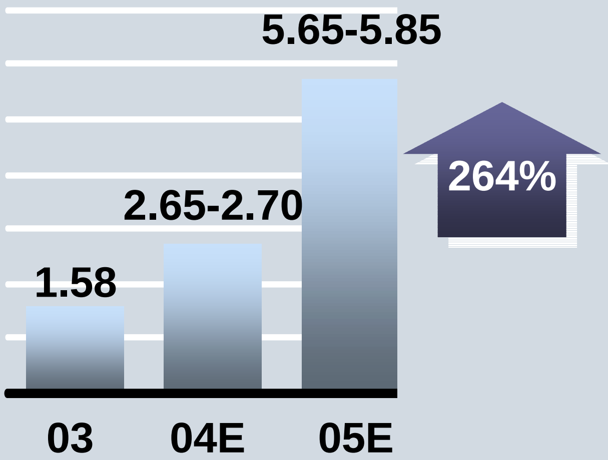
…The Majority Of Which Is Already In The 04 Run Rate

	04-05; $/share	EPS
1	**Q3 and Q4 04E earnings**	**1.63**
	Q3 weather adjustment	0.11
	Full Q3 impact of July 04 fuel factor increase	0.07
	Share count adjustment (319 to 240)	0.59
2	**Run rate**	**2.40**
	Adjustment for historical average contribution	58%
3	**Annualized run rate**	**4.14**
	05E impact of CapGemini Energy contract	0.22
	Impact of fuel factor improvement in Feb 05E	0.16
	Impact of hedge roll-off	0.11
4	**Total before improvements**	**4.63**
	Performance improvements	1.02 - 1.12
5	**05E earnings**	**5.65-5.85**

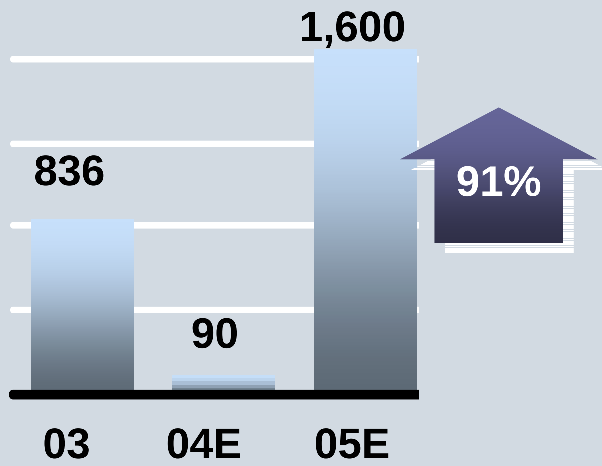
70% - 80% of earnings are already captured in the 2nd half 04 run rate

