

**FOR IMMEDIATE RELEASE**

## **TXU Completes Transition Year With 10 Percent Earnings Growth**

**DALLAS - January 31, 2002 - TXU (NYSE:TXU)**, a global energy services company with business interests on three continents, reported today that it earned \$3.78 per share of common stock on record revenues of \$28 billion, a 27 percent increase, and earnings of \$980 million for the year ended December 31, 2001, excluding unusual items discussed below. This represents a 10 percent increase over earnings of \$3.43 per share for 2000. Reported earnings were \$2.52 per share of common stock on net income of \$655 million.

Continued strong operating performance by the company's US Electric and US Energy segments, growth from Europe and better than expected results from Australia were key factors in the performance. The results were achieved while continuing to focus on debt reduction, implementing wholesale and retail capabilities required for competition in the Texas electricity market, overcoming a rate reduction and preparing for the final phase of electricity competition in Victoria, Australia on January 13, 2002, and the fundamental restructuring of the European portfolio.

"TXU had an outstanding transition year in 2001," said Erle Nye, chairman and chief executive of TXU. "Our shareholders realized a total return of more than 12 percent which was 20 percentage points higher than the S&P Electric Companies index and 24 percentage points higher than the S&P 500 index. With the transition complete, we are well positioned to continue to deliver core earnings growth of 9 to 11 percent annually."

### **Highlights from 2001 include:**

- Established TXU as a global merchant energy powerhouse with implementation of a distinct strategy and integrated merchant energy model in three competitive markets of the United States (US), Europe, and Australia,
- Completed structural separation of merchant energy and energy delivery businesses worldwide including the successful refinancing of over \$8 billion in the global markets,
- Continued to focus on target of reducing net debt to total capital to 55 percent by the middle of 2002 and below 50 percent by 2004 through asset sales and free cash flow,
- Sold the UK distribution business, achieving good value, removing regulatory uncertainty, focusing European operations on continued delivery of growth from the merchant energy business, and strengthening the balance sheet to support such growth,
- Completed disposition of power plants in the UK and reached agreement to sell plants in the US to better balance the portfolios and strengthen the balance sheet, bringing total asset sales to almost \$6 billion since TXU's disposal program was implemented approximately two years ago,
- Reached settlement with major customer groups and staff of the Public Utility Commission of Texas (PUCT) on all major outstanding competitive transition issues in Texas, subject to approval from the PUCT,

- Established strong base in German market via Stadtwerke Kiel and addition of Ares Energie,
- Launched TXU global retail brand in the US, Europe, and Australia,
- Continued to grow retail energy services across North America, where we now provide a range of energy solutions to over 8,000 large commercial, industrial and institutional customers in 33 states,
- Introduced TXU Grid, providing unique services to virtually transport power between many of Europe's high voltage electricity grids,
- Introduced ONCOR Utility Solutions, offering best in class unregulated asset management and operating services to electric cooperatives, municipal and investor owned utilities and other organizations with energy distribution needs throughout North America,
- Continued successful global community outreach programs such as Staywarm and Check On Your Neighbor,
- Further expanded environmental stewardship and grew renewables program in the US and Europe through wind power projects in West Texas, Spain and the UK,
- Named to Dow Jones Sustainability World Index for second year in a row, representing one of only 16 utilities in this listing globally. The listing represents the top 10 percent of companies by industry based upon the sustainability of a company's economic, environmental and social performance.

### **Results of operations – Year**

For purposes of discussion of operating results below, unusual items, which have all been the subject of previous announcements, are excluded. For the year ended December 31, 2001, these items in millions of US dollars after tax are:

• US Electric extraordinary charges (settlement/refinance)	-154
• US Electric wholesale regulatory asset write off	- 18
• Europe restructuring and related costs	- 43
• Europe write off of assets due to Enron collapse	- 22
• Europe transaction and refinancing costs for networks sale	<u>- 88</u>
Total	-325

For the year ended December 31, 2000, similarly excluded items in millions of US dollars after tax are:

• US Gas gain on sale of gas processing assets	34
• Europe gain on sale of UK metering business	31
• Europe restructuring and related costs	-85
• US Electric mitigation applicable to prior year	28
• US Electric land sale	18
• US Energy exceptional charges	<u>-27</u>
Total	-1

These and other items influencing the results for the year are described below.

### **North America**

US Electric operations provided an additional \$52 million of contribution after tax in 2001 compared to 2000 as a result of increased rate base and decreased interest costs. Revenues before mitigation to adjust earnings to the earnings cap declined primarily as a result of the effects of more normal weather compared to hotter than normal summer and colder than normal winter weather in the prior year, partially offset by core revenue and customer growth. Operation and maintenance (O&M) costs increased primarily as a result of

preparation for transition to competition but remained below earnings cap levels. Taxes other than income also increased primarily as a result of increased collection of fuel costs. Net interest costs declined as a result of higher interest income on under recovered fuel costs as well as reduced debt costs.

The US Electric segment delivered this exceptional financial performance while accomplishing a full legal and operational separation of the energy delivery (transmission and distribution wires) business from the generation and retail businesses. This separation was completed on January 1, 2002, when the now unregulated generation and retail operations were transferred to the US Energy segment to complete the implementation of TXU's distinct strategy and merchant energy business model in Texas as has been done previously in Europe and Australia.

The contribution from US Gas operations declined by \$31 million after tax from prior year results. Primary reasons for the reduced contribution were decreased margin, increased O&M costs to improve reliability, uncollectible receivables associated with the high natural gas prices and cold weather during the 2000/2001 winter season and increased taxes other than income taxes. These were partially offset by continued positive results from the company's revenue enhancement program.

"We have accomplished a comprehensive regulatory settlement that benefits all parties and has broad support," said Tom Baker, president of ONCOR. "With the benefits and broad support, we hope to receive prompt approval from the PUCT. With that accomplished we can continue to focus on building upon our expertise as one of the most reliable and cost efficient electric delivery businesses in the nation. The US Energy Delivery business, under its new name, ONCOR, is excited about the new opportunities we have as a separately managed part of TXU. With excellent operations in a growing North Texas market, opportunities to help relieve some transmission congestion in the state, and our new unregulated asset management and operating services offerings, we are committed to delivering 6 to 8 percent earnings growth on an annual basis."

