

## **FOR IMMEDIATE RELEASE**

### **TXU Reports Strong Second Quarter Results; Maintains 2002 and 2003 Guidance**

**DALLAS—(July 25, 2002)** TXU (NYSE:TXU), a global energy services company with business interests on three continents, today announced that earnings for the second quarter ended June 30, 2002 were \$0.73 per share of common stock versus \$0.78 per share for the second quarter of 2001. Year-to-date earnings were \$1.67 per share of common stock compared to \$1.55 per share for year-to-date 2001, an increase of eight percent. Before an extraordinary item related to debt extinguishment in the first quarter, earnings for year-to-date 2002 were \$1.73 per share, an increase of seven percent over the prior year period earnings of \$1.61 per share, excluding unusual restructuring costs in the first quarter of 2001.

#### **Selected Quarter Highlights**

- TXU took further actions to strengthen the balance sheet, maintain ample liquidity, and position the company for future growth. TXU issued over \$1 billion of common stock equity and equity-linked securities (11.8 million shares of common stock and 8.8 million shares of FELINE PRIDES<sup>SM</sup>). TXU also established a joint \$1 billion 364-day revolving credit facility at US Holdings, Oncor and TXU Energy and a \$500 million 3-year revolving credit facility at TXU Corp. to replace the existing TXU Corp. and TXU US Holdings \$1.4 billion credit facility. Oncor, TXU's electricity delivery business, issued \$1.2 billion aggregate principal amount of Senior Unsecured Notes at favorable rates.
- The Public Utility Commission of Texas approved the sweeping settlement plan for TXU and two of its wholly owned subsidiaries, TXU Energy and Oncor, resolving all major pending issues related to the company's transition to competition.
- TXU strengthened its position in the German energy market with the purchase of 74.9 percent of Braunschweiger Versorgungs AG (BVAG), a wholly owned subsidiary of Stadtwerke Braunschweig. The acquisition adds 210,000 electricity, gas, heating and water customers with the network and energy businesses in the Braunschweig area of central Germany, increasing TXU's German customer base to more than 650,000 and its European retail base to over 6 million residential and business customers.
- TXU completed the sale of 2,334 megawatts of gas fired electric generating plants in Texas.
- TXU completed the acquisition of 122 megawatts of gas fired electric generation plant in Pedricktown, New Jersey.
- TXU further strengthened its position in the Nordic region with the purchase of Forbrukerkraft, one of Norway's fastest growing retail energy suppliers with 43,000 customers. The acquisition complements TXU's existing retail interests in Atro in Finland and its 780 MW of generation output capacity through a joint venture with Powest Oy in Finland, contracts for hydro-electric power in Norway and interests in other contracts for electricity in Finland.
- TXU will begin serving approximately 34,000 residential and small business customers of NewPower in the Houston area in an agreement that provides a new base of customers in Houston for TXU and provides the customers with a seamless transition.

- TXU launched several innovative new programs in Australia to further enhance customers' lives. One program saves pensioners money by making their energy payments "worry free" through direct debit, which helps TXU reduce billing and payment processing costs. TXU Electricians was launched to provide a reliable, fixed price, one-stop service to customers, 24 hours a day, seven days a week. A dual fuel product was introduced that combines gas and electricity into a single monthly bill - the first of its kind in Australia.
- TXU Energy in North America launched TXU Energy Sentinel, providing large commercial and industrial customers the freedom to choose from a comprehensive suite of 26 energy management services.
- TXU further evidenced its commitment to the environment with several events in the second quarter. TXU won the annual Kenes C. Bowling National Mine Reclamation Award from the Interstate Mining Compact Commission for reclamation in the coal category at its Monticello Mine in east Texas. TXU also partnered with the Dallas Trees and Parks Foundation and Richland College to create the largest known non-profit urban tree farm in the United States. In addition, a TXU joint venture made applications for the largest offshore wind farm in the UK, an approximate 200 MW development in northwest England in the Solway Firth.