TXU's Financial Profile Is Significantly Improved…

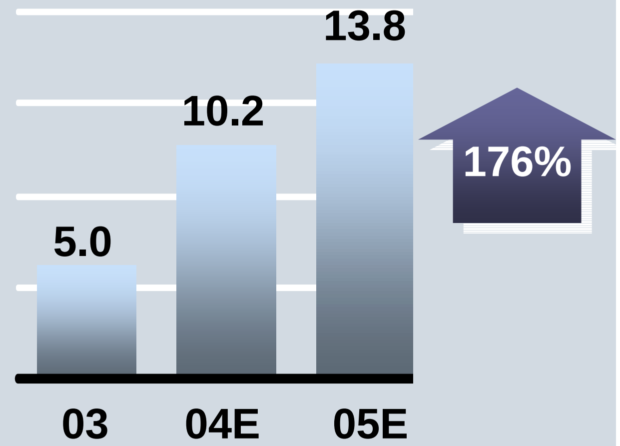
Operational EPS
03-05; $ Per Share



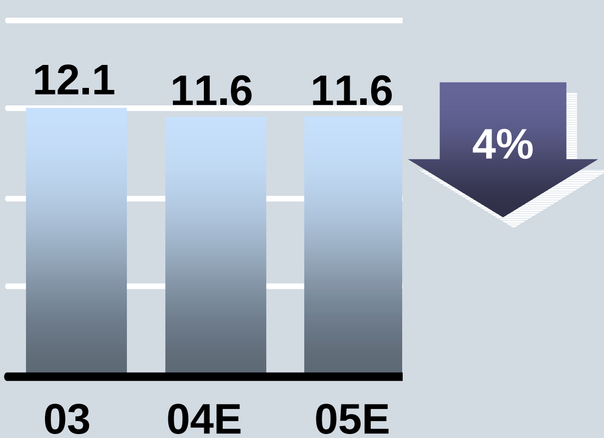
Free cash flow[1]
03-05; $ Millions



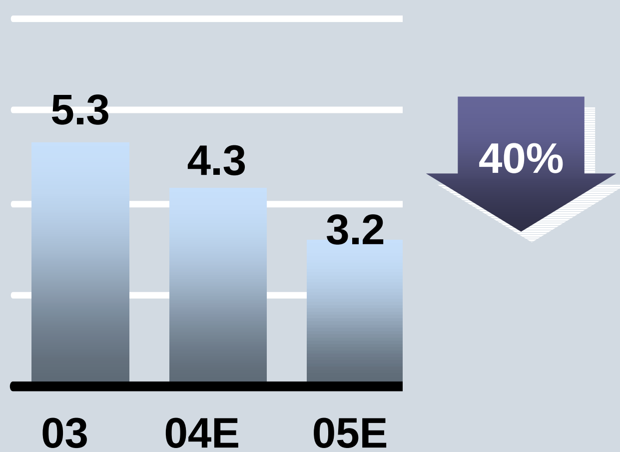
ROIC[1]
03-05; Percent



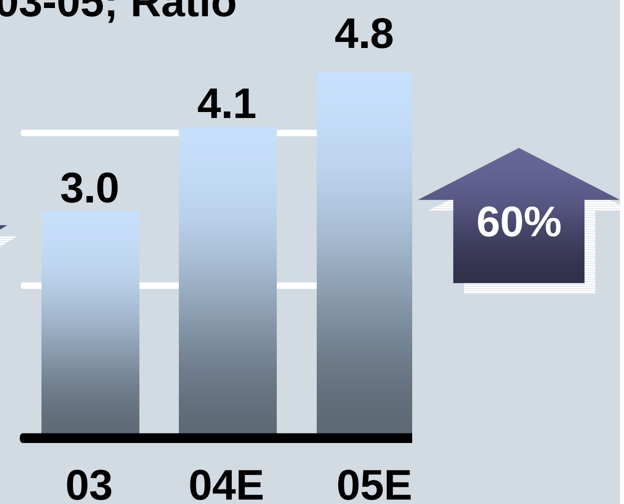
Total debt[1]
03-05; $ Billions



Total debt/EBITDA[1]
03-05; Percent



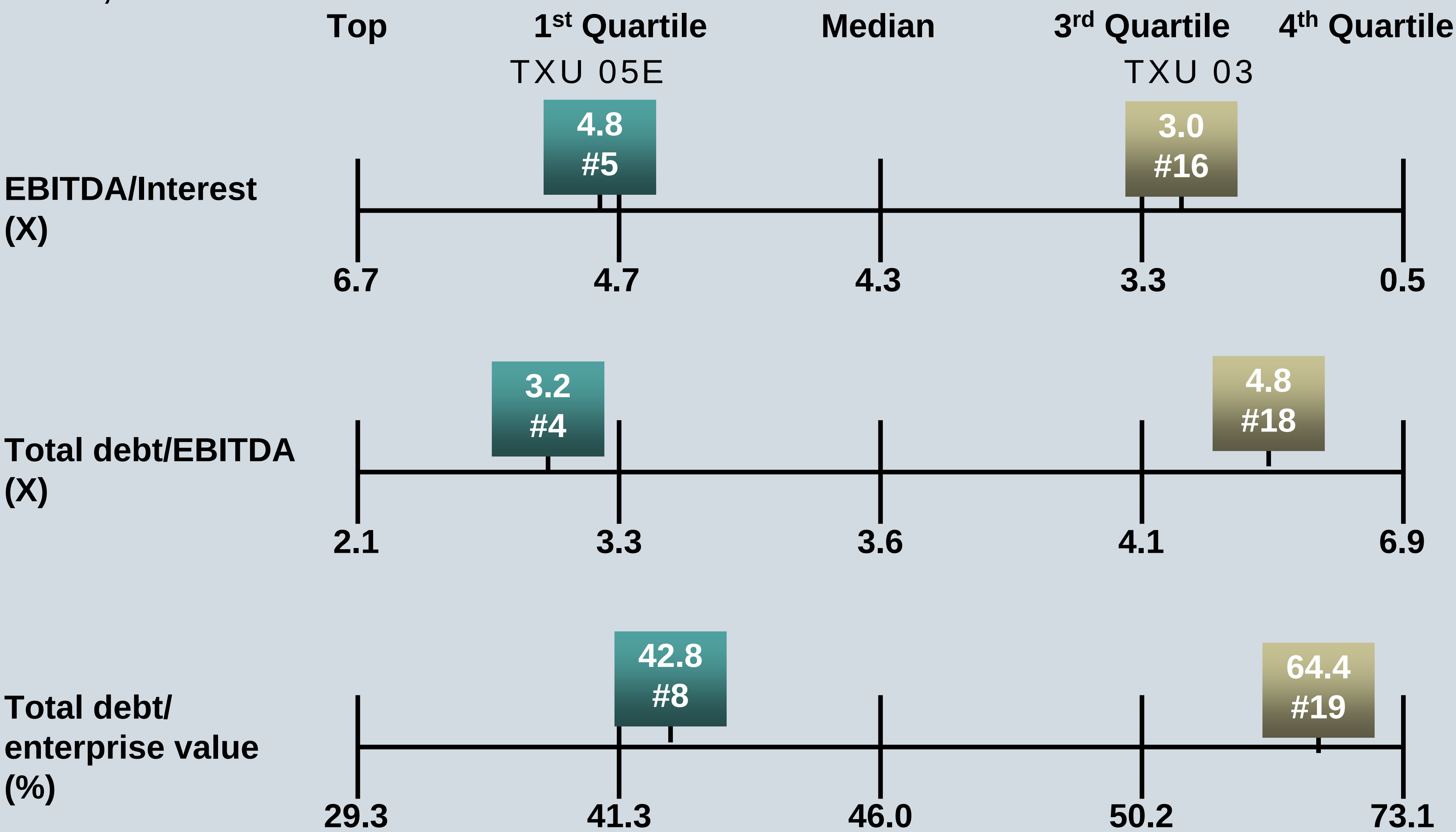
EBITDA/Interest[1]
03-05; Ratio



[1] Adjusted for unusual tax of approximately $600 million in 03 (one time refund associated with Europe) and estimated one time tax expense of up to $500-$600 million in 05 (associated with portfolio restructuring transactions)

…Resulting In Top Quartile Financial Flexibility…

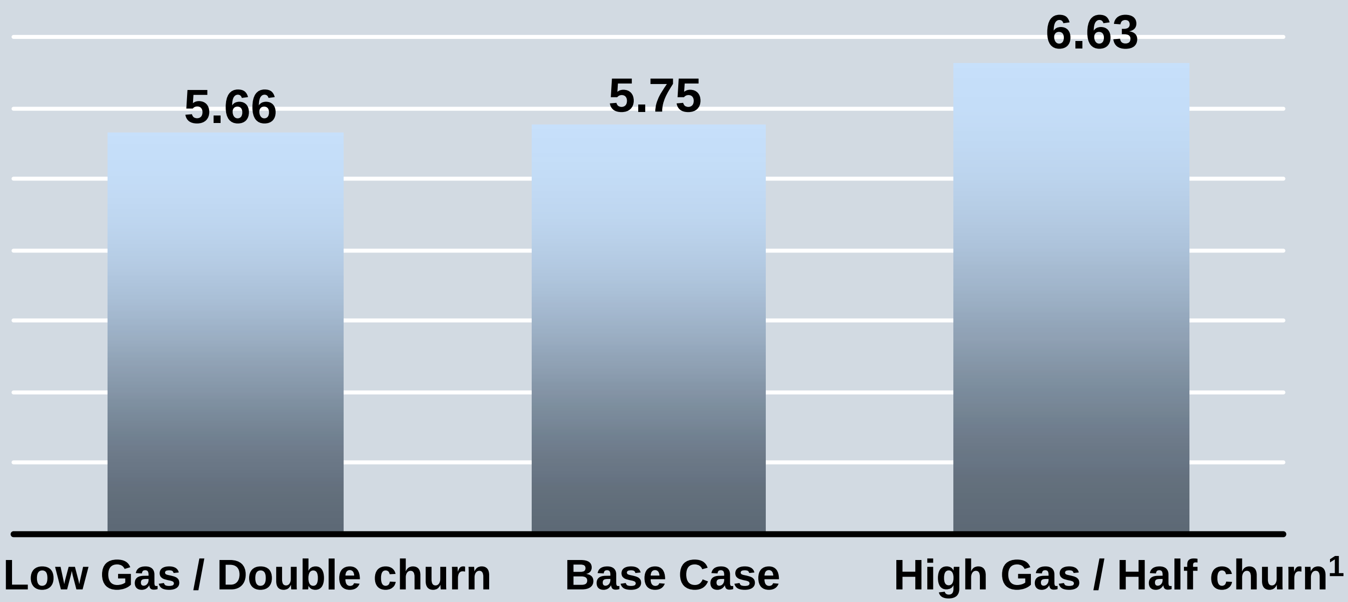
Financial Metrics for SPELEC[1] (n=20)
03-05[2]; various measures



[1] S&P Electric Utility Index
[2] Quartile based on LTM as of June 04 performance; TXU 05 performance based on current outlook; updated for balance sheet restructuring through Sep 04; TXU 03 includes discontinued operations;

