



# **Earnings Review Third Quarter 2002**

**October 30, 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 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.*

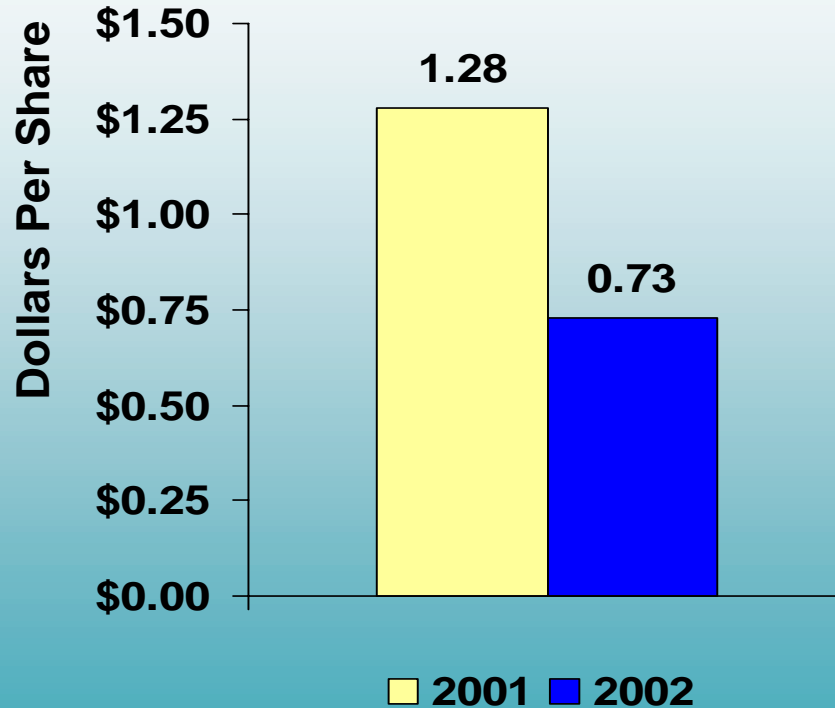
- **TXU Europe results excluded from analysis**
  - Expect to be discontinued operations by year - end
  - Focused on prompt & orderly disposition of this business
- **Ongoing earnings per share**
  - Third quarter: \$0.92 compared to \$1.27 prior period
  - Year to date: \$2.64 compared to \$2.28 prior period

# Earnings Per Share

## Three Months Ended September 30, 2002



### Reported



### Ongoing \*



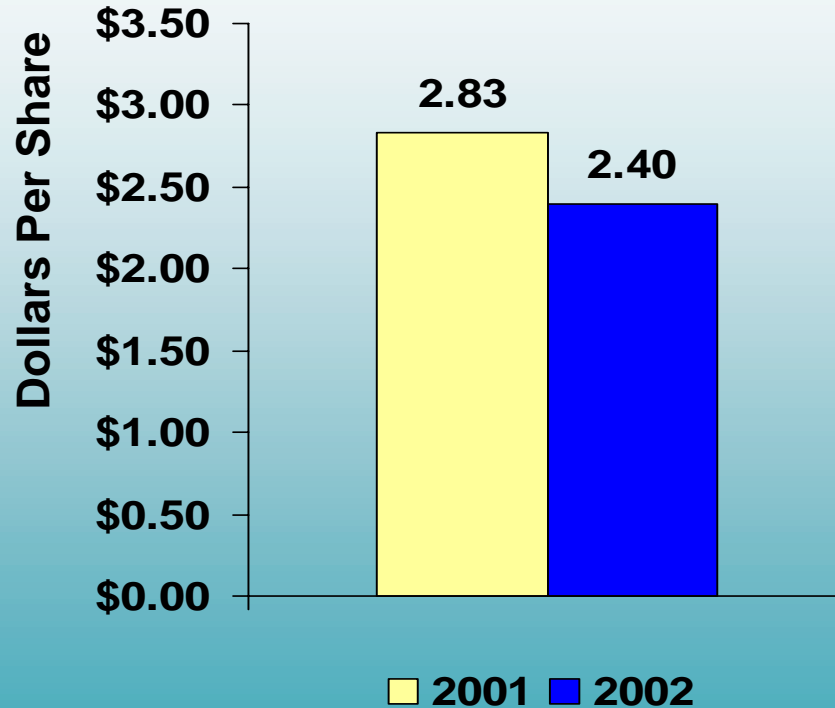
\* Excludes unusual items

# Earnings Per Share

## Nine Months Ended September 30, 2002



### Reported



### Ongoing \*



\* Excludes unusual items

# TXU Consolidated



**\$US Millions**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2002</u>	<u>2001</u>	<u>% Chg</u>	<u>2002</u>	<u>2001</u>	<u>% Chg</u>
Operating Revenues	\$ 4,276	\$ 3,967	7.8	\$ 11,925	\$ 12,393	(3.8)
EBITDA	868	808	7.4	2,551	2,734	(6.7)
EBIT	624	507	23.1	1,835	1,819	0.9
Net Income	\$ 206	\$ 334	(38.3)	\$ 651	\$ 731	(10.9)

# International Energy Segment- Europe



**\$US Millions**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2002</u>	<u>2001</u>	<u>% Chg</u>	<u>2002</u>	<u>2001</u>	<u>% Chg</u>
Operating Revenues	\$ 1,358	\$ 1,229	10.5	\$ 4,052	\$ 4,497	(9.9)
EBITDA	72	(50)	-	273	662	(58.8)
EBIT	41	(148)	-	194	353	(45.0)
Net Income (loss)	\$ (37)	\$ 21	-	\$ (33)	\$ 161	-

# International Energy Segment- Australia



**\$US Millions**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2002</u>	<u>2001</u>	<u>% Chg</u>	<u>2002</u>	<u>2001</u>	<u>% Chg</u>
Operating Revenues	\$ 234	\$ 200	17.0	\$ 662	\$ 547	21.0
EBITDA	71	81	(12.3)	240	184	30.4
EBIT	54	61	(11.5)	191	126	51.6
Net Income	\$ 24	\$ 30	(20.0)	\$ 102	\$ 51	-

# North America Energy Segment



**\$US Millions**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2002</u>	<u>2001</u>	<u>% Chg</u>	<u>2002</u>	<u>2001</u>	<u>% Chg</u>
Operating Revenues	\$ 2,420	\$ 2,351	2.9	\$ 6,236	\$ 6,163	1.2
EBITDA	485	509	(4.7)	1,332	1,246	6.9
EBIT	374	409	(8.6)	1,004	940	6.8
Net Income	\$ 223	\$ 267	(16.5)	\$ 579	\$ 567	2.1

# North America Energy Delivery Segment



**\$US Millions**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2002</u>	<u>2001</u>	<u>% Chg</u>	<u>2002</u>	<u>2001</u>	<u>% Chg</u>
Operating Revenues	\$ 694	\$ 770	(9.9)	\$ 2,189	\$ 2,630	(16.8)
EBITDA	275	294	(6.5)	790	729	8.4
EBIT	193	215	(10.2)	545	497	9.7
Net Income	\$ 78	\$ 83	(6.0)	\$ 220	\$ 153	43.8

- **Prompt resolution in Europe – TXU exit**
- **Primary focus on cash and liquidity**
- **Continue to enhance credit**
- **Maintain quality operations**