

## TXU CORP. AND SUBSIDIARIES

### Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
	Millions of Dollars			Millions of Dollars			Millions of Dollars		
Operating revenues	\$ 6,127	\$ 4,592	33.4	\$ 14,502	\$ 9,368	54.8	\$ 27,143	\$ 18,289	48.4
Operating expenses									
Energy purchased for resale and fuel consumed	4,145	2,902	42.8	10,537	5,798	81.7	19,190	10,429	84.0
Operation and maintenance	896	658	36.2	1,715	1,443	18.8	3,483	3,322	4.8
Depreciation and other amortization	248	257	(3.5)	505	521	(3.1)	994	1,050	(5.3)
Goodwill amortization	54	48	12.5	109	97	12.4	216	194	11.3
Taxes other than income	200	159	25.8	382	319	19.7	719	644	11.6
Total operating expenses	5,543	4,024	37.7	13,248	8,178	62.0	24,602	15,639	57.3
Operating income	584	568	2.8	1,254	1,190	5.4	2,541	2,650	(4.1)
Other income (deductions) -- net	61	121	(49.6)	58	133	(56.4)	163	423	(61.5)
Income before interest, other charges and income taxes	645	689	(6.4)	1,312	1,323	(0.8)	2,704	3,073	(12.0)
Interest income	26	31	(16.1)	54	67	(19.4)	116	139	(16.5)
Interest expense and other charges									
Interest	345	368	(6.3)	717	728	(1.5)	1,456	1,470	(1.0)
Distributions on preferred securities of subsidiary perpetual trust of TXU Europe	3	4	(25.0)	7	5	40.0	14	5	-
Distributions on mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:									
TXU Corp. obligated	7	8	(12.5)	15	15	-	30	25	20.0
Subsidiary obligated	20	19	5.3	39	39	-	79	78	1.3
Preferred stock dividends of subsidiaries	4	3	33.3	7	7	-	14	14	-
Allowance for borrowed funds used during construction and capitalized interest	(7)	(3)	-	(12)	(5)	-	(18)	(9)	-
Total interest expense and other charges	372	399	(6.8)	773	789	(2.0)	1,575	1,583	(0.5)
Income before income taxes	299	321	(6.9)	593	601	(1.3)	1,245	1,629	(23.6)
Income tax expense	92	94	(2.1)	185	181	2.2	341	505	(32.5)
Net income	207	227	(8.8)	408	420	(2.9)	904	1,124	(19.6)
Preference stock dividends	6	-	-	11	-	-	23	-	-
Net income available for common stock	\$ 201	\$ 227	(11.5)	\$ 397	\$ 420	(5.5)	\$ 881	\$ 1,124	(21.6)
Average shares of common stock outstanding (millions)	256	263	(2.7)	257	268	(4.1)	258	272	(5.1)
Per share of common stock:									
Basic and diluted earnings	\$0.78	\$0.87	(10.3)	\$1.55	\$1.57	(1.3)	\$3.41	\$4.13	(17.4)
Dividends declared	\$0.60	\$0.60	-	\$1.20	\$1.20	-	\$2.40	\$2.375	1.1

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)

	June 30,	
	<u>2001</u>	<u>2000</u>
	<i>Millions of Dollars</i>	
<b>ASSETS</b>		
Current assets. . . . .	\$ 5,026	\$ 4,556
Investments. . . . .	2,605	3,054
Property, plant and equipment:		
United States (US):		
Property, plant and equipment . . . . .	26,645	26,228
Less accumulated depreciation . . . . .	9,114	8,494
Net of accumulated depreciation . . . . .	17,531	17,734
Construction work in progress . . . . .	754	429
Nuclear fuel (net of accumulated amortization) . . . . .	156	165
Held for future use . . . . .	22	22
Reserve for regulatory disallowances . . . . .	(836)	(836)
Net US property, plant and equipment . . . . .	17,627	17,514
Europe (net of accumulated depreciation) . . . . .	4,079	4,120
Australia (net of accumulated depreciation) . . . . .	1,594	1,730
Net property, plant and equipment . . . . .	23,300	23,364
Goodwill (net of accumulated amortization) . . . . .	7,182	7,255
Other assets. . . . .	4,687	3,234
Total Assets. . . . .	<u>\$ 42,800</u>	<u>\$ 41,463</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities:		
Notes payable. . . . .	\$ 2,941	\$ 4,052
Long-term debt due currently. . . . .	2,829	826
Other . . . . .	4,990	4,565
Total current liabilities. . . . .	10,760	9,443
Long-term debt, less amounts due currently. . . . .	15,130	15,880
Accumulated deferred income taxes. . . . .	3,991	3,965
Investment tax credits. . . . .	490	513
Other deferred credits and noncurrent liabilities. . . . .	3,033	1,809
	<u>33,404</u>	<u>31,610</u>
Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:		
TXU obligated. . . . .	368	368
Subsidiary obligated. . . . .	976	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
Shareholders' equity		
Preference stock. . . . .	300	300
Common stock without par value. . . . .	6,333	6,483
Retained earnings. . . . .	1,915	1,696
Accumulated other comprehensive income. . . . .	(857)	(331)
Total shareholders' equity. . . . .	7,691	8,148
Total Liabilities and Shareholders' Equity. . . . .	<u>\$ 42,800</u>	<u>\$ 41,463</u>