…And Strong Performance Under A Wide Range Of Scenarios

Operational EPS
05E; $ per share



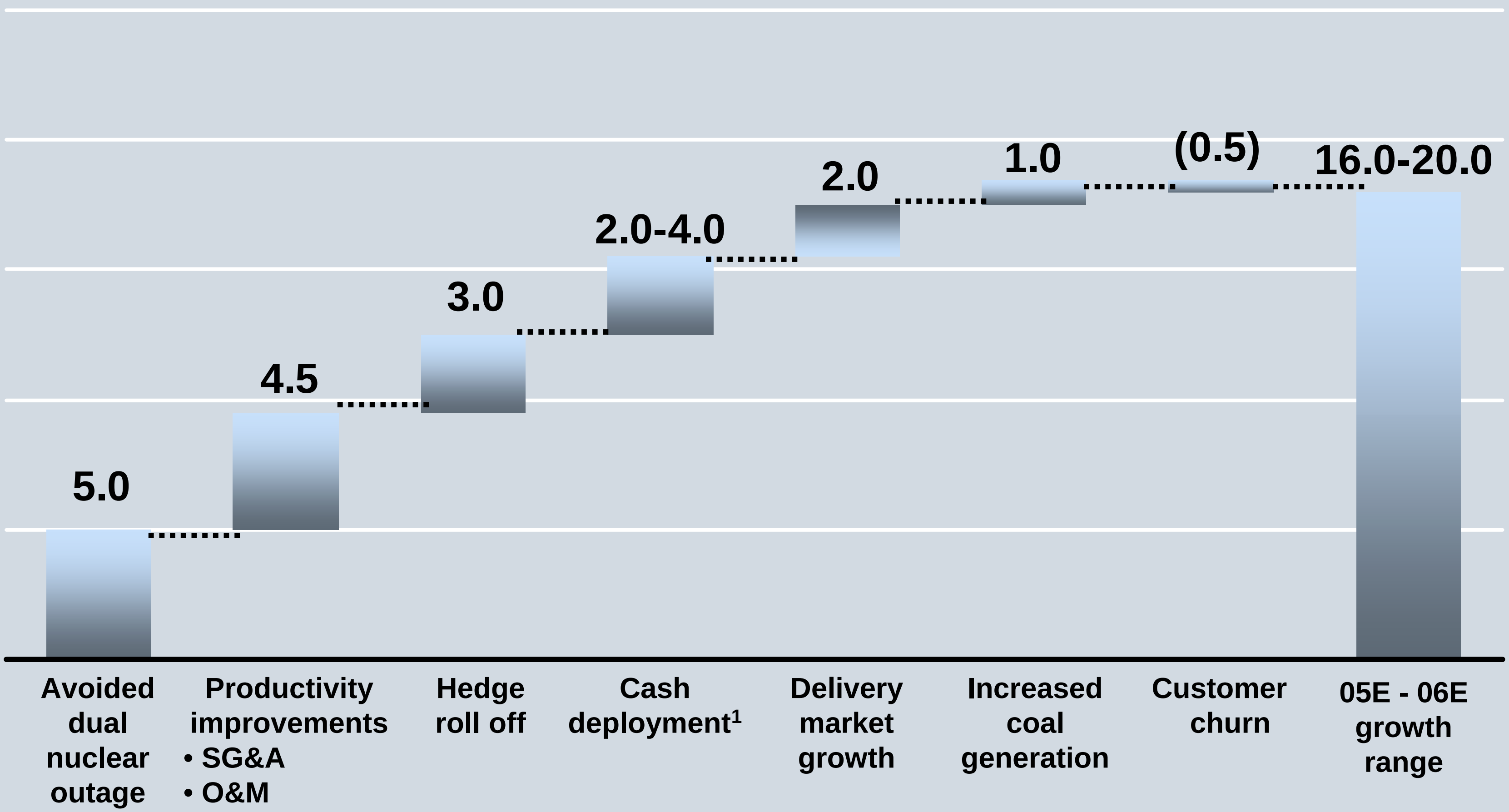
	Low Gas / Double churn	Base Case	High Gas / Half churn[1]
Gas price	**$3.50**	**$6.92**	**$8.00**
Heat rate	**7.8**	**7.8**	**7.8**
Market growth	**2.0%**	**2.0%**	**2.0%**
Annual customer churn:			
Residential	**10.0%**	**5.0%**	**2.5%**
Small Business	**5.4%**	**2.7%**	**1.3%**
Medium Business	**13.8%**	**6.9%**	**3.5%**

The combination of TXU's integrated business model and estimated performance improvements drive earnings growth under all scenarios

[1] Assumes PTB fuel factor increase to $8.00/MMBtu

Our Plan Will Result In Solid Earnings Growth Both In The Short Term…

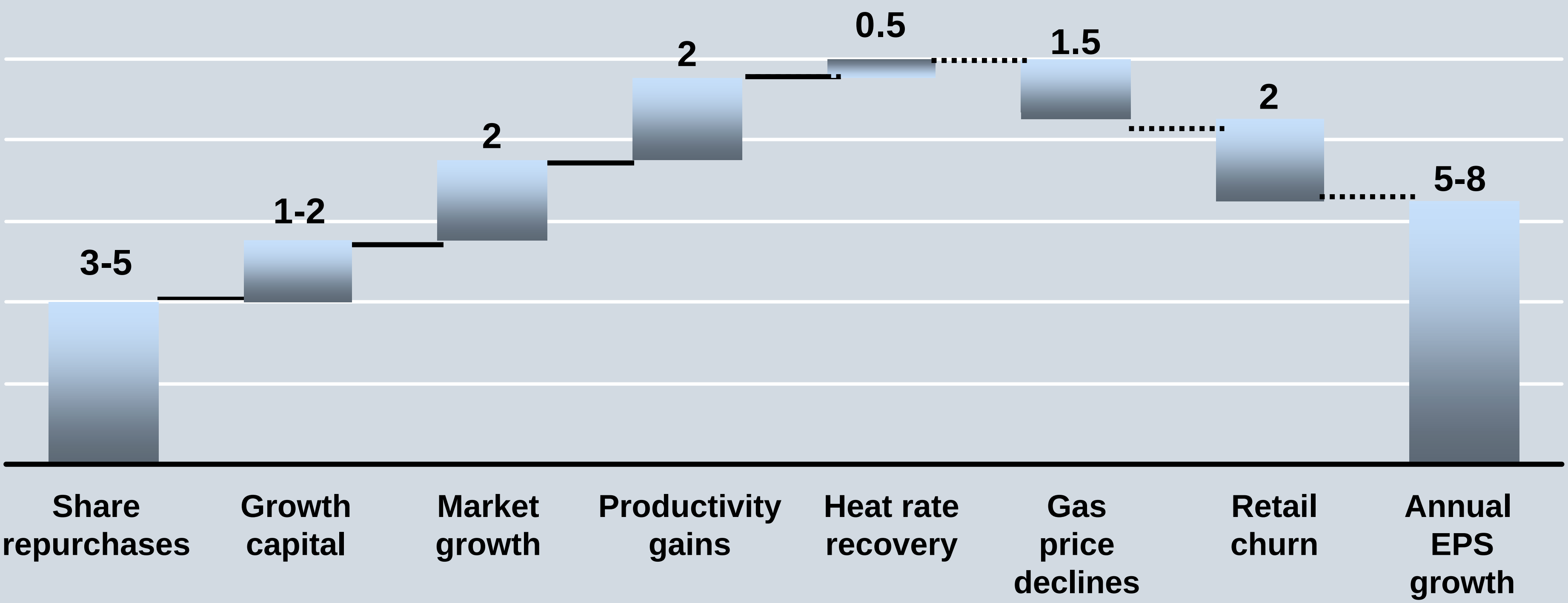
Operational EPS growth
05E-06E; Percent



[1] Includes share buyback, investment, debt pay down

…As Well As In The Long Term

Operational EPS growth
07+; Percent



Assumptions:

- $500-$750 million annually
- $300-$400 million annually
- 10% return
- 2% annual Delivery revenue growth
- 2% annual improve-ment in O&M and SG&A
- 200 Btu/KWh annual heat rate improve ment
- $0.40/ MMBtu decline
- 4% churn
- 25% gross margin