Regarding the financial results, Mike McNally, chief financial officer said, "This is yet another example of the focus and ability of the TXU team to deliver excellent results in challenging times. As in the first quarter, the diversity of our operations allowed us to overcome continued difficult market conditions in the UK with increased contributions from the rest of international and North America operations. We also continue to position for growth and improve the balance sheet and have exceeded our near term goal of 55 percent long-term debt to capital this year."

McNally continued, "We expect third quarter earnings to be in a range of \$1.55 to \$1.60 per share and fourth quarter earnings of \$1.05 to \$1.10 per share of common stock. While the continued challenges in the UK market will place some pressure on the achievement of our 2002 target of \$4.35 to \$4.45, with normal summer weather in Texas, continued progress on initiatives in place in the UK to enhance margins through restructuring long term contracts and physical generation positions, and anticipated cost reductions and other initiatives globally, we remain focused on achieving this guidance. These initiatives will also position us well to meet 2003 expectations in the \$4.80 to \$4.90 per share range."

### **Summary of Results**

Second quarter results reflect continued strong contributions from the North America Energy and Energy Delivery segments and from Australia, somewhat offset by the effect of continued difficult market conditions in the UK. Results benefited from reduced interest expense due to the benefits of the company's balance sheet improvement efforts and the discontinuance of goodwill amortization. Comparisons to prior year results were negatively affected by the absence of the earnings contribution from the UK networks business, which was sold at the beginning of the year, and the 2001 gain on the sale of the Company's investment in Hidroelectrica del Cantabrico in Spain. Comparisons to the prior year quarter were also affected by the increase in number of shares of common stock as a result of the maturity of equity-linked securities in August 2001 and the successful issuance of 11.8 million shares of common stock at the beginning of June 2002.

The North America Energy segment delivered \$176 million of net income. This segment contains the company's generation, portfolio trading, and retail operations in Texas and other similar positions in North America. The results reflect the successful transition to competition of the Texas operations, primarily driven by higher gross margin offset by higher O&M expenses resulting primarily from increases in infrastructure in both trading and retail to effectively compete in the Texas market.

Net income contribution from the International Energy segment declined from \$86 million in the second quarter of 2001 to \$33 million in the second quarter of 2002. The International Energy segment includes the company's operations in Europe and Australia. The discontinuance of goodwill amortization added \$47 million while the sale of the UK networks eliminated approximately \$34 million of contribution. Segment results were driven primarily by difficult market conditions in the UK, where low wholesale prices together with a lack of wholesale price volatility and increased retail competition continued to depress gross margins. These effects were somewhat offset by reduced interest costs as a result of the asset disposal and balance sheet strengthening program undertaken in 2001, reduced depreciation, and previously discussed remedial actions taken in the first quarter, including mothballing of certain electricity generation plants. As mentioned above, results in the 2001 second quarter benefited from the \$51 million gain on the sale of the company's investment in Hidroelectrica del Cantabrico.

Net income from Australia increased by \$6 million, due primarily to the discontinuance of amortization of goodwill. Improved gross margins were substantially offset by the expected increase in operating costs associated with increased retail infrastructure and marketing costs in conjunction with the full opening of the retail electricity market in the first quarter.

The North America Energy Delivery segment provided \$41 million of net income. This segment includes the electric transmission and distribution assets as well as the company's gas pipeline and distribution business. Segment results reflect lower operating costs and reduced interest expense.

### **Conference Call and Analyst Meeting**

TXU's quarterly earnings teleconference with financial analysts is scheduled for 9:30 a.m. Central (10:30 a.m. Eastern) today. The teleconference will be broadcast live on the TXU web site 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 for the periods ended June 30, 2002 are also available on the web site at [www.txu.com](http://www.txu.com) in the Investor Resources section.

In addition, TXU will web cast live at [www.txu.com](http://www.txu.com) its regular quarterly meeting with analysts on Tuesday, July 30, 2002 at 8:30 a.m. Eastern Time and will have a replay available on the web site later that day. For analysts who wish to attend the quarterly meeting, it will begin with an informal breakfast at 7:45 a.m. Eastern Time on Tuesday, July 30, 2002 on the 20<sup>th</sup> floor of the St. Regis Hotel (located at 2 East 55th at 5th Ave.) in New York City. The meeting will begin promptly at 8:30 a.m.