The US Energy segment provided a much better than expected additional \$67 million of after tax contribution from operations over 2000. Growth and improved gross margins came from operations associated with the preparation for opening of the Texas electricity market to competition as well as the North American operations outside of Texas. The significantly improved trading and retail margins more than offset the expected increase in organizational expenditures, primarily for preparing the retail energy services operations for opening of the Texas electricity market on January 1, 2002.

During 2001, the US Energy segment began to manage the forward obligations and opportunities for 2002 and beyond that resulted in contracts with a number of large customers. US Energy also began to hedge and manage certain 2002 and forward ERCOT fuel and power positions consistent with TXU's merchant energy business model and strategy. As such, it remains well positioned for its role of optimizing the portfolio following the transition to competition that was implemented on January 1, 2002.

"With the opening of the Texas electricity market to competition on January 1, 2002, TXU was able to fully implement its distinct strategy and merchant energy business model in North America," said Brian Dickie, president – TXU Energy, North America. "We have also successfully agreed to the sale of 2,334 MW of generation plant in Texas to better position the portfolio, reduce debt and position us for growth in other North American markets, such as the Northeast and the Midwest. With a leading position in Texas and opportunities to

grow from wholesale and retail services in other key regions, we are well positioned to deliver on our goal of 11 to 13 percent annual earnings growth from the North American merchant energy business.”

### **International - Europe**

In 2001, the European business successfully completed a fundamental restructuring of its business to provide an unambiguous focus on its merchant energy operations in the competitive markets of Europe, to reposition the UK energy business for a low wholesale price environment and to substantially strengthen the balance sheet. Including transactions closed in 2001 and in January 2002, total proceeds raised were over \$3.7 billion, significantly exceeding the previously disclosed target of \$1.5 billion. Major disposals included the low growth, mature UK networks business, over 3,700 MW of UK generation plant, interests in UK offshore gas fields and equity interests in energy businesses in Spain and Eastern Europe.

Even with the scale of the restructuring and difficult underlying market conditions, the Europe segment contribution from operations totaled \$311 million after tax, an increase of \$42 million over the prior year. This includes the previously reported gain on the sale of an investment in Spain. It also includes network results of \$151 million, the addition of Stadtwerke Kiel and Ares Energie in Germany and the full year effect of the retail business of Norweb Energi in the UK. These positive effects were somewhat offset by reduced contribution from operations in other parts of Europe and from Nordic operations.

Generation portfolio restructuring activities resulted in an after UK tax gain of \$18 million and the realization of higher than expected foreign tax credits of approximately \$100 million (compared to total foreign tax credits for the year of approximately \$150 million). The company expects power cost savings, reduced interest expense and recurring tax benefits to provide similar contributions in future periods.

As previously disclosed, the effect of the loss of network income in 2002 is expected to be \$137 million (\$105 million net of the interest benefits from the proceeds of the transaction).

With the fundamental restructuring of its operations now complete, TXU Europe expects at least 13% average annual earnings growth from its merchant energy business in the deregulating markets in Europe.

### **International – Australia**

After an exceptional 2000 and an AU\$16 million electric distribution rate decrease, Australian operations contributed an additional AU\$1 million in 2001 compared to 2000. This was driven by improved gross margin, especially from growth in operations in South Australia, and lower interest expense due to lower interest rates somewhat offset by increased operating costs from the South Australian expansion and the gain on the sale of Enetech in 2000.

With the completion of the opening of the Victorian electricity market to competition on January 13, 2002 and the targeted opening of the gas market in October 2002, combined with growth opportunities in South Australia, TXU is in a good position to use its capabilities and dual fuel position for future growth.

“International operations have made magnificent contributions in a very difficult year that have prepared us to deliver on growth expectations for 2002 and beyond,” said Phil Turberville, president – TXU Energy, International. “We successfully completed a fundamental restructuring of the European portfolio, absorbed a significant rate reduction for

electricity distribution and won rate relief from rising power costs in Australia. This resulted in solid current earnings contributions and positions us well for strong earnings growth going forward.”

### **Results of operations - Quarter**

For the fourth quarter ended December 31, 2001, results were \$0.75 per share of common stock on record revenues of \$6.9 billion and earnings of \$198 million, excluding unusual items. This compares to \$0.61 per share in the prior year fourth quarter, a 23 percent increase.

Unusual items in the current quarter, as previously announced, were: 1) \$154 million after tax of extraordinary items (charges) associated with US Electric refinancing costs to separate the energy delivery and now unregulated merchant energy operations and the pending settlement of all major outstanding issues associated with the transition to the January 1, 2002 opening of full electricity competition in Texas, 2) \$22 million after tax to write off assets associated with the collapse of Enron’s operations, 3) \$88 million after tax loss on the sale of the UK distribution business which includes associated transaction and refinancing costs, and 4) \$10 million after tax of restructuring costs in the UK, primarily associated with the transfer of customer services operations to Vertex. Reported earnings for the quarter were a loss of \$0.29 per share on a net loss of \$76 million.

Key drivers of the quarter results were increased contributions from the US Energy and Europe segments more than offsetting the reduced contributions from US Electric operations and the effects of increased debt and some increase in corporate and other costs. US Energy continued its growth and better than expected results with gross margin improvement more than offsetting the anticipated increase in infrastructure and retail costs. Europe results improved primarily due to the gain on the sale of the West Burton plant and tax benefits associated with the restructuring of the generation portfolio. US Electric results were lower as a result of milder weather, increased costs to transition to the opening of the Texas electricity market on January 1, 2002, and increases in taxes other than income taxes, all somewhat offset by a reduction of mitigation associated with the earnings cap.