The Third Phase Will Establish TXU's Capital Allocation And Growth Strategy

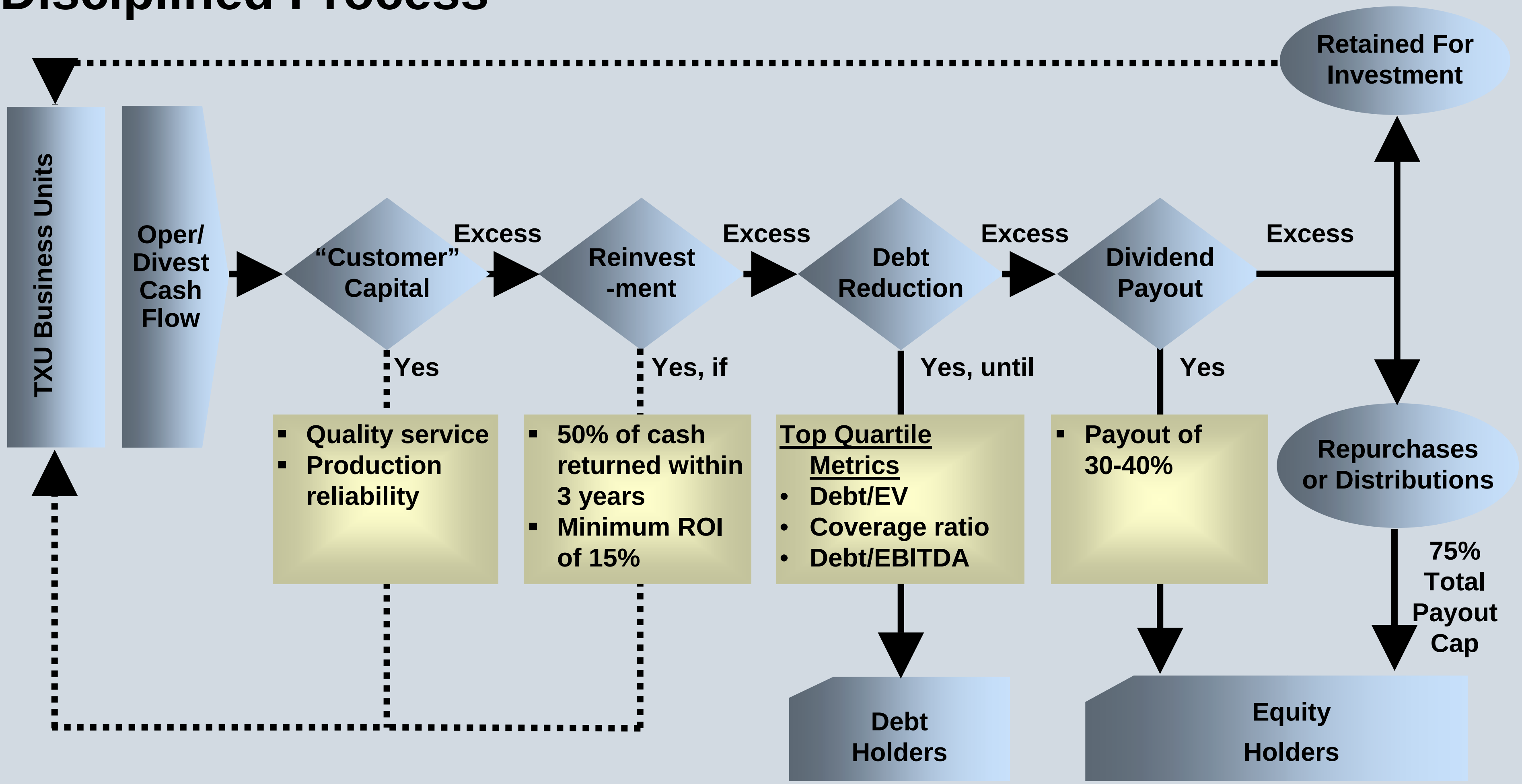
Phase 1:
Rationalize, Restructure & Restore Financial Strength

Phase 2:
Strengthen the Core & Drive Performance Improvement

Phase 3:
Allocate Capital and Grow

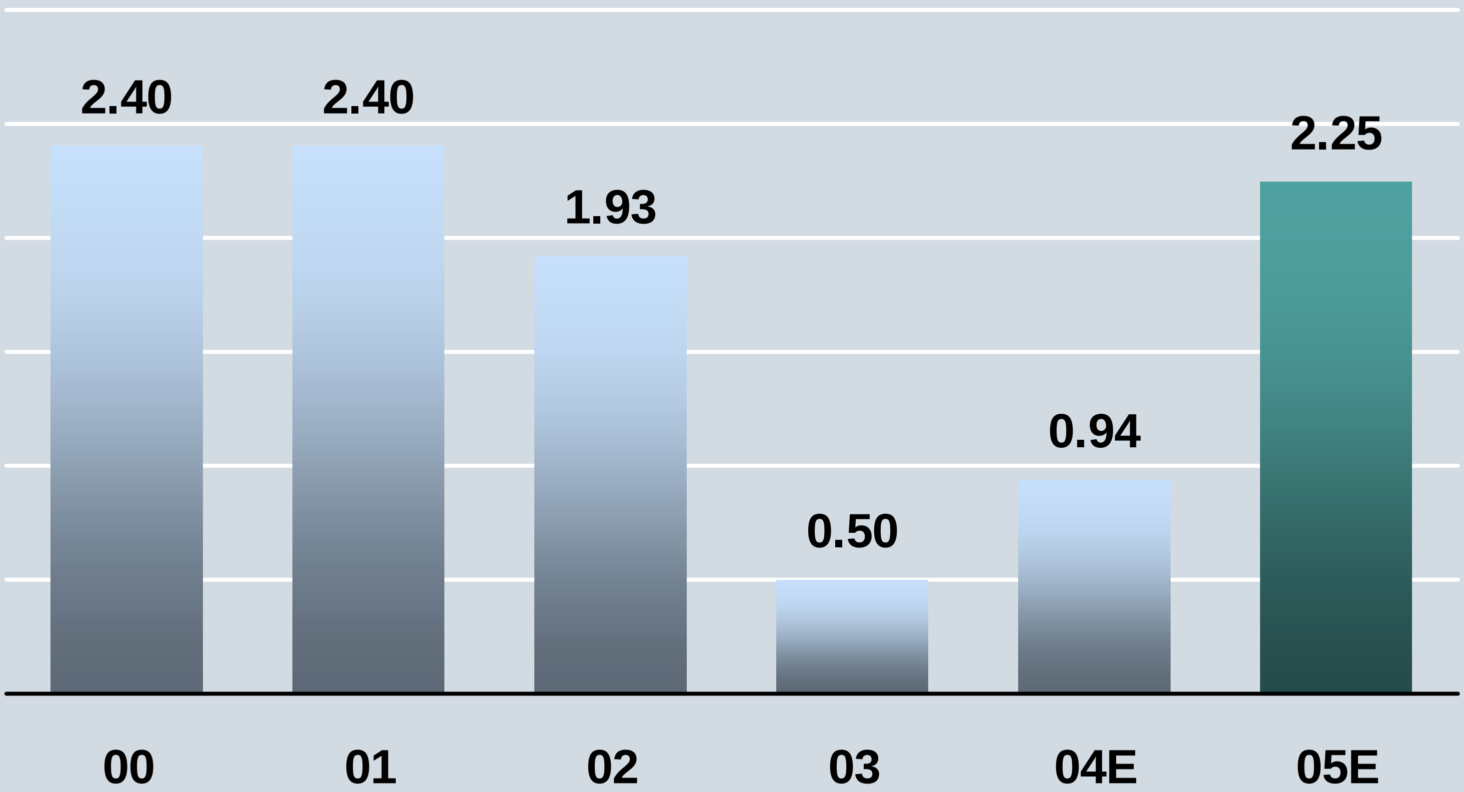
What We Needed To Do	How We Did It/ How We Are Doing It
▪ Develop rigorous cash stewardship and capital allocation philosophy ▪ Leverage distinctive capabilities to grow	▪ Implement capital allocation philosophy ▪ Pursue value-creating growth opportunities