TXU will also host similar meetings for analysts on Tuesday, July 30, 2002 in Boston, MA, at 1:00 p.m. Eastern Time at the Boston Harbor Hotel (located at 70 Rowes Wharf); Wednesday, July 31, 2002 in San Francisco, CA, at 1:00 p.m. Pacific Time at the Mandarin Oriental Hotel (located at 222 Sansome Street); and on Thursday, August 1, 2002 in Los Angeles, CA, at 1:00 p.m. Pacific Time at the California Club (located at 538 South Flower Street).

If you plan to attend one of these analyst meetings, please RSVP to Sherri Cox at [scox2@txu.com](mailto:scox2@txu.com), 214/812-4901, or via fax at 214/812-3366. Please indicate your meeting preference.

TXU provides electric and natural gas services, merchant energy trading, energy marketing, energy delivery, telecommunications, and energy-related services. With \$41 billion in assets, TXU is one of the world's leading energy companies and is a leading energy retailer in the US and the world. TXU owns or controls extensive generation, and is a leading portfolio manager and trader globally. TXU, which sells over 330 million megawatt hours of electricity and 2.8 trillion cubic feet of natural gas annually, serves over 11 million customers worldwide, primarily in the US, Europe and Australia. Visit [www.txu.com](http://www.txu.com) for more information about TXU.

*This release contains forward looking statements, which are subject to various risks and uncertainties. Discussion of factors 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 factors set forth in the company's SEC filings, other factors which could affect the forward looking statements contained in this press release include prevailing government policies on environmental, tax or accounting matters, regulatory 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 market conditions including unanticipated changes in interest rates, rates of inflation, or foreign exchange rates, 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 and year-to-date ended June 30, 2002, by segment.

<b>Three Months Ended</b>	<b>Contribution</b>		<b>Change</b>		<b>EPS</b>
	<b>Net Income US\$ (Millions)</b>	<b>EPS</b>	<b>US\$ (Millions) After Tax</b>	<b>Per Share Impact</b>	
<b>Adjusted Earnings 06/30/2001</b>					<b>\$ 0.78</b>
North America Energy	\$ 176	\$ 0.66	\$ (2)		
International Energy	33	\$ 0.12	(53)	\$ (0.20)	
Total Energy	209	\$ 0.78	(55)	(0.20)	
North America Energy Delivery	41	0.15	37	0.14	
Corporate and Other	(55)	(0.20)	12	0.04	
Change in Common Shares Outstanding				(0.03)	(0.05)
<b>Earnings 06/30/2002</b>	195	0.73	(6)		<b>\$ 0.73</b>

<b>Year to Date</b>	<b>Contribution</b>		<b>Change</b>		<b>EPS</b>
	<b>Net Income US\$ (Millions)</b>	<b>EPS</b>	<b>US\$ (Millions) After Tax</b>	<b>Per Share Impact</b>	
<b>Adjusted Earnings 06/30/2001</b>					<b>\$ 1.61</b>
North America Energy	\$ 356	\$ 1.32	\$ 56	\$ 0.22	
International Energy	82	\$ 0.31	(96)	\$ (0.36)	
Total Energy	438	1.63	(40)	(0.14)	
North America Energy Delivery	142	0.53	72	0.27	
Corporate and Other	(118)	(0.43)	16	0.06	
Change in Common Shares Outstanding				(0.07)	0.12
<b>Adjusted Earnings 06/30/2002</b>	462	1.73	48		<b>\$ 1.73</b>
Corporate Extraordinary Item	(17)	(0.06)	(17)	(0.06)	(0.06)
<b>Reported Earnings 06/30/02</b>	445	1.67	31		<b>\$ 1.67</b>

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.