**TXU CORP. AND SUBSIDIARIES**

**Condensed Statements of Consolidated Cash Flows**

(Unaudited)

	Twelve Months Ended	
	June 30,	
	<u>2001</u>	<u>2000</u>
	<i>Millions of Dollars</i>	
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Net income .....	\$ 904	\$ 1,124
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization .....	1,397	1,404
Deferred income taxes and investment tax credits -- net .....	185	120
Gains from the sale of assets .....	(198)	(371)
Reduction of revenues for earnings in excess of earnings cap .....	235	192
Other .....	79	(22)
Changes in operating assets and liabilities .....	<u>(1,116)</u>	<u>(637)</u>
Cash provided by operating activities .....	<u>1,486</u>	<u>1,810</u>
<b>CASH FLOWS - FINANCING ACTIVITIES</b>		
Issuances of securities:		
Other long-term debt .....	3,837	1,753
Preferred securities of subsidiary perpetual trust of TXU Europe .....	-	150
Company obligated, mandatorily redeemable preferred securities of Company trust, holding solely junior subordinated debentures of the Company .....	-	150
Preference stock .....	-	300
Common stock .....	2	2
Retirements/repurchases of securities:		
Other long-term debt/obligations .....	(2,634)	(2,713)
Common stock .....	(226)	(601)
Change in notes payable .....	(963)	1,359
Cash dividends paid:		
Common stock .....	(622)	(644)
Preference stock .....	(22)	-
Other .....	<u>(27)</u>	<u>(60)</u>
Cash used in financing activities .....	<u>(655)</u>	<u>(304)</u>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Construction expenditures .....	(1,563)	(1,530)
Acquisitions of businesses .....	(687)	(339)
Proceeds from sale of assets .....	835	713
Cash distribution from equity investee .....	599	-
Nuclear fuel .....	(60)	(47)
Other .....	<u>(263)</u>	<u>(592)</u>
Cash used in investing activities .....	<u>(1,139)</u>	<u>(1,795)</u>
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS .....	<u>(25)</u>	<u>(30)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS .....	(333)	(319)
CASH AND CASH EQUIVALENTS -- BEGINNING BALANCE .....	<u>629</u>	<u>948</u>
CASH AND CASH EQUIVALENTS -- ENDING BALANCE .....	<u>\$ 296</u>	<u>\$ 629</u>