…With Our Capital Allocation Following A Rigorous And Disciplined Process



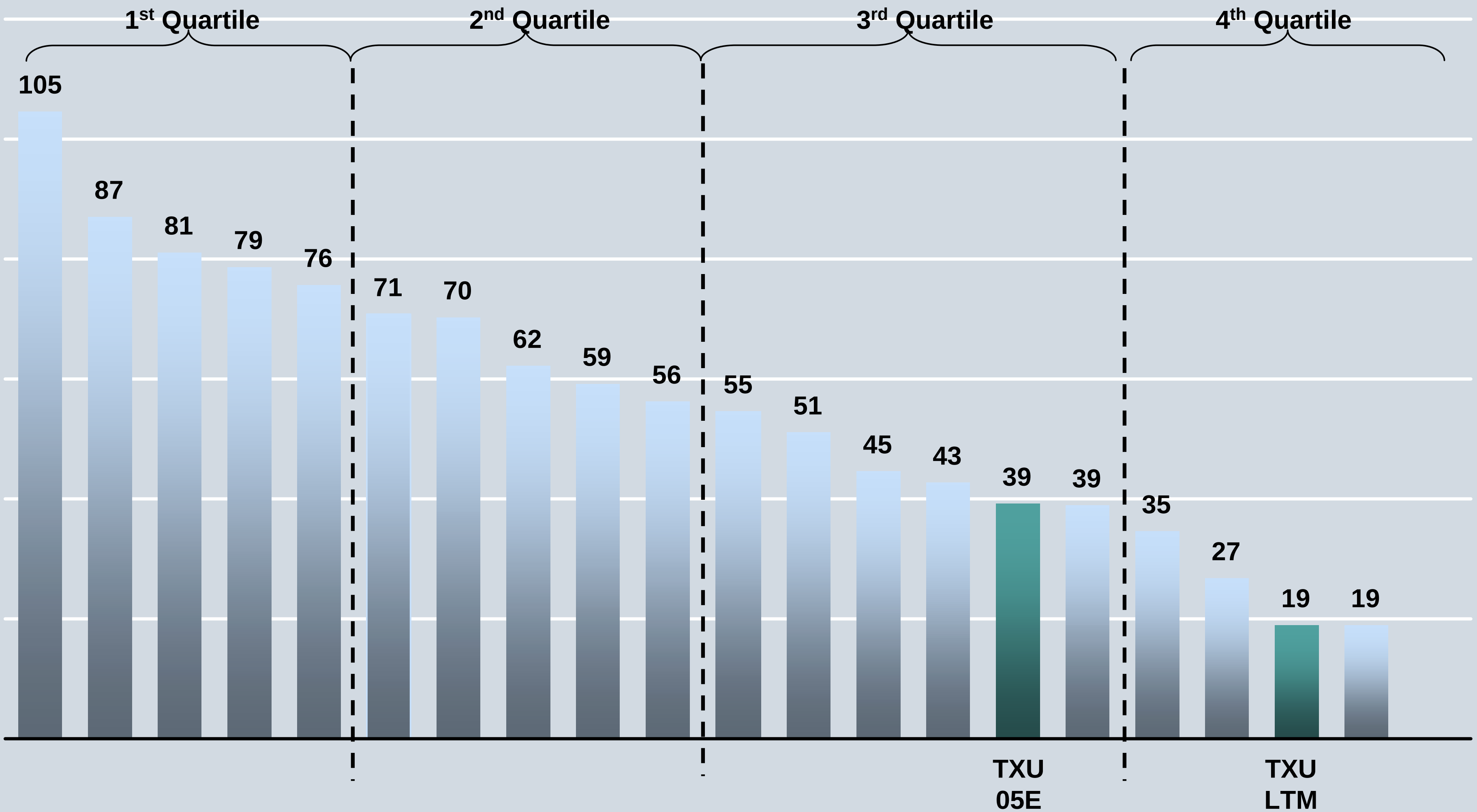
…We Have Decided To Increase Our Dividend…

Dividend declared
00-05; $ per share



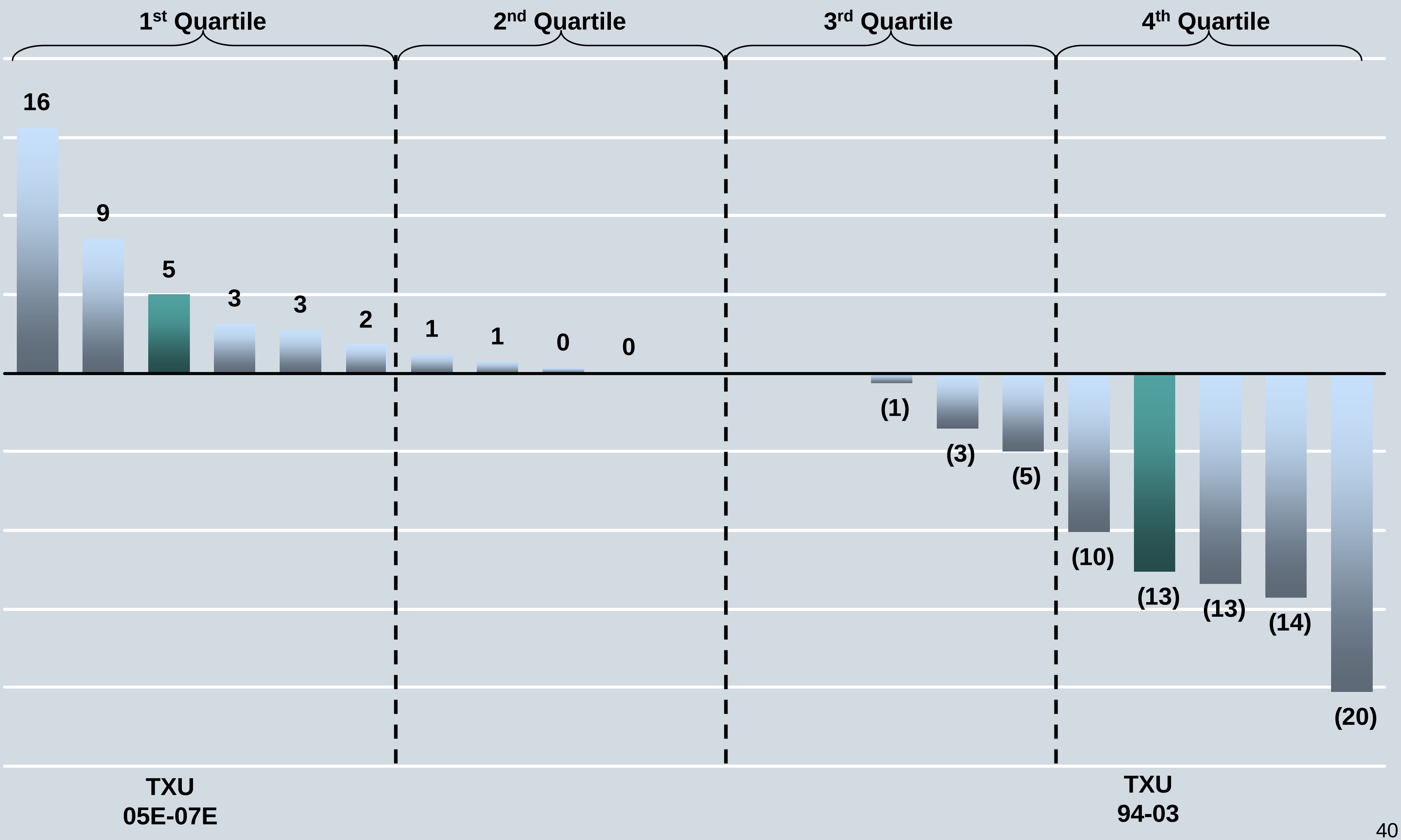
…Which Is Conservative On An Absolute Basis…