Period Ended June 30, 2002

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2002	2001	% Change	2002	2001	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues	\$ 7,205	\$ 6,127	17.6	\$ 15,302	\$ 14,502	5.5
Operating expenses						
Energy purchased for resale,						
fuel consumed and delivery costs	5,385	4,252	26.6	11,573	10,759	7.6
Operation and maintenance	857	789	8.6	1,667	1,493	11.7
Depreciation and other amortization	232	248	(6.5)	472	505	(6.5)
Goodwill amortization	-	54	-	-	109	-
Taxes other than income	179	200	(10.5)	361	382	(5.5)
Total operating expenses	6,653	5,543	20.0	14,073	13,248	6.2
Operating income	552	584	(5.5)	1,229	1,254	(2.0)
Other income (deductions) -- net	(1)	61	-	(18)	58	-
Income before interest, other charges, income taxes, and extraordinary items	551	645	(14.6)	1,211	1,312	(7.7)
Interest income	11	36	(69.4)	23	73	(68.5)
Interest expense and other charges						
Interest	281	355	(20.8)	564	736	(23.4)
Distributions on preferred securities of subsidiary perpetual trust of TXU Europe	3	3	-	7	7	-
Distributions on mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:						
TXU Corp. obligated	7	7	-	15	15	-
Subsidiary obligated	3	20	(85.0)	5	39	(87.2)
Preferred stock dividends of subsidiaries	4	4	-	7	7	-
Allowance for borrowed funds used during construction and capitalized interest	(4)	(7)	(42.9)	(7)	(12)	(41.7)
Total interest expense and other charges	294	382	(23.0)	591	792	(25.4)
Income before income taxes and extraordinary items	268	299	(10.4)	643	593	8.4
Income tax expense	67	92	(27.2)	170	185	(8.1)
Income before extraordinary items	201	207	(2.9)	473	408	15.9
Extraordinary items, less applicable income tax	-	-	-	(17)	-	-
Net Income	201	207	(2.9)	456	408	11.8
Preference stock dividends	6	6	-	11	11	-
Net income available for common stock	\$ 195	\$ 201	(3.0)	\$ 445	\$ 397	12.1
Average shares of common stock outstanding (millions)	269	256	5.1	267	257	3.9
Per share of common stock:						
Basic and diluted earnings						
Income before extraordinary items	\$0.73	\$0.78	(6.4)	\$1.73	\$1.55	11.6
Extraordinary items, net of tax	\$0.00	\$0.00	-	(\$0.06)	\$0.00	-
Net income available for common stock	\$0.73	\$0.78	(6.4)	\$1.67	\$1.55	7.7
Dividends declared	\$0.60	\$0.60	-	\$0.60	\$0.60	-

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 to the Securities and Exchange Commission on Form 10-Q. This financial statement is furnished in response to your request 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 CONSOLIDATED STATISTICS**  
**Consolidated Operating Statistics**  
**Periods Ended June 30, 2002 and 2001**