**TXU CORP. AND SUBSIDIARIES**  
**Operating and Financial Statistics**  
**Periods Ended June 30, 2001 and 2000**

Operating statistics	Three Months			Six Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
<b>Sales volumes</b>									
Electric (gigawatt-hours):									
Residential	14,429	11,572	24.7	31,339	24,270	29.1	65,697	53,795	22.1
Commercial and industrial	23,708	20,237	17.2	45,161	38,611	17.0	96,572	81,568	18.4
Other electric utilities	539	1,139	(52.7)	919	2,116	(56.6)	2,053	3,487	(41.1)
Total electric	<u>38,676</u>	<u>32,948</u>	<u>17.4</u>	<u>77,419</u>	<u>64,997</u>	<u>19.1</u>	<u>164,322</u>	<u>138,850</u>	<u>18.3</u>
Gas (billion cubic feet):									
Residential	32	26	23.1	121	79	53.2	204	140	45.7
Commercial and industrial	35	35	-	97	83	16.9	172	158	8.9
Pipeline transportation (billion cubic feet)	122	133	(8.3)	280	274	2.2	607	554	9.6
US energy trading and marketing:									
Gas (billion cubic feet)	182	306	(40.5)	454	626	(27.5)	1,070	1,136	(5.8)
Electric (gigawatt-hours)	2,431	6,836	(64.4)	7,790	10,540	(26.1)	19,167	15,254	25.7
UK wholesale energy sales:									
Gas (billion cubic feet)	345	275	25.5	724	461	57.0	1,264	700	80.6
Electric (gigawatt-hours)	31,605	33,263	(5.0)	75,355	57,698	30.6	117,789	94,889	24.1
<b>Customers (end of period &amp; in thousands)</b>									
Electric							7,704	5,872	31.2
Gas							3,122	2,536	23.1
<b>Operating revenues (millions of dollars)</b>									
Electric:									
Residential	\$ 985	\$ 828	19.0	\$ 2,093	\$ 1,695	23.5	\$ 4,373	\$ 3,813	14.7
Commercial and industrial	960	872	10.1	1,856	1,687	10.0	3,956	3,576	10.6
Other electric utilities	21	54	(61.1)	33	83	(60.2)	75	138	(45.7)
US fuel (including over/under-recovered)	725	577	25.6	1,505	931	61.7	3,330	1,915	73.9
Transmission service	45	41	9.8	89	84	6.0	173	164	5.5
Other	131	132	(0.8)	293	335	(12.5)	584	688	(15.1)
Subtotal	<u>2,867</u>	<u>2,504</u>	<u>14.5</u>	<u>5,869</u>	<u>4,815</u>	<u>21.9</u>	<u>12,491</u>	<u>10,294</u>	<u>21.3</u>
Earnings in excess of earnings cap	(10)	(100)	(90.0)	(24)	(100)	(76.0)	(234)	(192)	21.9
Total electric	<u>2,857</u>	<u>2,404</u>	<u>18.8</u>	<u>5,845</u>	<u>4,715</u>	<u>24.0</u>	<u>12,257</u>	<u>10,102</u>	<u>21.3</u>
Gas:									
Residential	214	155	38.1	825	457	80.5	1,390	829	67.7
Commercial and industrial	142	113	25.7	493	298	65.4	832	550	51.3
Subtotal	<u>356</u>	<u>268</u>	<u>32.8</u>	<u>1,318</u>	<u>755</u>	<u>74.6</u>	<u>2,222</u>	<u>1,379</u>	<u>61.1</u>
Pipeline transportation	22	24	(8.3)	60	59	1.7	124	113	9.7
US energy trading and marketing	1,083	1,180	(8.2)	3,353	2,200	52.4	6,577	3,841	71.2
UK wholesale energy sales	1,576	564	-	3,399	1,408	-	5,290	2,430	-
Other revenues, net of intercompany eliminations	233	152	53.3	527	231	-	673	424	58.7
Total operating revenues	<u>\$ 6,127</u>	<u>\$ 4,592</u>	<u>33.4</u>	<u>\$ 14,502</u>	<u>\$ 9,368</u>	<u>54.8</u>	<u>\$ 27,143</u>	<u>\$ 18,289</u>	<u>48.4</u>

**Financial statistics - JUNE 2001**

<b>Common stock data:</b>	
Shares outstanding - end of period (millions)	257
Book value per share - end of period	\$28.71
Return on average common stock equity	11.6
Dividends declared as a percent of net income	72.6
<b>Capitalization ratios (end of period):</b>	
Long-term debt	61.7
Preferred securities of subsidiary trusts	6.1
Preference and preferred stock	2.1
Common stock equity	30.1
Total	<u>100.0</u>

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

## TXU Corp.

The following tables identify the **major** components of the **change** in earnings for the quarter, year-to-date, and twelve months ended June 30, 2001.