Dividend payout (TTM)
03-04; Percent of operational earnings



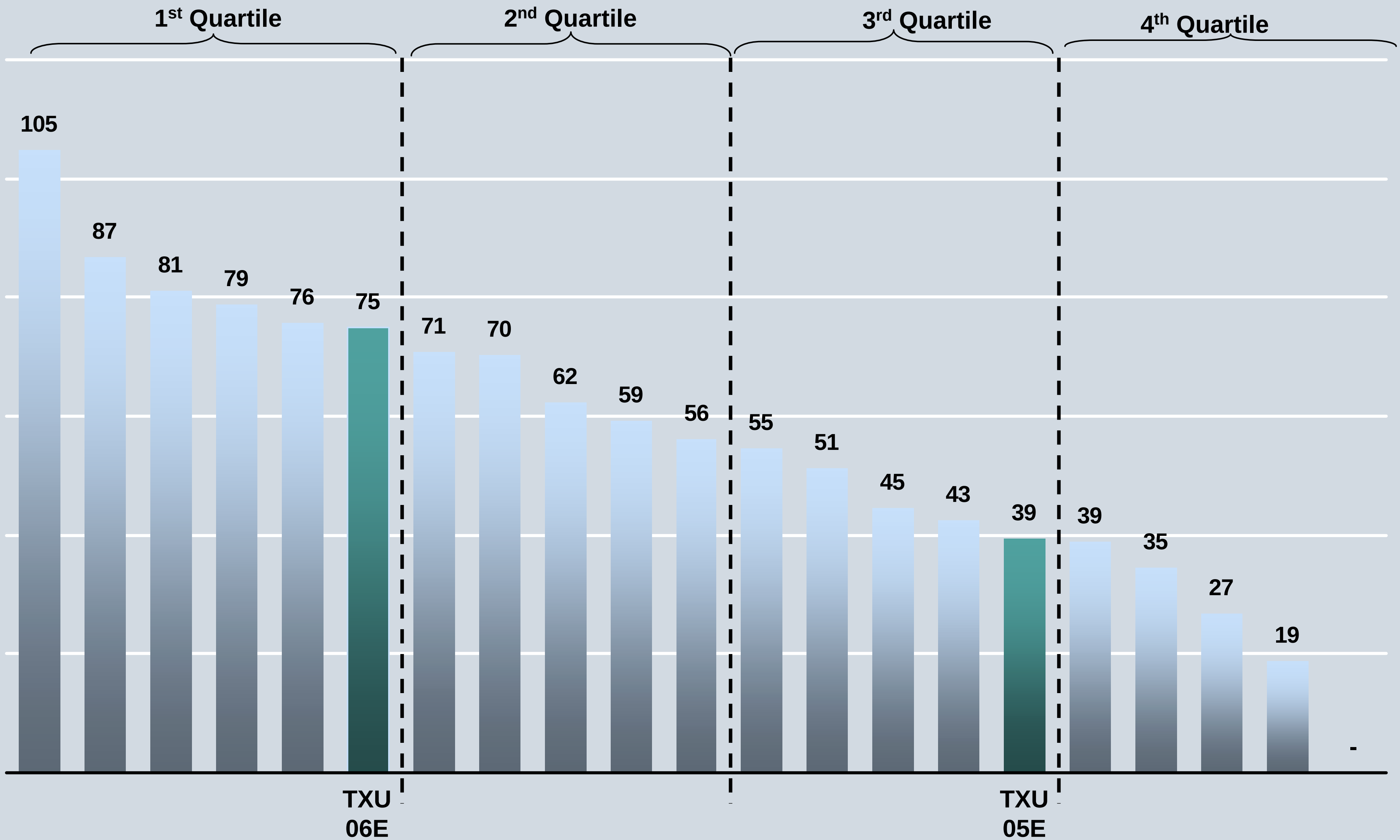
…With A High Performance Growth Rate…

Dividend growth rate
94-03; Percent

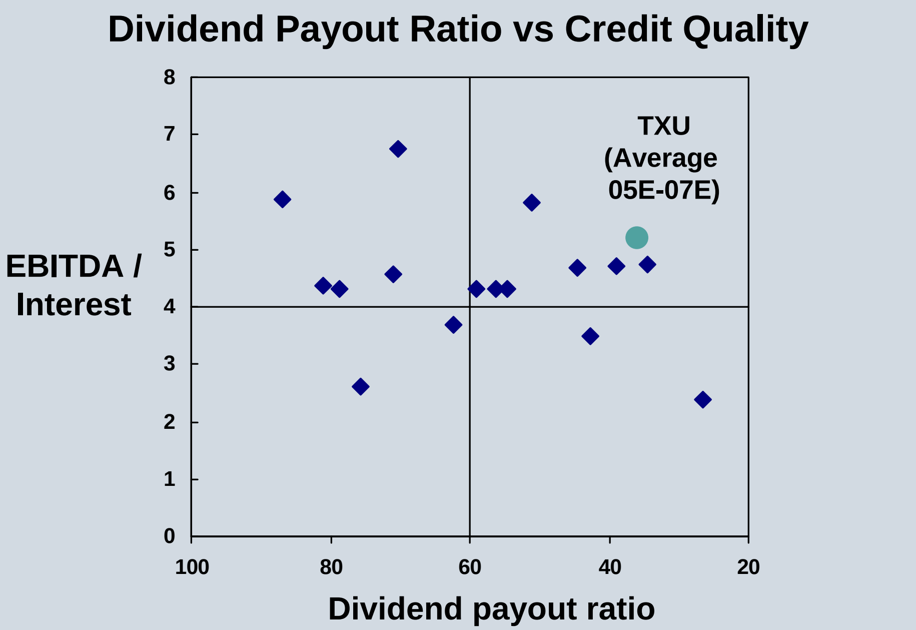


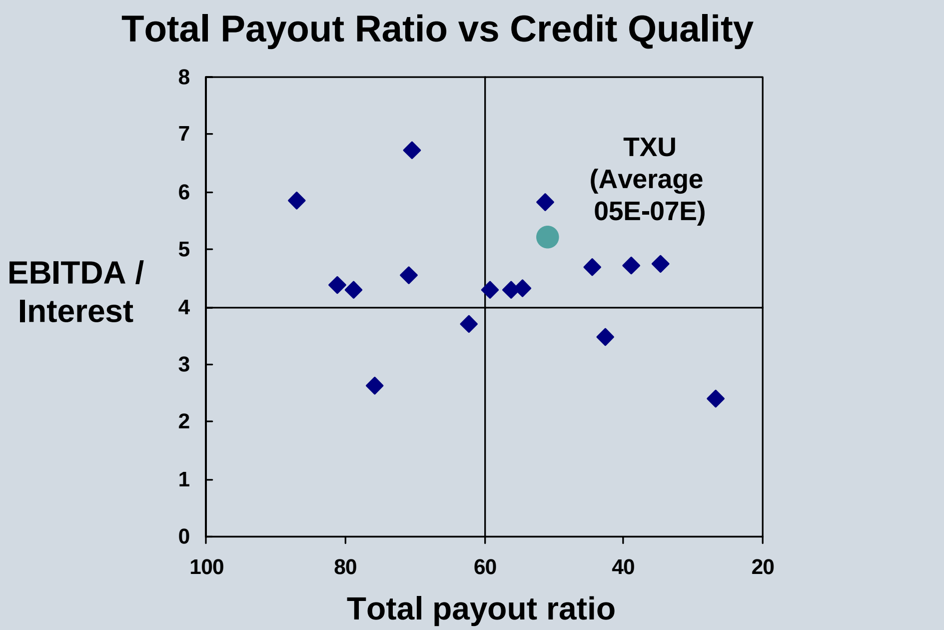
…Combined With Repurchasing Shares, Our Capital Allocation Plan Will Deliver A First Quartile Payout In 06