### **Business outlook**

“I am very pleased with these outstanding results which positively reflect our efforts to develop well diversified operations,” said Mike McNally, chief financial officer. “With the discipline of a distinctive strategy and business model, our merchant energy business should produce 11-13 percent earnings growth as we fine-tune our operation in North America, expand outside our traditional market in Texas, and continue our expansion in Europe and Australia. North Texas regulated operations will contribute approximately 25 percent of earnings this year and are well positioned to grow in the 6-8 percent range. Our debt reduction program will continue as we pay down debt with proceeds from securitization bond sales and strong free cash flow to better position ourselves for continued growth and improved returns on capital. We are confident that we can meet earnings expectations of \$4.35 to \$4.45 per share of common stock in 2002 with continued 9 to 11 percent growth thereafter. As a start in that regard, we expect earnings in the first quarter of 2002 to be more than 20 percent higher than the first quarter 2001, representing a range of \$1.00 to \$1.05 per share.”

### **Conference call**

TXU’s quarterly earnings teleconference with financial analysts is scheduled for 9 a.m. Central (10 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 are also available on the web site at [www.txu.com](http://www.txu.com) in the Investor Resources section.

### **Analyst meeting**

In addition, TXU will web cast live at [www.txu.com](http://www.txu.com) its regular quarterly meeting with analysts on Tuesday, February 5, 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, February 5, 2002, in the Board Room on the 6<sup>th</sup> floor of the New York Stock Exchange located at 18 Broad Street, New York, New York. The meeting will begin promptly at 8:30 a.m. NYSE officials recommend arriving at least 30 minutes in advance due to increased security measures. There are two entrances at the NYSE; the corner of Wall St. & Broad Street and the corner of Exchange Street and Broad Street. If you plan to attend the analyst meeting, please RSVP to Sherri Cox at [scox2@txu.com](mailto:scox2@txu.com), 214/812-4901, or via fax at 214/812-3366.

TXU is a global leader in electric and natural gas services, merchant energy trading, energy marketing, energy delivery, telecommunications, and energy-related services. With \$42 billion in assets and \$28 billion in annual revenue, TXU is one of the most influential energy services companies in the world. TXU is the number one competitive energy retailer in the United States and one of the largest globally, owns or controls extensive competitive generation around the world, and ranks among the top five energy traders globally. TXU, which sells 335 million megawatts of electricity and 2.8 trillion cubic feet of natural gas annually, serves 11 million customers worldwide, primarily in the US, Europe and Australia.

*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. AND SUBSIDIARIES

### Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2001	2000	% Change	2001	2000	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues	\$ 6,822	\$ 6,807	0.2	\$ 27,927	\$ 22,009	26.9
Operating expenses						
Energy purchased for resale and fuel consumed	4,821	4,859	(0.8)	19,793	14,451	37.0
Operation and maintenance	1,015	979	3.7	3,847	3,211	19.8
Depreciation and other amortization	251	267	(6.0)	1,001	1,010	(0.9)
Goodwill amortization	55	52	5.8	220	204	7.8
Taxes other than income	204	178	14.6	781	656	19.1
Total operating expenses	6,346	6,335	0.2	25,642	19,532	31.3
Operating income	476	472	0.8	2,285	2,477	(7.8)
Other income (deductions) -- net	(127)	47	-	(117)	238	-
Income before interest, other charges, income taxes, and extraordinary items	349	519	(32.8)	2,168	2,715	(20.1)
Interest income	55	34	61.8	176	129	36.4
Interest expense and other charges						
Interest	337	364	(7.4)	1,430	1,467	(2.5)
Distributions on preferred securities of subsidiary perpetual trust of TXU Europe	4	3	33.3	15	12	25.0
Distributions on mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:						
TXU Corp. obligated	8	7	14.3	30	30	-
Subsidiary obligated	12	20	(40.0)	71	79	(10.1)
Preferred stock dividends of subsidiaries	4	4	-	14	14	-
Allowance for borrowed funds used during construction and capitalized interest	(4)	(3)	33.3	(23)	(11)	-
Total interest expense and other charges	361	395	(8.6)	1,537	1,591	(3.4)
Income before income taxes and extraordinary items	43	158	(72.8)	807	1,253	(35.6)
Income tax expense (benefit)	(41)	(4)	-	(24)	337	-
Income before extraordinary items	84	162	(48.1)	831	916	(9.3)
Extraordinary items, less applicable income tax	(154)	-	-	(154)	-	-
Net Income (loss)	(70)	162	-	677	916	(26.1)
Preference stock dividends	6	6	-	22	12	83.3
Net income (loss) available for common stock	\$ (76)	\$ 156	-	\$ 655	\$ 904	(27.5)
Average shares of common stock outstanding (millions)	264	257	2.7	259	264	(1.9)
Per share of common stock:						
Basic and diluted earnings						
Income before extraordinary item	\$0.30	\$0.61	(50.8)	\$3.12	\$3.43	(9.0)
Extraordinary items, net of tax	(\$0.59)	\$0.00	-	(\$0.60)	\$0.00	-
Net income available for common stock	(\$0.29)	\$0.61	-	\$2.52	\$3.43	(26.5)
Dividends declared	\$0.60	\$0.60	-	\$2.40	\$2.40	-

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.

**TXU CORP. AND SUBSIDIARIES**

**Condensed Consolidated Balance Sheets**

(Unaudited)