Operating statistics	Three Months Ended			Six Months Ended		
	2002	2001	%	2002	2001	%
<b>Sales volumes</b>						
Electric (gigawatt-hours) . . . . .	36,177	37,185	(2.7)	74,998	74,582	0.6
Gas (billion cubic feet):						
Residential . . . . .	34	32	6.3	115	121	(5.0)
Industrial and commercial . . . . .	78	80	(2.5)	187	208	(10.1)
Total gas . . . . .	112	112	-	302	329	(8.2)
Wholesale energy sales (physically settled):						
Electric (gigawatt-hours) . . . . .	57,712	29,438	96.0	136,253	56,091	-
Gas (billion cubic feet) . . . . .	761	487	56.3	1,396	1,086	28.5
Physical and financial energy trades:						
Electric (gigawatt-hours) . . . . .	639,184	322,426	98.2	1,467,195	670,654	-
Gas (billion cubic feet) . . . . .	5,968	3,558	67.7	11,682	6,279	86.0
North America Energy Delivery electricity distribution . . . . .	26,232	24,876	5.5	49,818	48,517	2.7
Pipeline transportation (billion cubic feet) . . . . .	137	122	12.3	303	280	8.2
<b>Retail customers and points of delivery (end of period &amp; in thousands)</b>						
Electric . . . . .				7,684	7,704	(0.3)
Gas . . . . .				3,546	3,125	13.5
Total customers . . . . .				11,230	10,829	3.7
Points of delivery served by Oncor electric delivery . . . . .				2,887	2,830	2.0
<b>Operating revenues (in millions of dollars)</b>						
Electric:						
Residential . . . . .	\$ 1,269	1,232	3.0	\$ 2,571	2,660	(3.3)
Industrial and commercial . . . . .	1,210	1,403	(13.8)	2,726	2,728	(0.1)
Other . . . . .	41	49	(16.3)	13	86	(84.9)
Total electric operating revenues . . . . .	2,520	2,684	(6.1)	5,310	5,474	(3.0)
Gas:						
Residential . . . . .	219	214	2.3	654	825	(20.7)
Industrial and commercial . . . . .	322	401	(19.7)	780	1,243	(37.2)
Other . . . . .	(9)	7	-	(25)	23	-
Total gas operating revenues . . . . .	532	622	(14.5)	1,409	2,091	(32.6)
Wholesale energy . . . . .	3,590	2,419	48.4	7,634	6,028	26.6
North America Energy Delivery electricity distribution . . . . .	499	529	(5.7)	993	1,005	(1.2)
Pipeline transportation . . . . .	24	22	9.1	57	60	(5.0)
Other revenues, net of intra segment eliminations . . . . .	40	(149)	-	(101)	(156)	(35.3)
Total operating revenues . . . . .	\$ 7,205	6,127	17.6	\$ 15,302	14,502	5.5
<b>Financial statistics and ratios - June 2002</b>						
Common stock data:						
Shares outstanding-end of period (millions) . . . . .						278
Book value per share -end of period . . . . .						\$ 30.73
Return on average common stock equity . . . . .						8.7
Dividends declared as a percent of net income . . . . .						94.5
Capitalization ratios (end of period):						
Long-term debt excluding equity-linked securities of \$1.79 billion . . . . .						53.9
Equity-linked securities . . . . .						7.2
Preferred securities of subsidiary trusts . . . . .						2.7
Preference and preferred stock . . . . .						2.0
Common stock equity . . . . .						34.2
Total . . . . .						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**

For the Periods Ended June 30, 2002

**Statements of Consolidated Income**

*(Unaudited)*

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2002	2001 *	% Change	2002	2001 *	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ 3,543	\$ 2,968	19.4	\$ 7,046	\$ 7,085	(0.6)
Operating expenses						
Energy purchased for resale and fuel consumed . . . . .	2,720	2,281	19.2	5,370	5,842	(8.1)
Operation and maintenance . . . . .	367	237	54.9	725	445	62.9
Depreciation and amortization . . . . .	103	105	(1.9)	217	206	5.3
Taxes other than income . . . . .	54	28	92.9	113	55	-
Total operating expenses . . . . .	<u>3,244</u>	<u>2,651</u>	<u>22.4</u>	<u>6,425</u>	<u>6,548</u>	<u>(1.9)</u>
Operating income . . . . .	299	317	(5.7)	621	537	15.6
Other income (deductions) -- net . . . . .	10	(5)	-	9	(6)	-
Income before interest, other charges, and income taxes . . . . .	309	312	(1.0)	630	531	18.6
Interest income . . . . .	9	19	(52.6)	23	41	(43.9)
Interest expense and other charges . . . . .	61	66	(7.6)	130	135	(3.7)
Income before income taxes . . . . .	257	265	(3.0)	523	437	19.7
Income tax expense . . . . .	81	87	(6.9)	167	137	21.9
Net income . . . . .	<u>\$ 176</u>	<u>\$ 178</u>	<u>(1.1)</u>	<u>\$ 356</u>	<u>\$ 300</u>	<u>18.7</u>

\* The North America Energy segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The generation and certain retail operations of TXU US Holdings Company, the energy trading business and unregulated commercial /industrial retail gas operations of TXU Gas Company and other energy related businesses of TXU Corp were transferred to the North America Energy segment effective January 1, 2002.

Prior period data is included above for the purpose of providing historical financial information about the North America Energy segment after giving effect to the US Electric restructuring transactions described in the Notes to Financial Statements included in the TXU US Holdings Company 2001 10K. Had the North America Energy segment existed as a separate segment, its results of operations and financial position could have differed materially from those reflected above. Additionally, future results of the North America Energy segment's operations and financial position could differ materially from the historical information presented.