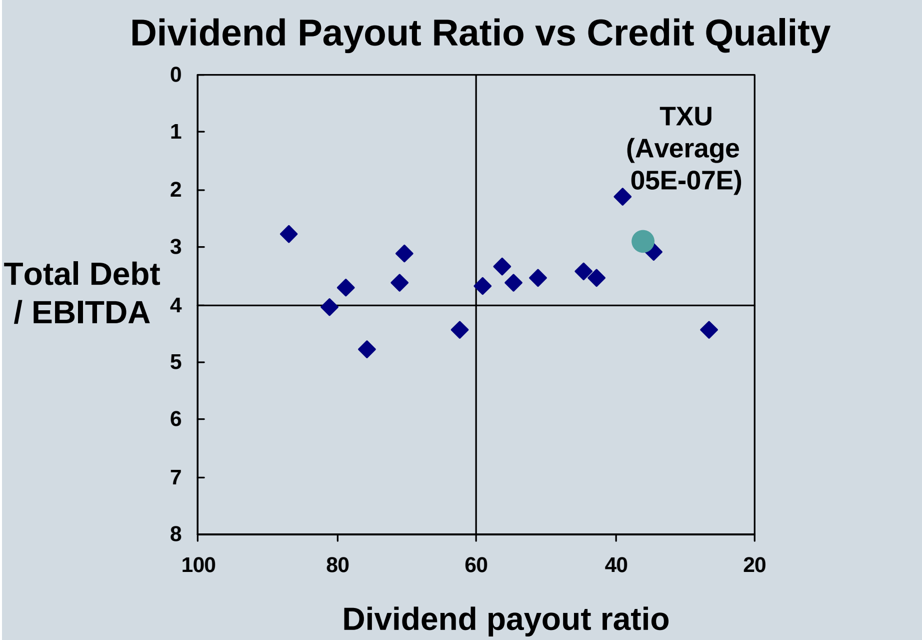
Total Payout Ratio
03; % of operational net income

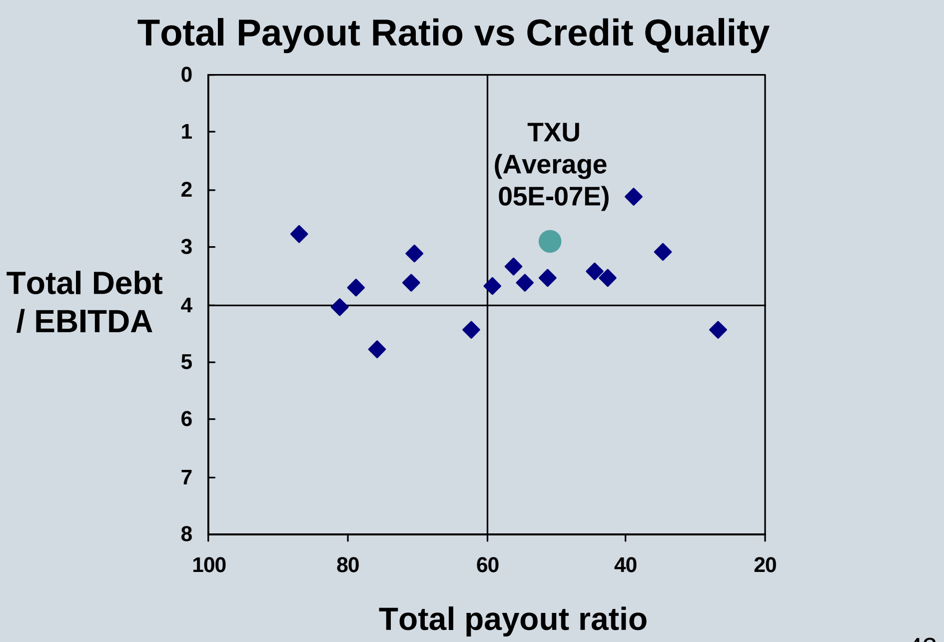


The Decision Is Supported By A Strong Credit Profile…





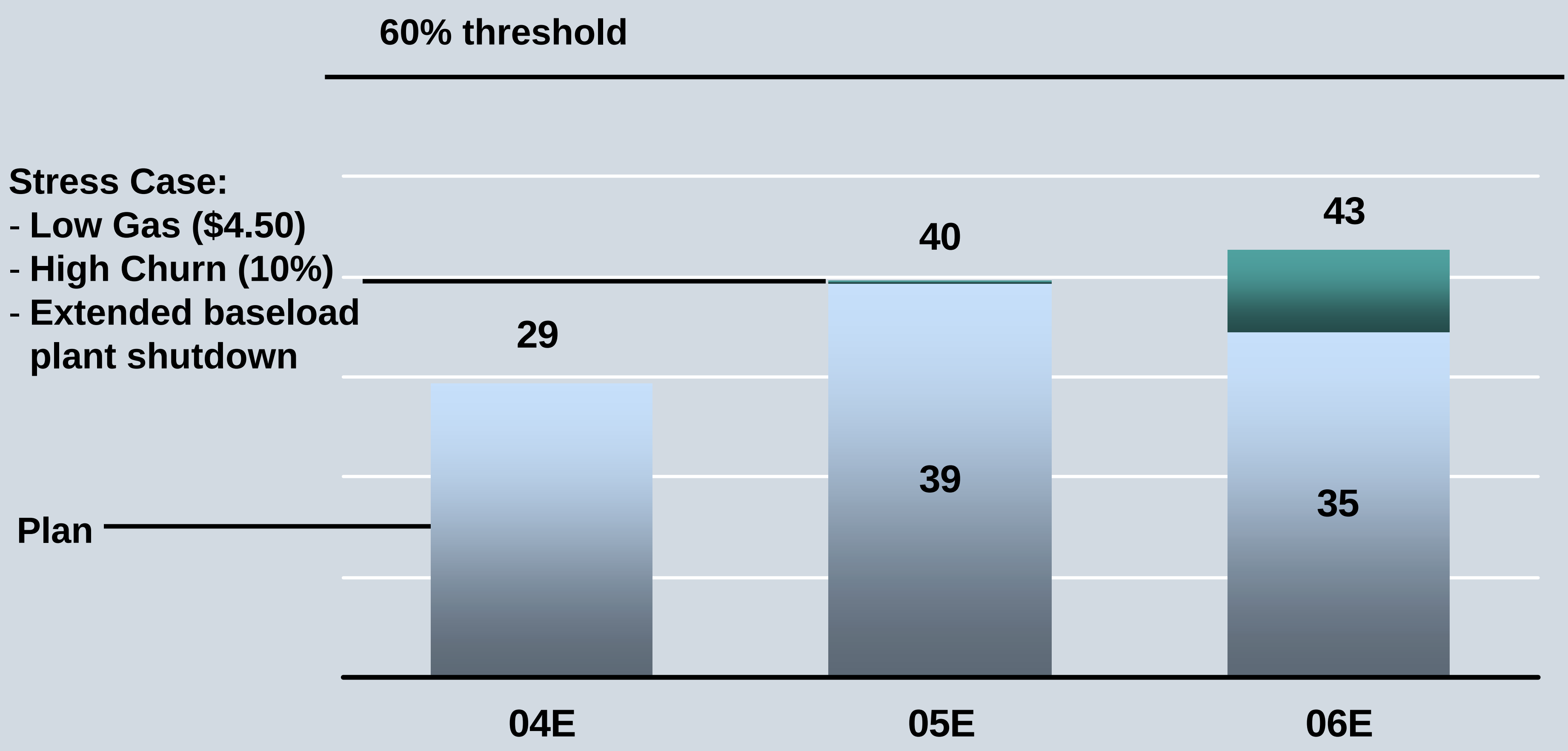




Source : Deutsche Bank, June 30 2004

…And Is Sustainable Under Multiple Stress Scenarios

Total payout ratio
04-06; % of operational net income



Today's Agenda

ERCOT Overview

- ERCOT market framework
- Impact of deregulation

TXU Competitive Positioning

- Three phase restructuring impact
- Capital allocation

Summary

- Conclusion

TXU: Transformation In Progress

1. **Competitive position -** Structurally advantaged core businesses in high growth markets with rejuvenated financial profile
   - 2X earnings power
   - 91% increase in cash flow
   - Double digit ROIC
   - Top quartile financial flexibility