<b>Three Months Ended</b>	<b>Change in \$ (Millions) After Tax</b>	<b>Per Share Impact</b>	<b>EPS</b>
<b>Reported EPS 06/30/2000</b>			<b>\$ 0.87</b>
Europe Nonoperating	(16)	(0.07)	
Gain on Sale of TXU Processing	(34)	(0.13)	(0.20)
<b>Adjusted EPS 06/30/2000</b>			<b>\$ 0.67</b>
US Electric Segment		0.15	
US Gas Segment	(18)	(0.07)	
US Energy Segment	(2)	(0.01)	
Europe Segment	40	0.15	
Australia Segment	(14)	(0.05)	
Corporate and Other		(0.08)	
Net Decrease in Common Shares		0.02	0.11
<b>Earnings Per Share 06/30/2001</b>			<b>\$ 0.78</b>

<b>Year to Date</b>	<b>Change in \$ (Millions) After Tax</b>	<b>Per Share Impact</b>	<b>EPS</b>
<b>Reported EPS 06/30/2000</b>			<b>\$ 1.57</b>
Europe Nonoperating	34	0.13	
Gain on Sale of TXU Processing	(34)	(0.13)	-
<b>Adjusted EPS 06/30/2000</b>			<b>\$ 1.57</b>
US Electric Segment		0.19	
US Gas Segment	(9)	(0.03)	
US Energy Segment	(4)	(0.01)	
Europe Segment	7	0.03	
Australia Segment	(16)	(0.06)	
Net Decrease in Common Shares		0.06	
Corporate and Other		(0.14)	0.04
<b>Adjusted EPS 06/30/2001</b>			<b>\$ 1.61</b>
TXU Europe Nonoperating	(17)	(0.06)	(0.06)
<b>Reported EPS 06/30/2001</b>			<b>\$ 1.55</b>

<b>Twelve Months Ended</b>	<b>Change in \$ (Millions) After Tax</b>	<b>Per Share Impact</b>	<b>EPS</b>
<b>Reported EPS 06/30/2000</b>			<b>\$ 4.13</b>
Europe Nonoperating Items	34	0.12	
Gain on Sale of TXU Processing	(34)	(0.12)	
Gain on Sale of Interest in PrimeCo	(145)	(0.53)	(0.53)
<b>Adjusted EPS 06/30/2000</b>			<b>\$ 3.60</b>
US Electric Segment		0.17	
US Gas Segment	(14)	(0.05)	
US Energy Segment	(35)	(0.13)	
Europe Segment	(14)	(0.05)	
Australia Segment	(7)	(0.03)	
Corporate and Other		(0.20)	
Net Decrease in Common Shares		0.17	(0.12)
<b>Adjusted EPS 06/30/2001</b>			<b>\$ 3.48</b>
Previously Reported Nonoperating Items	(18)	(0.07)	(0.07)
<b>Reported EPS 06/30/2001</b>			<b>\$ 3.41</b>

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

For the Periods Ended June 30, 2001

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ 1,945	\$ 1,698	14.5	\$ 3,784	\$ 3,061	23.6	\$ 8,182	\$ 6,509	25.7
Operating expenses									
Energy purchased for resale and fuel consumed . . . . .	798	675	18.2	1,650	1,101	49.9	3,628	2,236	62.3
Operation and maintenance . . . . .	388	340	14.1	730	661	10.4	1,554	1,407	10.4
Depreciation and amortization . . . . .	156	154	1.3	313	308	1.6	624	599	4.2
Taxes other than income . . . . .	151	131	15.3	300	266	12.8	589	548	7.5
Total operating expenses . . . . .	1,493	1,300	14.8	2,993	2,336	28.1	6,395	4,790	33.5
Operating income . . . . .	452	398	13.6	791	725	9.1	1,787	1,719	4.0
Other income (deductions) -- net . . . . .	(5)	(3)	66.7	(6)	(5)	20.0	21	9	-
Income before interest, other charges and income taxes . . . . .	447	395	13.2	785	720	9.0	1,808	1,728	4.6
Interest income . . . . .	(1)	-	-	(1)	1	-	(1)	2	-
Interest expense and other charges									
Interest . . . . .	98	105	(6.7)	195	202	(3.5)	398	408	(2.5)
Distributions on TXU Electric Company obligated, mandatorily redeemable, preferred securities of subsidiary trusts holding solely junior subordinated debentures of TXU Electric Company . . . . .	17	17	-	34	34	-	69	68	1.5
Preferred stock dividends . . . . .	3	2	50.0	5	5	-	10	10	-
Allowance for borrowed funds used during construction and capitalized interest . . . . .	(4)	(2)	-	(7)	(4)	75.0	(12)	(7)	71.4
Total interest expense and other charges . . . . .	114	122	(6.6)	227	237	(4.2)	465	479	(2.9)
Income before income taxes . . . . .	332	273	21.6	557	484	15.1	1,342	1,251	7.3
Income tax expense . . . . .	106	87	21.8	174	153	13.7	407	411	(1.0)
Net income . . . . .	\$ 226	\$ 186	21.5	\$ 383	\$ 331	15.7	\$ 935	\$ 840	11.3