*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 to the Securities and Exchange Commission on Form 10-Q. This financial statement is furnished in response to your request 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, 2002 and 2001**

	Three Months			Six Months		
	2002	2001*	% Change	2002	2001*	% Change
<b>Operating statistics</b>						
Retail sales volumes:						
Electric (gigawatt-hours) . . . . .	22,771	24,347	(6.5)	45,157	47,603	(5.1)
Large commercial and industrial gas (bcf) . . . . .	37	45	(17.8)	87	111	(21.6)
Wholesale energy sales (physically settled):						
Electric (gigawatt-hours) . . . . .	27,153	3,943	-	68,037	10,472	-
Gas (billion cubic feet) . . . . .	201	139	44.6	360	347	3.7
Physical and financial energy trades						
Electric (gigawatt-hours) . . . . .	462,298	118,620	-	1,044,913	133,596	-
Gas (billion cubic feet) . . . . .	5,160	2,360	-	9,773	3,701	-
<b>Customers (end of period &amp; in thousands)</b>						
Electric . . . . .				2,731	2,705	1.0
Gas . . . . .				3	3	-
Total customers . . . . .				2,734	2,708	1.0
<b>Operating revenues (millions of dollars)</b>						
Electric:						
Residential . . . . .	\$ 781	\$ 767	1.8	\$ 1,476	\$ 1,558	(5.3)
Commercial and industrial . . . . .	831	1,056	(21.3)	1,881	1,996	(5.8)
Other . . . . .	41	49	(16.3)	13	86	(84.9)
Total electric . . . . .	1,653	1,872	(11.7)	3,370	3,640	(7.4)
Gas:						
Large commercial and industrial gas . . . . .	165	259	(36.3)	388	749	(48.2)
Other . . . . .	(9)	7	-	(25)	23	-
Total gas . . . . .	156	266	(41.4)	363	772	(53.0)
Wholesale revenues . . . . .	1,717	814	-	3,287	2,578	27.5
Other revenues . . . . .	17	16	6.3	26	95	(72.6)
Total operating revenues . . . . .	\$ 3,543	\$ 2,968	19.4	\$ 7,046	\$ 7,085	(0.6)
<b>Weather (average for service area)</b>						
Percent of normal:						
Cooling degree days . . . . .	107.1%	109.9%	(2.5)	106.5%	106.3%	0.2
Heating degree days . . . . .	69.0%	41.4%	66.7	99.0%	104.7%	(5.4)

\* See footnote on North America Energy segment Statements of Consolidated Income.

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**  
**INTERNATIONAL ENERGY SEGMENT**

For the Periods Ended June 30, 2002

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	<u>2002</u>	<u>2001</u>	<u>% Change</u>	<u>2002</u>	<u>2001</u>	<u>% Change</u>
	<i>Millions of U.S. Dollars</i>			<i>Millions of U.S. Dollars</i>		
Operating revenues . . . . .	\$ <u>3,392</u>	\$ <u>2,873</u>	18.1	\$ <u>7,545</u>	\$ <u>6,418</u>	17.6
Operating expenses						
Energy purchased for resale and fuel consumed . .	<u>2,985</u>	2,300	29.8	<u>6,723</u>	5,197	29.4
Operation and maintenance . . . . .	<u>221</u>	255	(13.3)	<u>439</u>	487	(9.9)
Depreciation and other amortization. . . . .	<u>40</u>	72	(44.4)	<u>80</u>	152	(47.4)
Goodwill amortization . . . . .	<u>-</u>	47	-	<u>-</u>	97	-
Total operating expenses . . . . .	<u>3,246</u>	<u>2,674</u>	21.4	<u>7,242</u>	<u>5,933</u>	22.1
Operating income . . . . .	<u>146</u>	199	(26.6)	<u>303</u>	485	(37.5)
Other income (deductions) -- net. . . . .	<u>(8)</u>	78	-	<u>(13)</u>	81	-
Income before interest and income taxes. . . . .	<u>138</u>	277	(50.2)	<u>290</u>	566	(48.8)
Interest income. . . . .	<u>4</u>	18	(77.8)	<u>10</u>	36	(72.2)
Interest expense and other charges. . . . .	<u>116</u>	170	(31.8)	<u>228</u>	361	(36.8)
Income before income taxes . . . . .	<u>26</u>	125	(79.2)	<u>72</u>	241	(70.1)
Income tax expense (benefit) . . . . .	<u>(7)</u>	39	-	<u>(10)</u>	80	-
Net income . . . . .	\$ <u>33</u>	\$ <u>86</u>	(61.6)	\$ <u>82</u>	\$ <u>161</u>	(49.1)