2. **Large upside -** $1.2-1.3 billion potential EBIT improvement over the next 3 years relative to 04E

3. **Integrated business model -** Strong performance under wide range of commodity scenarios
   - Hedged to gas downside
   - Ability to capture gas upside

- **Disciplined capital allocation –** Focus on maximizing returns to shareholders
   - Increased dividend to $2.25 per share
   - High performance total payout

EEI Conference

TXU

C. John Wilder

Chief Executive Officer

October 26, 2004

EEI Conference

TXU

C. John Wilder

Chief Executive Officer

October 26, 2004

Regulation G Reconciliations

For future periods, TXU is currently unable to estimate the impact of special items or changes in accounting principles or policies on free cash flow, return on invested capital, total debt to capitalization or interest coverage. TXU is therefore currently unable to reconcile the most directly comparable GAAP measure to these items for forecasted periods.

Certain amounts previously reported for the year ended December 31, 2003 have been restated to reflect reporting of TXU Gas and TXU Australia and TXU Energy Company LLC's cogeneration and wholesale energy sales business in New Jersey as discontinued operations.

Definitions

Measure	Definition
Income from continuing operations	Income from continuing operations before extraordinary items and cumulative effect of changes in accounting principles from the income statement.
Special items	Unusual charges related to the implementation of the performance improvement program and other charges, credits or gains that are unusual or nonrecurring. The performance improvement program is being implemented in phases, and the charges are expected to occur largely within a one-year period. Special items are included in reported GAAP earnings, but are excluded from operational earnings. Special items associated with the performance improvement program will include costs related to severance programs, asset impairments and facility closures.
Operational earnings per share (non-GAAP)	Income from continuing operations less preference share dividends and excluding special items / weighted average diluted common shares outstanding.
EBITDA (non-GAAP)	Income from continuing operations before interest income, interest expense and related charges and income tax plus depreciation and amortization and special items. EBITDA is a measure used by TXU to assess credit quality.
EBITDA/Interest (non-GAAP)	EBITDA divided by cash interest expense is a measure used by TXU to assess credit quality.
Total debt (non-GAAP)	Long-term debt (including current portion), plus bank loans and commercial paper, plus long-term debt held by subsidiary trusts, plus preferred securities of subsidiaries (including exchangeable preferred membership interest).
Total debt/EBITDA (non-GAAP)	Total debt less transition bonds divided by EBITDA is used by TXU to assess credit quality. Transition, or securitization, bonds are serviced by a regulatory transition charge on wires rates and are therefore excluded from debt in credit reviews.
EBIT	Net income before gross interest and income tax expense.
Return on invested capital (ROIC) (non-GAAP)	Operational earnings plus preference stock dividends plus after-tax interest expense / average total capitalization.

Definitions – cont.

Measure	Definition
Free cash flow	Operating cash less capital expenditures
Market capitalization	Total number of shares of common stock outstanding multiplied by the price per share of common stock.
Enterprise value	Total debt plus preference stock plus market capitalization
Total Debt/Enterprise value	Total debt plus preference stock

Table 1: TXU Corp. Operational EPS
Year Ended December 31, 2003; $ and shares in Millions

Income from continuing operations before extraordinary loss and cumulative effect of changes in accounting principles as reported	$ 737
Operations discontinued	(171)
Less Preference stock dividends	(22)
Operational earnings	544
After-tax interest on preferred membership interests in TXU Energy	53
Adjusted operational earnings for diluted EPS calculation	$ 597
Average shares of common stock outstanding - diluted (millions)	379
Operational earnings per share - diluted	$ 1.58

Table 2: TXU Corp. Free Cash Flow
Year ended December 31, 2003; $ Millions

	As Reported	Operations Discontinued	Continuing Operations
Cash provided by operating activities	2,798	389	2,409
Less Capital expenditures:			
Capital expenditures	956		
Acquisitions of business	150		
Nuclear fuel	44		
Total capital expenditures	1,150	193	957
Less income tax refund associated with Europe			616
Free cash flow			836

Table 3: TXU Corp. Return on Invested Capital (ROIC)
Year ended December 31, 2003; $ Millions

Operational earnings		$ 544
Preference stock dividends		22
Interest expense and related charges *	784	
Taxes at 35%	341	
After-tax interest expense and related charges		443
Total return		$ 1,009
Average invested capital		$ 20,322
Return on invested capital		5.0%

* Excludes $192M interest for operations discontinued

Table 4: TXU Corp. EBITDA/Interest
Year Ended December 31, 2003; $ Millions

	As Reporte	Operations Discontinue	Ongoing Operation
Income before income taxes, extraordinary loss and cumulative effect of change in accounting principles	$ 1,051	$ 233	$ 818
Interest expense and related charges	975	191	784
Interest income	(44)	(8)	(36)
EBIT	1,982	416	1,566
Depreciation and amortization	886	163	723
EBITDA	$ 2,868	$ 579	$ 2,289
Interest expense and related charges			$ 784
Amortization of discount and reacquired debt expense			(31)
Capitalized interest			12
Cash interest expense			$ 765
EBITDA/Interest			3.0

Table 5: Energy EBITDA
Year Ended December 31, 2003; $ in Millions

	As Reported	Operations Discontinued	Continuing Operation
Income before income taxes, extraordinary loss and cumulative effect of change in accounting principle	$ 722	$ 6	$ 728
Interest expense and related charges	323	-	323
Interest income	(8)	-	(8)
Depreciation and amortization	409	(2)	407
EBITDA	$ 1,446	$ 4	$ 1,450
Energy segment EBITDA			$ 95
Power segment EBITDA			1,360
Rounding and other			(5)
Total			$ 1,450

Table 6: Electric Delivery Operational EPS
Year Ended December 31, 2003; $ in and shares Millions

Net income	**$ 258**
Average shares of TXU Corp. common stock outstanding - diluted	**379**
Operational earnings per share	**$ 0.68**

Table 7: Electric Delivery EBITDA
Year Ended December 31, 2003; $ in Millions

Income before income taxes, extraordinary loss and cumulative effect of change in accounting principles	$	385
Interest expense and related charges		300
Interest income		(52)
Depreciation and amortization		297
EBITDA	$	930

Table 8: TXU Corp. Total debt/EBITDA
Year Ended December 31, 2003; $ Millions

Total debt	12,090
EBITDA	2,289
Total debt/EBITDA	5.3

Table 9: TXU Corp Total Debt to Enterprise Value Ratio December 31, 2003; $ Millions

	As Reported	Operations Discontinued	Continuing Operations
Debt			
Notes Payable:			
Commercial Paper	39	39	-
Banks	58	58	-
Long-term Debt due Currently	677	-	677
LT Debt held by sub Trusts	546	-	546
All other LT debt, less due current	12,324	1,716	10,608
Securitization Debt	(500)	-	(500)
Preferred securities of subs	759	-	759
Total debt	13,903		12,090
Preference stock	300	-	300
Total debt and preference stock	14,203		12,390
Market Capitalization			
Shares Outstanding	324		324
Price per Share	23.72		23.72
Total Market Capitalization	7,685		7,685
Enterprise Value	21,888		20,075
Debt to Enterprise Value	64.9%		61.7%