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# TXU CORP. AND SUBSIDIARIES

## US ELECTRIC SEGMENT

### Consolidated Operating Statistics

Periods Ended June 30, 2001 and 2000

	Three Months			Six Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
ELECTRIC ENERGY SALES (gigawatt-hours)									
Residential	8,665	8,442	2.6	18,261	16,011	14.1	40,915	36,170	13.1
Commercial	8,243	8,080	2.0	15,356	14,733	4.2	32,937	30,811	6.9
Industrial	6,612	6,100	8.4	12,496	12,009	4.1	25,805	24,687	4.5
Government and municipal	1,815	1,746	4.0	3,305	3,181	3.9	7,248	6,810	6.4
Total general business	25,335	24,368	4.0	49,418	45,934	7.6	106,905	98,478	8.6
Other electric utilities	539	1,139	(52.7)	919	2,116	(56.6)	2,053	3,487	(41.1)
Total electric energy sales	25,874	25,507	1.4	50,337	48,050	4.8	108,958	101,965	6.9

CUSTOMERS (end of period & in thousands)							2,705	2,643	2.3
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### OPERATING REVENUES (millions of dollars)

#### Base Rate Revenues:

Residential	\$ 519	\$ 500	3.8	\$ 990	\$ 902	9.8	\$ 2,319	\$ 2,113	9.7
Commercial	375	365	2.7	690	678	1.8	1,452	1,376	5.5
Industrial	150	157	(4.5)	277	293	(5.5)	600	590	1.7
Government and municipal	88	86	2.3	157	157	-	341	331	3.0
Total general business	1,132	1,108	2.2	2,114	2,030	4.1	4,712	4,410	6.8
Other electric utilities	21	54	(61.1)	33	83	(60.2)	75	138	(45.7)
Total base rate revenues	1,153	1,162	(0.8)	2,147	2,113	1.6	4,787	4,548	5.3
Fuel (including over/under-recovered)	725	577	25.6	1,505	931	61.7	3,330	1,915	73.9
Transmission service	45	41	9.8	89	84	6.0	173	164	5.5
Other	32	18	77.8	67	33	-	126	74	70.3
Subtotal	1,955	1,798	8.7	3,808	3,161	20.5	8,416	6,701	25.6
Earnings in excess of earnings cap	(10)	(100)	(90.0)	(24)	(100)	(76.0)	(234)	(192)	21.9
Total operating revenues	\$ 1,945	\$ 1,698	14.5	\$ 3,784	\$ 3,061	23.6	\$ 8,182	\$ 6,509	25.7

### FUEL SUPPLY AND PURCHASED POWER DATA

#### Mix for net input:

#### Fuel for electric generation:

Gas/Oil	28.1 %	36.4 %	(22.8)	26.1 %	30.6 %	(14.7)	30.9 %	33.3 %	(7.2)
Lignite	35.1	35.4	(0.8)	36.8	39.0	(5.6)	35.2	37.9	(7.1)
Nuclear	15.2	17.8	(14.6)	16.6	19.0	(12.6)	15.2	17.0	(10.6)
Total fuel for electric generation	78.4	89.6	(12.5)	79.5	88.6	(10.3)	81.3	88.2	(7.8)
Purchased power	21.6	10.4	-	20.5	11.4	79.8	18.7	11.8	58.5
Total	100.0 %	100.0 %	-	100.0 %	100.0 %	-	100.0 %	100.0 %	-
Average fuel cost for electric generation per million Btu	\$ 2.36	\$ 2.10	12.4	\$ 2.54	\$ 1.82	39.6	\$ 2.62	\$ 1.74	50.6
Average fuel and purchased power cost (excluding capacity charge) per kWh of net input	\$ 2.83	\$ 2.38	18.9	\$ 3.06	\$ 2.08	47.1	\$ 3.12	\$ 2.00	56.0