Note: The International Energy segment includes Europe and Australia operations.

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.), all quarterly reports to the Securities and Exchange Commission on Form 10-Q and on the following page of this statement. This financial statement is furnished in response to your request 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.

**INTERNATIONAL ENERGY SEGMENT**  
**Operating and Financial Statistics**  
**Periods Ended June 30, 2002 and 2001**

	Three Months Ended			Six Months Ended		
	2002	2001	% Change	2002	2001	% Change
<b>Operating Statistics</b>						
Electric (gigawatt-hours):						
Residential	4,815	5,213	(7.6)	12,403	12,427	(0.2)
Industrial and commercial	8,591	7,625	12.7	17,438	14,552	19.8
Total Electric	<u>13,406</u>	<u>12,838</u>	<u>4.4</u>	<u>29,841</u>	<u>26,979</u>	<u>10.6</u>
Gas (bcf):						
Residential	24	24	-	64	67	(4.5)
Industrial and commercial	31	25	24.0	65	59	10.2
Total Gas	<u>55</u>	<u>49</u>	<u>12.2</u>	<u>129</u>	<u>126</u>	<u>2.4</u>
Wholesale energy sales (physical settled):						
Gas (bcf)	560	348	60.9	1,036	739	40.2
Electric (gigawatt-hours)	<u>30,559</u>	<u>25,495</u>	<u>19.9</u>	<u>68,216</u>	<u>45,619</u>	<u>49.5</u>
Physical and financial energy trades:						
Gas (bcf)	808	1,198	(32.6)	1,909	2,578	(26.0)
Electric (gigawatt-hours)	<u>176,886</u>	<u>203,806</u>	<u>(13.2)</u>	<u>422,282</u>	<u>537,058</u>	<u>(21.4)</u>
<b>Retail Customers (end of period &amp; in thousands)</b>						
Electric				4,953	4,999	(0.9)
Gas				2,108	1,698	24.1
Total customers				<u>7,061</u>	<u>6,697</u>	<u>5.4</u>
<b>Operating Revenues (millions of US Dollars)</b>						
Electric:						
Residential	\$ 488	\$ 465	4.9	\$ 1,095	\$ 1,102	(0.6)
Industrial and commercial	379	347	9.2	845	732	15.4
Total electric operating revenues	<u>867</u>	<u>812</u>	<u>6.8</u>	<u>1,940</u>	<u>1,834</u>	<u>5.8</u>
Gas:						
Residential	143	131	9.2	355	322	10.2
Industrial and commercial	108	72	50.0	237	183	29.5
Total gas operating revenues	<u>251</u>	<u>203</u>	<u>23.6</u>	<u>592</u>	<u>505</u>	<u>17.2</u>
Wholesale energy:						
Gas	1,118	916	22.1	2,655	2,131	24.6
Electric	767	684	12.1	1,675	1,322	26.7
Other	(12)	5	-	17	(3)	-
Total wholesale energy revenues	<u>1,873</u>	<u>1,605</u>	<u>16.7</u>	<u>4,347</u>	<u>3,450</u>	<u>26.0</u>
Other	444	345	28.7	756	832	(9.1)
Less intercompany revenue	(43)	(92)	(53.3)	(90)	(203)	(55.7)
Total operating revenues	<u>\$ 3,392</u>	<u>\$ 2,873</u>	<u>18.1</u>	<u>\$ 7,545</u>	<u>\$ 6,418</u>	<u>17.6</u>

Note: The International Energy segment includes Europe and Australia operations.