	December 31,	
	2001	2000
	<i>Millions of Dollars</i>	
<b>ASSETS</b>		
Current assets . . . . .	\$ 6,534	\$ 7,139
Investments . . . . .	2,200	3,005
Property, plant and equipment:		
United States (US):		
Property, plant and equipment . . . . .	27,277	26,360
Less accumulated depreciation . . . . .	9,397	8,750
Net of accumulated depreciation . . . . .	17,880	17,610
Construction work in progress . . . . .	608	425
Nuclear fuel (net of accumulated amortization) . . . . .	146	179
Held for future use . . . . .	22	22
Reserve for regulatory disallowances . . . . .	(836)	(836)
Net US property, plant and equipment . . . . .	17,820	17,400
Europe (net of accumulated depreciation) . . . . .	3,062	4,153
Australia (net of accumulated depreciation) . . . . .	1,598	1,748
Net property, plant and equipment . . . . .	22,480	23,301
Goodwill (net of accumulated amortization) . . . . .	7,247	7,508
Other assets . . . . .	3,858	4,037
Total Assets . . . . .	<u>\$ 42,319</u>	<u>\$ 44,990</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable . . . . .	\$ 3,222	\$ 3,172
Long-term debt due currently . . . . .	1,308	2,894
Other . . . . .	5,378	6,806
Total current liabilities . . . . .	9,908	12,872
Long-term debt, less amounts due currently . . . . .	16,173	15,281
Accumulated deferred income taxes . . . . .	3,796	3,963
Investment tax credits . . . . .	479	501
Other deferred credits and noncurrent liabilities . . . . .	3,131	2,702
Total liabilities . . . . .	33,487	35,319
Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:		
TXU obligated . . . . .	368	368
Subsidiary obligated . . . . .	147	976
Preferred securities of subsidiary perpetual trust of TXU Europe . . . . .	150	150
Preferred stock of subsidiaries:		
Not subject to mandatory redemption . . . . .	190	190
Subject to mandatory redemption . . . . .	21	21
Common stock redeemable under equity forward contracts, at redemption value . . . . .	-	190
Shareholders' equity		
Preference stock . . . . .	300	300
Common stock without par value . . . . .	6,560	6,170
Retained earnings . . . . .	1,863	1,817
Accumulated other comprehensive income . . . . .	(767)	(511)
Total shareholders' equity . . . . .	7,956	7,776
Total Liabilities and Shareholders' Equity . . . . .	<u>\$ 42,319</u>	<u>\$ 44,990</u>

**TXU CORP. AND SUBSIDIARIES**

**Condensed Statements of Consolidated Cash Flows**

(Unaudited)

	Twelve Months Ended	
	December 31,	
	<u>2001</u>	<u>2000</u>
	<i>Millions of Dollars</i>	
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Net income	\$ 677	\$ 916
Adjustments to reconcile net income to cash provided by operating activities:		
Loss on extraordinary items	154	-
Depreciation and amortization	1,418	1,419
Deferred income taxes and investment tax credits -- net	(96)	48
(Gains)/losses from the sale of assets	228	(229)
Reduction of revenues for earnings in excess of earnings cap	40	310
(Gains)/losses on equity in earnings of affiliates and joint ventures	38	10
Other	116	34
Changes in operating assets and liabilities	<u>(303)</u>	<u>(820)</u>
Cash provided by operating activities	<u>2,272</u>	<u>1,688</u>
<b>CASH FLOWS - FINANCING ACTIVITIES</b>		
Issuances of securities:		
Other long-term debt	6,759	3,473
Preferred securities of subsidiary perpetual trust of TXU Europe	-	150
Preference stock	-	300
Common stock	354	2
Retirements/repurchases of securities:		
Other long-term debt/obligations	(7,644)	(2,681)
Company obligated, mandatorily redeemable preferred securities of Company trust, holding solely junior subordinated debentures of the Company	(837)	-
Common stock	(44)	(596)
Change in notes payable	101	45
Cash dividends paid:		
Common stock	(621)	(634)
Preference stock	(22)	(11)
Other	<u>(255)</u>	<u>(35)</u>
Cash used in financing activities	<u>(2,209)</u>	<u>13</u>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Construction expenditures	(1,626)	(1,382)
Acquisitions of businesses	(225)	(809)
Proceeds from sale of assets	1,482	832
Cash distribution from equity investee	-	599
Nuclear fuel	(38)	(87)
Other	<u>474</u>	<u>(356)</u>
Cash used in investing activities	<u>67</u>	<u>(1,203)</u>
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	<u>(8)</u>	<u>(19)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	122	479
CASH AND CASH EQUIVALENTS -- BEGINNING BALANCE	<u>1,039</u>	<u>560</u>
CASH AND CASH EQUIVALENTS -- ENDING BALANCE	<u>\$ 1,161</u>	<u>\$ 1,039</u>

**TXU CORP. AND SUBSIDIARIES**  
**Operating and Financial Statistics**  
**Periods Ended December 31, 2001 and 2000**

Operating statistics	Three Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change
<b>Sales volumes</b>						
Electric (gigawatt-hours):						
Residential	13,682	15,692	(12.8)	63,083	58,643	7.6
Commercial and industrial	23,516	22,941	2.5	95,231	90,005	5.8
Other electric utilities	363	474	(23.4)	2,747	3,251	(15.5)
Total electric	<u>37,561</u>	<u>39,107</u>	<u>(4.0)</u>	<u>161,061</u>	<u>151,899</u>	<u>6.0</u>
Gas (billion cubic feet):						
Residential	46	63	(27.0)	186	161	15.5
Commercial and industrial	42	46	(8.7)	167	159	5.0
Pipeline transportation	139	159	(12.6)	546	601	(9.2)
US energy trading and marketing:						
Gas (billion cubic feet)	199	289	(31.1)	864	1,242	(30.4)
Electric (gigawatt-hours)	12,384	7,019	76.4	26,105	21,917	19.1
UK wholesale energy sales:						
Gas (billion cubic feet)	430	316	36.1	1,585	1,060	49.5
Electric (gigawatt-hours)	37,816	34,040	11.1	148,160	111,259	33.2
<b>Customers (end of period &amp; in thousands)</b>						
Electric				7,676	7,547	1.7
Gas				3,147	2,984	5.5
<b>Operating revenues (millions of dollars)</b>						
Electric:						
Residential	\$ 967	\$ 1,039	(6.9)	\$ 4,286	\$ 3,977	7.8
Commercial and industrial	994	976	1.8	3,939	3,788	4.0
Other electric utilities	8	20	(60.0)	56	125	(55.2)
US fuel (including over/under-recovered)	361	839	(57.0)	2,655	2,756	(3.7)
Transmission service	46	42	9.5	181	168	7.7
Other	190	168	13.1	670	628	6.7
Subtotal	2,566	3,084	(16.8)	11,787	11,442	3.0
Earnings in excess of earnings cap	100	(63)	-	(40)	(310)	(87.1)
Total electric	<u>2,666</u>	<u>3,021</u>	<u>(11.8)</u>	<u>11,747</u>	<u>11,132</u>	<u>5.5</u>
Gas:						
Residential	304	433	(29.8)	1,264	1,022	23.7
Commercial and industrial	161	226	(28.8)	764	637	19.9
Subtotal	465	659	(29.4)	2,028	1,659	22.2
Pipeline transportation	28	36	(22.2)	114	123	(7.3)
US energy trading and marketing	1,041	1,749	(40.5)	5,422	5,423	(0.0)
UK wholesale energy sales	2,047	1,302	57.2	7,158	3,318	-
Other revenues, net of intercompany eliminations	575	40	-	1,458	354	-
Total operating revenues	<u>\$ 6,822</u>	<u>\$ 6,807</u>	<u>0.2</u>	<u>\$ 27,927</u>	<u>\$ 22,009</u>	<u>26.9</u>