### WEATHER (average for service area)

#### Percent of normal:

Cooling degree days	109.9%	115.3%	(4.7)	106.3%	121.0%	(12.1)	115.7%	117.0%	(1.1)
Heating degree days	41.4%	79.4%	(47.9)	104.7%	64.4%	62.6	118.7%	65.6%	80.9

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 June 30, 2001

**Statements of Consolidated Income (Loss)**

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
	Millions of Dollars			Millions of Dollars			Millions of Dollars		
Operating revenues . . . . .	\$ 171	\$ 157	8.9	\$ 855	\$ 489	74.8	\$ 1,473	\$ 906	62.6
Operating expenses									
Energy purchased for resale . . . . .	91	70	30.0	586	218	-	972	392	-
Operation and maintenance . . . . .	65	60	8.3	132	138	(4.3)	250	284	(12.0)
Depreciation and other amortization . . . . .	16	16	-	31	31	-	62	61	1.6
Goodwill amortization . . . . .	5	5	-	11	11	-	21	21	-
Taxes other than income . . . . .	39	19	-	61	34	79.4	90	58	55.2
Total operating expenses . . . . .	216	170	27.1	821	432	90.0	1,395	816	71.0
Operating income (loss) . . . . .	(45)	(13)	-	34	57	(40.4)	78	90	(13.3)
Other income (deductions) -- net . . . . .	4	53	(92.5)	5	52	(90.4)	14	65	(78.5)
Income (loss) before interest, other charges and income taxes . . . . .	(41)	40	-	39	109	(64.2)	92	155	(40.6)
Interest income . . . . .	2	1	-	6	1	-	16	2	-
Interest expense and other charges									
Interest . . . . .	15	16	(6.3)	32	31	3.2	71	64	10.9
Distributions on TXU Gas Company obligated, mandatorily redeemable, preferred securities of subsidiary trust holding solely junior subordinated debentures of TXU Gas Company . . . . .	3	2	50.0	5	5	-	10	10	-
Preferred stock dividends . . . . .	1	1	-	2	2	-	4	4	-
Total interest expense and other charges . . . . .	19	19	-	39	38	2.6	85	78	9.0
Income (loss) before income taxes . . . . .	(58)	22	-	6	72	(91.7)	23	79	(70.9)
Income tax expense (benefit) . . . . .	(18)	9	-	7	29	(75.9)	18	25	(28.0)
Net income (loss) . . . . .	\$ (40)	\$ 13	-	\$ (1)	\$ 43	-	\$ 5	\$ 54	(90.7)

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 June 30, 2001 and 2000**

	Three Months			Six Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
<b>SALES VOLUMES</b>									
Gas distribution (billion cubic feet):									
Residential . . . . .	8	10	(20.0)	54	40	35.0	97	67	44.8
Commercial . . . . .	8	8	-	33	26	26.9	58	45	28.9
Industrial and electric generation . . . . .	2	1	-	5	2	-	7	4	75.0
Total gas distribution . . . . .	<u>18</u>	<u>19</u>	<u>(5.3)</u>	<u>92</u>	<u>68</u>	<u>35.3</u>	<u>162</u>	<u>116</u>	<u>39.7</u>
Pipeline transportation (billion cubic feet) . . . . .	122	133	(8.3)	280	274	2.2	607	554	9.6
<b>GAS DISTRIBUTION CUSTOMERS</b> (end of period & in thousands)							1,424	1,408	1.1
<b>OPERATING REVENUES</b> (millions of dollars)									
Gas distribution:									
Residential . . . . .	\$ 83	\$ 73	13.7	\$ 503	\$ 249	-	\$ 870	\$ 429	-
Commercial . . . . .	58	44	31.8	273	133	-	458	226	-
Industrial and electric generation . . . . .	12	5	-	38	11	-	55	21	-
Total gas distribution . . . . .	<u>153</u>	<u>122</u>	<u>25.4</u>	<u>814</u>	<u>393</u>	<u>-</u>	<u>1,383</u>	<u>676</u>	<u>-</u>
Pipeline transportation . . . . .	22	24	(8.3)	60	59	1.7	124	113	9.7
Other revenues, net of intra-segment eliminations . . . . .	(4)	11	-	(19)	37	-	(34)	117	-
Total operating revenues . . . . .	<u>\$ 171</u>	<u>\$ 157</u>	<u>8.9</u>	<u>\$ 855</u>	<u>\$ 489</u>	<u>74.8</u>	<u>\$ 1,473</u>	<u>\$ 906</u>	<u>62.6</u>
<b>WEATHER</b> (average for service area)									
Percent of normal:									
Heating degree days . . . . .	41.4%	79.4%	(47.9)	104.7%	64.4%	62.6	118.7%	65.6%	80.9