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 DELIVERY SEGMENT**

For the Period Ended June 30, 2002

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2002	2001 *	% Change	2002	2001 *	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ 657	\$ 700	(6.1)	\$ 1,495	\$ 1,860	(19.6)
Operating expenses						
Energy purchased for resale . . . . .	74	91	(18.7)	255	586	(56.5)
Operation and maintenance . . . . .	258	282	(8.5)	498	534	(6.7)
Depreciation and amortization . . . . .	84	75	12.0	163	153	6.5
Taxes other than income . . . . .	116	164	(29.3)	230	310	(25.8)
Total operating expenses . . . . .	532	612	(13.1)	1,146	1,583	(27.6)
Operating income . . . . .	125	88	42.0	349	277	26.0
Other income (deductions) -- net . . . . .	6	4	50.0	3	5	(40.0)
Income before interest, other charges and income taxes . . . . .	131	92	42.4	352	282	24.8
Interest income . . . . .	11	3	-	22	7	-
Interest expense and other charges . . . . .	81	90	(10.0)	161	183	(12.0)
Income before income taxes . . . . .	61	5	-	213	106	-
Income tax expense . . . . .	20	1	-	71	36	97.2
Net income . . . . .	\$ 41	\$ 4	-	\$ 142	\$ 70	-

\* The North America Energy Delivery segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The North America Energy Delivery segment includes the electric transmission and distribution business of TXU US Holdings Company and the natural gas pipeline and distribution operations of TXU Gas.

Prior period data is included above for the purpose of providing historical financial information about the North America Energy Delivery segment after giving effect to the US Electric restructuring transactions described in the Notes to Financial Statements included in the TXU US Holdings Company 2001 10K. Had the North American Energy Delivery segment existed as a separate segment, its results of operations and financial position could have differed materially from those reflected above. Additionally, future results of the North American Energy Delivery segment's operations and financial position could differ materially from the historical information presented.

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.), all Quarterly Reports to the Securities and Exchange Commission on Form 10-Q and on the following page of this statement. This financial statement is furnished in response to your request 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, 2002 and 2001**

Operating statistics	Three Months			Six Months		
	2002	2001 *	% Change	2002	2001	% Change
Electric energy delivered (gigawatt-hours) . . . . .	26,232	24,876	5.5	49,818	48,517	2.7
Gas distribution (bcf):						
Residential . . . . .	10	8	25.0	51	54	(5.6)
Commercial . . . . .	9	8	12.5	31	33	(6.1)
Industrial and electric generation . . . . .	1	2	(50.0)	4	5	(20.0)
Total gas sales . . . . .	20	18	11.1	86	92	(6.5)
Pipeline transportation (bcf) . . . . .	137	122	12.3	303	280	8.2
<b>Gas distribution customers and electric points of delivery (end of period &amp; in thousands)</b>						
Gas distribution customers . . . . .				1,435	1,424	0.8
Electric points of delivery . . . . .				2,887	2,830	2.0
<b>Operating revenues (millions of dollars)</b>						
Electric delivery:						
North America Energy . . . . .	\$ 396	\$ 439	(9.8)	\$ 812	\$ 912	(11.0)
Non-affiliated . . . . .	103	90	14.4	181	93	94.6
Total electric energy delivery . . . . .	499	529	(5.7)	993	1,005	(1.2)
Gas distribution:						
Residential . . . . .	76	83	(8.4)	299	503	(40.6)
Commercial . . . . .	44	58	(24.1)	142	273	(48.0)
Industrial and electric generation . . . . .	5	12	(58.3)	13	38	(65.8)
Total gas . . . . .	125	153	(18.3)	454	814	(44.2)
Pipeline transportation . . . . .	24	22	9.1	57	60	(5.0)
Other revenues, net of eliminations . . . . .	9	(4)	-	(9)	(19)	(52.6)
Total gas and pipeline transportation . . . . .	158	171	(7.6)	502	855	(41.3)
Total operating revenues . . . . .	\$ 657	\$ 700	(6.1)	\$ 1,495	\$ 1,860	(19.6)

\* See footnote on North America Energy Delivery segment Statements of Consolidated Income

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