**Financial statistics - DECEMBER 2001**

Common stock data:	
Shares outstanding - end of period (millions)	265
Book value per share - end of period	\$28.90
Return on average common stock equity	8.6 %
Dividends declared as a percent of net income	98.8 %
Capitalization ratios (end of period):	
Long-term debt excluding equity-linked securities of \$1.35 billion	59.9 %
Equity-linked securities	5.3
Preferred securities of subsidiary trusts	2.6
Preference and preferred stock	2.0
Common stock equity	30.2
Total	<u>100.0 %</u>

## TXU Corp.

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The following tables identify the **major** components of the **change** in earnings for the quarter, year-to-date, and twelve months ended December 31, 2001.

<b>Three Months Ended</b>	<b>Change in \$ (Millions) After Tax</b>	<b>Per Share Impact</b>	<b>EPS</b>
<b>Adjusted EPS 12/31/2000</b>			<b>\$ 0.61</b>
US Electric Segment	(19)	(0.07)	
US Gas Segment	(1)	-	
US Energy Segment	55	0.22	
Europe Segment	13	0.05	
Australia Segment	3	0.01	
Corporate and Other		(0.05)	
Change in Common Shares Outstanding		(0.02)	0.14
<b>Adjusted EPS 12/31/2001</b>			<b>\$ 0.75</b>
TXU Electric Extraordinary Item	(154)	(0.59)	
TXU Europe Restructuring	(119)	(0.45)	(1.04)
<b>Reported EPS 12/31/2001</b>			<b>\$ (0.29)</b>

<b>Twelve Months Ended</b>	<b>Change in \$ (Millions) After Tax</b>	<b>Per Share Impact</b>	<b>EPS</b>
<b>Adjusted EPS 12/31/2000</b>			<b>\$ 3.43</b>
US Electric Segment	52	0.20	
US Gas Segment	(31)	(0.12)	
US Energy Segment	67	0.25	
Europe Segment	42	0.16	
Australia Segment	(4)	(0.02)	
Corporate and Other		(0.18)	
Change in Common Shares Outstanding		0.06	0.35
<b>Adjusted EPS 12/31/2001</b>			<b>\$ 3.78</b>
TXU Electric Extraordinary/Unusual Items	(172)	(0.67)	
TXU Europe Restructuring	(153)	(0.59)	(1.26)
<b>Reported EPS 12/31/2001</b>			<b>\$ 2.52</b>

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*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.*

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**TXU CORP. AND SUBSIDIARIES**  
**US ELECTRIC SEGMENT**

For the Periods Ended December 31, 2001

**Statements of Consolidated Income (Loss)**

(Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2001	2000	% Change	2001	2000	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ 1,503	\$ 1,936	(22.4)	\$ 7,606	\$ 7,459	2.0
Operating expenses						
Energy purchased for resale and fuel consumed . . . . .	441	918	(52.0)	3,013	3,079	(2.1)
Operation and maintenance . . . . .	487	421	15.7	1,591	1,485	7.1
Depreciation and amortization . . . . .	159	156	1.9	629	619	1.6
Taxes other than income . . . . .	179	153	17.0	646	555	16.4
Total operating expenses. . . . .	1,266	1,648	(23.2)	5,879	5,738	2.5
Operating income . . . . .	237	288	(17.7)	1,727	1,721	0.3
Other income (deductions) -- net . . . . .	(4)	28	-	(34)	22	-
Income before interest, other charges, income taxes and extraordinary item. . . . .	233	316	(26.3)	1,693	1,743	(2.9)
Interest income. . . . .	6	(1)	-	36	1	-
Interest expense and other charges						
Interest . . . . .	86	98	(12.2)	404	405	(0.2)
Distributions on TXU Electric Company obligated, mandatorily redeemable, preferred securities of subsidiary trusts holding solely junior subordinated debentures of TXU Electric Company . . . . .	10	18	(44.4)	61	69	(11.6)
Preferred stock dividends . . . . .	3	3	-	10	10	-
Allowance for borrowed funds used during construction and capitalized interest. . . . .	(1)	(3)	(66.7)	(13)	(9)	44.4
Total interest expense and other charges . . . . .	98	116	(15.5)	462	475	(2.7)
Income before income taxes and extraordinary item . . . . .	141	199	(29.1)	1,267	1,269	(0.2)
Income tax expense. . . . .	49	41	19.5	396	386	2.6
Income before extraordinary item. . . . .	92	158	(41.8)	871	883	(1.4)
Extraordinary item, less applicable income tax. . . . .	(154)	-	-	(154)	-	-
Net income (loss). . . . .	\$ (62)	\$ 158	-	\$ 717	\$ 883	(18.8)

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.

# TXU CORP. AND SUBSIDIARIES

## US ELECTRIC SEGMENT

### Consolidated Operating Statistics

Periods Ended December 31, 2001 and 2000

	Three Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change
<b>ELECTRIC ENERGY SALES (gigawatt-hours)</b>						
Residential .....	7,270	8,752	(16.9)	38,797	38,680	0.3
Commercial .....	7,026	7,863	(10.6)	31,859	32,308	(1.4)
Industrial .....	5,978	6,253	(4.4)	25,076	25,307	(0.9)
Government and municipal .....	1,680	1,774	(5.3)	7,081	7,124	(0.6)
Total general business .....	21,954	24,642	(10.9)	102,813	103,419	(0.6)
Other electric utilities .....	363	474	(23.4)	2,747	3,251	(15.5)
Total electric energy sales .....	22,317	25,116	(11.1)	105,560	106,670	(1.0)