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 June 30, 2001

**Statements of Operations**

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues	\$ 1,112	\$ 1,213	(8.3)	\$ 3,394	\$ 2,251	50.8	\$ 6,651	\$ 3,957	68.1
Operating expenses									
Energy purchased for resale	1,044	1,162	(10.2)	3,280	2,175	50.8	6,535	3,809	71.6
Operation and maintenance	66	48	37.5	121	81	49.4	227	171	32.7
Depreciation and amortization	2	2	-	3	3	-	5	7	(28.6)
Taxes other than income	2	1	-	4	2	-	6	5	20.0
Total operating expenses	1,114	1,213	(8.2)	3,408	2,261	50.7	6,773	3,992	69.7
Operating income (loss)	(2)	-	-	(14)	(10)	40.0	(122)	(35)	-
Other income (deductions) -- net	(1)	(1)	-	-	-	-	-	4	-
Loss before interest and income taxes	(3)	(1)	-	(14)	(10)	40.0	(122)	(31)	-
Interest income	1	1	-	4	2	-	9	2	-
Interest charges	5	5	-	14	9	55.6	29	17	70.6
Loss before income taxes	(7)	(5)	40.0	(24)	(17)	41.2	(142)	(46)	-
Income tax benefit	(2)	(2)	-	(9)	(6)	50.0	(50)	(16)	-
Net loss	\$ (5)	\$ (3)	66.7	\$ (15)	\$ (11)	36.4	\$ (92)	\$ (30)	-

**Operating Statistics**

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
Energy trading and marketing sales volumes									
Gas (billion cubic feet)	182	306	(40.5)	454	626	(27.5)	1,070	1,136	(5.8)
Electric (gigawatt-hours)	2,431	6,836	(64.4)	7,790	10,540	(26.1)	19,167	15,254	25.7
Operating revenues (millions of dollars)									
Energy trading and marketing	\$ 1,083	\$ 1,180	(8.2)	\$ 3,353	\$ 2,200	52.4	\$ 6,577	\$ 3,841	71.2
Other	29	33	(12.1)	41	51	(19.6)	74	116	(36.2)
Total operating revenues	\$ 1,112	\$ 1,213	(8.3)	\$ 3,394	\$ 2,251	50.8	\$ 6,651	\$ 3,957	68.1

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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(214) 812-4600

For the Periods Ended June 30, 2001

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	<u>2001 *</u>	<u>2000</u>	<u>% Change</u>	<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>			<i>Millions of U.S. Dollars</i>		
Operating revenues . . . . .	\$ <b>2,706</b>	\$ 1,259	-	\$ <b>6,071</b>	\$ 3,108	95.3	\$ <b>10,007</b>	\$ 5,975	67.5
Operating expenses									
Energy purchased for resale and fuel consumed . . . . .	<b>2,116</b>	891	-	<b>4,797</b>	2,115	-	<b>7,609</b>	3,630	-
Operation and maintenance . . . . .	<b>330</b>	148	-	<b>644</b>	432	49.1	<b>1,262</b>	1,138	10.9
Depreciation and other amortization . . . . .	<b>57</b>	62	(8.1)	<b>123</b>	132	(6.8)	<b>232</b>	292	(20.5)
Goodwill amortization . . . . .	<b>43</b>	34	26.5	<b>88</b>	70	25.7	<b>172</b>	141	22.0
Total operating expenses . . . . .	<b>2,546</b>	1,135	-	<b>5,652</b>	2,749	-	<b>9,275</b>	5,201	78.3
Operating income . . . . .	<b>160</b>	124	29.0	<b>419</b>	359	16.7	<b>732</b>	774	(5.4)
Other income (deductions) -- net . . . . .	<b>80</b>	65	23.1	<b>82</b>	64	28.1	<b>139</b>	93	49.5
Income before interest and income taxes . . . . .	<b>240</b>	189	27.0	<b>501</b>	423	18.4	<b>871</b>	867	0.5
Interest income . . . . .	<b>18</b>	25	(28.0)	<b>36</b>	51	(29.4)	<b>75</b>	106	(29.2)
Interest expense and other charges . . . . .	<b>139</b>	143	(2.8)	<b>297</b>	287	3.5	<b>584</b>	582	0.3
Income before income taxes . . . . .	<b>119</b>	71	67.6	<b>240</b>	187	28.3	<b>362</b>	391	(7.4)
Income tax expense . . . . .	<b>46</b>	22	-	<b>100</b>	71	40.8	<b>123</b>	135	(8.9)
Net income . . . . .	\$ <b>73</b>	\$ 49	49.0	\$ <b>140</b>	\$ 116	20.7	\$ <b>239</b>	\$ 256	(6.6)