CUSTOMERS (end of period & in thousands).....	2,728	2,672	2.1
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### OPERATING REVENUES (millions of dollars)

#### Base Rate Revenues:

Residential .....	\$ 407	\$ 484	(15.9)	\$ 2,201	\$ 2,232	(1.4)
Commercial .....	313	345	(9.3)	1,418	1,439	(1.5)
Industrial .....	129	144	(10.4)	584	616	(5.2)
Government and municipal .....	75	81	(7.4)	335	340	(1.5)
Total general business .....	924	1,054	(12.3)	4,538	4,627	(1.9)
Other electric utilities .....	8	20	(60.0)	56	125	(55.2)
Total base rate revenues .....	932	1,074	(13.2)	4,594	4,752	(3.3)
Fuel (including over/under-recovered) .....	361	839	(57.0)	2,655	2,756	(3.7)
Transmission service .....	46	42	9.5	181	168	7.7
Other .....	64	44	45.5	216	93	-
Subtotal .....	1,403	1,999	(29.8)	7,646	7,769	(1.6)
Earnings in excess of earnings cap .....	100	(63)	-	(40)	(310)	(87.1)
Total operating revenues .....	\$ 1,503	\$ 1,936	(22.4)	\$ 7,606	\$ 7,459	2.0

### FUEL SUPPLY AND PURCHASED POWER DATA

#### Mix for net input:

#### Fuel for electric generation:

Gas/Oil .....	14.3 %	31.3 %	(54.3)	25.3 %	33.0 %	(23.3)
Lignite .....	40.6	36.1	12.5	35.7	36.2	(1.4)
Nuclear .....	21.4	14.8	44.6	16.5	16.3	1.2
Total fuel for electric generation .....	76.3	82.2	(7.2)	77.5	85.5	(9.4)
Purchased power .....	23.7	17.8	33.1	22.5	14.5	55.2
Total .....	100.0 %	100.0 %	-	100.0 %	100.0 %	-
Average fuel cost for electric generation per million Btu .....	\$ 1.45	\$ 2.91	(50.2)	\$ 2.13	\$ 2.27	(6.2)
Average fuel and purchased power cost (excluding capacity charge) per kWh of net input .....	\$ 1.88	\$ 3.40	(44.7)	\$ 2.69	\$ 2.66	1.1

### WEATHER (average for service area)

#### Percent of normal:

Cooling degree days .....	84.1%	127.6%	(34.1)	100.5%	119.1%	(15.6)
Heating degree days .....	85.8%	141.5%	(39.4)	97.5%	94.6%	3.1

Additional financial information is available upon request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411.  
(214) 812-4600

**TXU CORP. AND SUBSIDIARIES**  
**US GAS SEGMENT**

For the Periods Ended December 31, 2001

**Statements of Consolidated Income (Loss)**

(Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	<u>2001</u>	<u>2000</u>	<u>% Change</u>	<u>2001</u>	<u>2000</u>	<u>% Change</u>
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ <b>253</b>	\$ 469	(46.1)	\$ <b>1,229</b>	\$ 1,107	11.0
Operating expenses						
Energy purchased for resale . . . . .	<b>124</b>	331	(62.5)	<b>764</b>	604	26.5
Operation and maintenance . . . . .	<b>65</b>	58	12.1	<b>260</b>	256	1.6
Depreciation and other amortization . . . . .	<b>18</b>	15	20.0	<b>65</b>	61	6.6
Goodwill amortization . . . . .	<b>6</b>	6	-	<b>22</b>	22	-
Taxes other than income . . . . .	<b>15</b>	17	(11.8)	<b>95</b>	63	50.8
Total operating expenses . . . . .	<b>228</b>	427	(46.6)	<b>1,206</b>	1,006	19.9
Operating income . . . . .	<b>25</b>	42	(40.5)	<b>23</b>	101	(77.2)
Other income (deductions) -- net . . . . .	<b>21</b>	8	-	<b>28</b>	61	(54.1)
Income before interest, other charges and income taxes . . . . .	<b>46</b>	50	(8.0)	<b>51</b>	162	(68.5)
Interest income . . . . .	<b>3</b>	5	(40.0)	<b>19</b>	11	72.7
Interest expense and other charges						
Interest . . . . .	<b>17</b>	21	(19.0)	<b>66</b>	70	(5.7)
Distributions on TXU Gas Company obligated, mandatorily redeemable, preferred securities of subsidiary trust holding solely junior subordinated debentures of TXU Gas Company . . . . .	<b>2</b>	2	-	<b>10</b>	10	-
Preferred stock dividends . . . . .	<b>1</b>	1	-	<b>4</b>	4	-
Total interest expense and other charges . . . . .	<b>20</b>	24	(16.7)	<b>80</b>	84	(4.8)
Income (loss) before income taxes . . . . .	<b>29</b>	31	(6.5)	<b>(10)</b>	89	-
Income tax expense . . . . .	<b>13</b>	14	(7.1)	<b>6</b>	40	(85.0)
Net income (loss) . . . . .	\$ <b>16</b>	\$ 17	(5.9)	\$ <b>(16)</b>	\$ 49	-

*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.*

# TXU CORP. AND SUBSIDIARIES

## US GAS SEGMENT

### Consolidated Operating Statistics

Periods Ended December 31, 2001 and 2000

	Three Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change
<b>SALES VOLUMES</b>						
Gas distribution (billion cubic feet):						
Residential . . . . .	24	36	(33.3)	84	83	1.2
Commercial . . . . .	14	19	(26.3)	53	51	3.9
Industrial and electric generation . . . . .	1	1	-	7	4	75.0
Total gas distribution . . . . .	<u>39</u>	<u>56</u>	<u>(30.4)</u>	<u>144</u>	<u>138</u>	<u>4.3</u>
Pipeline transportation (billion cubic feet) . . . . .	139	159	(12.6)	546	601	(9.2)
<b>GAS DISTRIBUTION CUSTOMERS</b> (end of period & in thousands)				1,447	1,438	0.6
<b>OPERATING REVENUES</b> (millions of dollars)						
Gas distribution:						
Residential . . . . .	\$ 131	\$ 298	(56.0)	\$ 691	\$ 616	12.2
Commercial . . . . .	61	138	(55.8)	372	318	17.0
Industrial and electric generation . . . . .	3	10	(70.0)	47	28	67.9
Total gas distribution . . . . .	<u>195</u>	<u>446</u>	<u>(56.3)</u>	<u>1,110</u>	<u>962</u>	<u>15.4</u>
Pipeline transportation . . . . .	28	36	(22.2)	114	123	(7.3)
Other revenues, net of intra-segment eliminations . . . . .	30	(13)	-	5	22	(77.3)
Total operating revenues . . . . .	<u>\$ 253</u>	<u>\$ 469</u>	<u>(46.1)</u>	<u>\$ 1,229</u>	<u>\$ 1,107</u>	<u>11.0</u>
<b>WEATHER</b> (average for service area)						
Percent of normal:						
Heating degree days . . . . .	85.8%	141.5%	(39.4)	97.5%	94.6%	3.1

Additional financial information is available upon request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411.  
(214) 812-4600

**TXU CORP. AND SUBSIDIARIES**  
**US ENERGY SEGMENT**

For the Periods Ended December 31, 2001

**Statements of Consolidated Income (Loss)**

(Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2001	2000	% Change	2001	2000	% Change
	Millions of Dollars			Millions of Dollars		
Operating revenues	\$ 1,130	\$ 1,770	(36.2)	\$ 5,582	\$ 5,508	1.3
Operating expenses						
Energy purchased for resale	926	1,774	(47.8)	5,195	5,430	(4.3)
Operation and maintenance	125	63	98.4	331	187	77.0
Depreciation and amortization	2	1	-	6	5	20.0
Taxes other than income	2	1	-	7	4	75.0
Total operating expenses	1,055	1,839	(42.6)	5,539	5,626	(1.5)
Operating income (loss)	75	(69)	-	43	(118)	-
Other income (deductions) -- net	(18)	-	-	(18)	-	-
Income (loss) before interest and income taxes	57	(69)	-	25	(118)	-
Interest income	-	4	-	4	7	(42.9)
Interest charges	4	8	(50.0)	22	24	(8.3)
Income (loss) before income taxes	53	(73)	-	7	(135)	-
Income tax expense (benefit)	18	(25)	-	1	(47)	-
Net income (loss)	\$ 35	\$ (48)	-	\$ 6	\$ (88)	-

**Operating Statistics**

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2001	2000	% Change	2001	2000	% Change
	Energy trading and marketing sales volumes					
Gas (billion cubic feet)	199	289	(31.1)	864	1,242	(30.4)
Electric (gigawatt-hours)	12,384	7,019	76.4	26,105	21,917	19.1
Operating revenues (millions of dollars)						
Energy trading and marketing	\$ 1,041	\$ 1,749	(40.5)	\$ 5,422	\$ 5,423	(0.0)
Other	89	21	-	160	85	88.2
Total operating revenues	\$ 1,130	\$ 1,770	(36.2)	\$ 5,582	\$ 5,508	1.3

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.

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**TXU CORP. AND SUBSIDIARIES**  
**EUROPE SEGMENT**

For the Periods Ended December 31, 2001

**Statements of Consolidated Income (Loss)**

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	<u>2001*</u>	<u>2000*</u>	<u>% Change</u>	<u>2001*</u>	<u>2000*</u>	<u>% Change</u>
	<i>Millions of U.S. Dollars</i>			<i>Millions of U.S. Dollars</i>		
Operating revenues . . . . .	\$ 3,762	\$ 2,442	54.1	\$ 12,719	\$ 7,044	80.6
Operating expenses						
Energy purchased for resale and fuel consumed . . . . .	3,243	1,720	88.5	10,406	4,927	-
Operation and maintenance . . . . .	297	392	(24.2)	1,500	1,050	42.9
Depreciation and other amortization . . . . .	40	77	(48.1)	216	241	(10.4)
Goodwill amortization . . . . .	44	43	2.3	177	154	14.9
Total operating expenses . . . . .	<u>3,624</u>	<u>2,232</u>	<u>62.4</u>	<u>12,299</u>	<u>6,372</u>	<u>93.0</u>
Operating income . . . . .	138	210	(34.3)	420	672	(37.5)
Other income (deductions) -- net . . . . .	(116)	(3)	-	(45)	121	-
Income before interest and income taxes . . . . .	22	207	(89.4)	375	793	(52.7)
Interest income . . . . .	42	25	68.0	99	90	10.0
Interest expense and other charges . . . . .	142	143	(0.7)	579	574	0.9
Income (loss) before income taxes . . . . .	(78)	89	-	(105)	309	-
Income tax expense (benefit) . . . . .	(75)	8	-	(263)	94	-
Net income (loss) . . . . .	\$ <u>(3)</u>	\$ <u>81</u>	<u>-</u>	\$ <u>158</u>	\$ <u>215</u>	<u>(26.5)</u>

\* Results of operations include Norweb Energi from the date of acquisition on August 3, 2000.

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.

# TXU CORP. AND SUBSIDIARIES

## EUROPE SEGMENT

### Consolidated Operating Statistics

Periods Ended December 31, 2001 and 2000

	Three Months			Twelve Months		
	2001 *	2000 *	% Change	2001 *	2000 *	% Change
<b>SALES VOLUMES</b>						
Electric (gigawatt-hours):						
Residential . . . . .	5,873	6,340	(7.4)	21,640	17,263	25.4
Industrial and commercial . . . . .	8,053	6,474	24.4	28,510	22,586	26.2
Total electric . . . . .	<u>13,926</u>	<u>12,814</u>	<u>8.7</u>	<u>50,150</u>	<u>39,849</u>	<u>25.9</u>
Units distributed (gigawatt-hours) . . . . .	<u>9,999</u>	<u>9,294</u>	<u>7.6</u>	<u>34,390</u>	<u>33,393</u>	<u>3.0</u>
Gas (billion cubic feet):						
Residential . . . . .	19	24	(20.8)	86	58	48.3
Industrial and commercial . . . . .	14	17	(17.6)	57	57	-
Total gas . . . . .	<u>33</u>	<u>41</u>	<u>(19.5)</u>	<u>143</u>	<u>115</u>	<u>24.3</u>
Wholesale energy sales:						
Electricity generated (gigawatt-hours) . . . . .	37,816	34,040	11.1	148,160	111,259	33.2
Gas (billion cubic feet) . . . . .	<u>430</u>	<u>316</u>	<u>36.1</u>	<u>1,585</u>	<u>1,060</u>	<u>49.5</u>

### CUSTOMERS (end of period & in thousands)

Electric . . . . .	4,395	4,358	0.8
Gas . . . . .	1,273	1,127	13.0

### OPERATING REVENUES (millions of U.S. dollars)

<b>Electric:</b>						
Residential . . . . .	\$ 526	\$ 515	2.1	\$ 1,913	\$ 1,551	23.3
Industrial and commercial . . . . .	437	376	16.2	1,460	1,249	16.9
Total electric operating revenues . . . . .	<u>963</u>	<u>891</u>	<u>8.1</u>	<u>3,373</u>	<u>2,800</u>	<u>20.5</u>
Distribution . . . . .	126	124	1.6	454	535	(15.1)
<b>Gas:</b>						
Residential . . . . .	163	126	29.4	503	339	48.4
Industrial and commercial . . . . .	72	60	20.0	249	190	31.1
Total gas operating revenues . . . . .	<u>235</u>	<u>186</u>	<u>26.3</u>	<u>752</u>	<u>529</u>	<u>42.2</u>
Wholesale energy sales . . . . .	2,047	1,302	57.2	7,158	3,318	-
Other ** . . . . .	462	15	-	1,244	193	-
Less intercompany revenues . . . . .	(71)	(76)	(6.6)	(262)	(331)	(20.8)
Total operating revenues . . . . .	<u>\$ 3,762</u>	<u>\$ 2,442</u>	<u>54.1</u>	<u>\$ 12,719</u>	<u>\$ 7,044</u>	<u>80.6</u>

\* Includes Norweb Energi from the date of acquisition on August 3, 2000.

\*\* Includes wholesale non-physical.

Additional financial information is available upon request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411.  
(214) 812-4600

**TXU CORP. AND SUBSIDIARIES**  
**AUSTRALIA SEGMENT**

For the Periods Ended December 31, 2001

**Statements of Consolidated Income (Loss)**

*(Unaudited)*

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	<u>2001</u>	<u>2000</u>	<u>% Change</u>	<u>2001</u>	<u>2000</u>	<u>% Change</u>
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ <b>153</b>	\$ 158	(3.2)	\$ <b>700</b>	\$ 717	(2.4)
Operating expenses						
Energy purchased for resale and fuel consumed . . .	<b>70</b>	85	(17.6)	<b>332</b>	332	-
Operation and maintenance . . . . .	<b>39</b>	39	-	<b>138</b>	141	(2.1)
Depreciation and other amortization . . . . .	<b>16</b>	15	6.7	<b>60</b>	60	-
Goodwill amortization. . . . .	<b>5</b>	3	66.7	<b>19</b>	21	(9.5)
Total operating expenses. . . . .	<b>130</b>	142	(8.5)	<b>549</b>	554	(0.9)
Operating income . . . . .	<b>23</b>	16	43.8	<b>151</b>	163	(7.4)
Other income (deductions)--net . . . . .	<b>(1)</b>	5	-	<b>(3)</b>	9	-
Income before interest and income taxes . . . . .	<b>22</b>	21	4.8	<b>148</b>	172	(14.0)
Interest charges . . . . .	<b>31</b>	37	(16.2)	<b>126</b>	151	(16.6)
Income (loss) before income taxes. . . . .	<b>(9)</b>	(16)	(43.8)	<b>22</b>	21	4.8
Income tax benefit . . . . .	<b>(11)</b>	(15)	(26.7)	<b>(31)</b>	(36)	(13.9)
Net income (loss) . . . . .	\$ <b>2</b>	\$ (1)	-	\$ <b>53</b>	\$ 57	(7.0)

*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.*

# TXU CORP. AND SUBSIDIARIES

## AUSTRALIA SEGMENT

### Consolidated Operating Statistics

Periods Ended December 31, 2001 and 2000

	Three Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change
Sales volumes						
Electric (gigawatt-hours):						
Residential . . . . .	539	600	(10.2)	2,646	2,700	(2.0)
Commercial and industrial . . . . .	779	577	35.0	2,705	2,680	0.9
Total electric. . . . .	<u>1,318</u>	<u>1,177</u>	<u>12.0</u>	<u>5,351</u>	<u>5,380</u>	<u>(0.5)</u>
Gas (billion cubic feet):						
Residential . . . . .	3	3	-	16	20	(20.0)
Commercial, industrial and electric generation . . . . .	13	9	44.4	50	47	6.4
Total gas. . . . .	<u>16</u>	<u>12</u>	<u>33.3</u>	<u>66</u>	<u>67</u>	<u>(1.5)</u>
<hr/>						
Customers (end of period & in thousands)						
Electric . . . . .				553	517	7.0
Gas . . . . .				427	419	1.9
<hr/>						
Operating revenues (millions of U.S. dollars)						
Electric:						
Residential . . . . .	\$ 34	\$ 40	(15.0)	\$ 172	\$ 194	(11.3)
Commercial and industrial. . . . .	40	30	33.3	142	144	(1.4)
Total electric. . . . .	<u>74</u>	<u>70</u>	<u>5.7</u>	<u>314</u>	<u>338</u>	<u>(7.1)</u>
Gas:						
Residential . . . . .	10	9	11.1	70	67	4.5
Commercial, industrial and electric generation. . . . .	25	18	38.9	96	101	(5.0)
Total gas. . . . .	<u>35</u>	<u>27</u>	<u>29.6</u>	<u>166</u>	<u>168</u>	<u>(1.2)</u>
Other . . . . .	44	61	(27.9)	220	211	4.3
Total operating revenues . . . . .	<u>\$ 153</u>	<u>\$ 158</u>	<u>(3.2)</u>	<u>\$ 700</u>	<u>\$ 717</u>	<u>(2.4)</u>

Additional financial information is available upon request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411.  
(214) 812-4600