\* 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 June 30, 2001 and 2000

	Three Months			Six Months			Twelve Months		
	2001 *	2000	% Change	2001 *	2000	% Change	2001 *	2000	% Change
<b>SALES VOLUMES</b>									
Electric (gigawatt-hours):									
Residential .....	5,064	2,399	-	11,769	6,973	68.8	22,059	15,017	46.9
Industrial and commercial .....	6,404	3,602	77.8	12,728	7,191	77.0	28,123	16,236	73.2
Total electric .....	<u>11,468</u>	<u>6,001</u>	<u>91.1</u>	<u>24,497</u>	<u>14,164</u>	<u>73.0</u>	<u>50,182</u>	<u>31,253</u>	<u>60.6</u>
Units distributed (gigawatt-hours) .....	<u>7,404</u>	<u>7,621</u>	<u>(2.8)</u>	<u>17,308</u>	<u>16,825</u>	<u>2.9</u>	<u>33,876</u>	<u>32,739</u>	<u>3.5</u>
Gas (billion cubic feet):									
Residential .....	17	8	-	58	28	-	89	51	74.5
Industrial and commercial .....	12	13	(7.7)	35	31	12.9	60	64	(6.3)
Total gas .....	<u>29</u>	<u>21</u>	<u>38.1</u>	<u>93</u>	<u>59</u>	<u>57.6</u>	<u>149</u>	<u>115</u>	<u>29.6</u>
Wholesale energy sales:									
Electricity generated and sold to the Pool (gigawatt-hours) . . .	<u>31,605</u>	<u>33,263</u>	<u>(5.0)</u>	<u>75,355</u>	<u>57,698</u>	<u>30.6</u>	<u>117,789</u>	<u>94,889</u>	<u>24.1</u>
Gas (billion cubic feet) .....	<u>345</u>	<u>275</u>	<u>25.5</u>	<u>724</u>	<u>461</u>	<u>57.0</u>	<u>1,264</u>	<u>700</u>	<u>80.6</u>
<b>CUSTOMERS (end of period &amp; in thousands)</b>									
Electric .....							4,477	2,717	64.8
Gas .....							1,276	714	78.7
<b>OPERATING REVENUES (millions of U.S. dollars)</b>									
Electric:									
Residential .....	\$ 421	\$ 274	53.6	\$ 1,013	\$ 693	46.2	\$ 1,870	\$ 1,509	23.9
Industrial and commercial .....	313	227	37.9	666	480	38.8	1,432	1,095	30.8
Total electric operating revenues .....	<u>734</u>	<u>501</u>	<u>46.5</u>	<u>1,679</u>	<u>1,173</u>	<u>43.1</u>	<u>3,302</u>	<u>2,604</u>	<u>26.8</u>
Distribution .....	99	114	(13.2)	226	302	(25.2)	458	614	(25.4)
Gas:									
Residential .....	107	53	-	288	171	68.4	456	324	40.7
Industrial and commercial .....	49	40	22.5	139	105	32.4	224	212	5.7
Total gas operating revenues .....	<u>156</u>	<u>93</u>	<u>67.7</u>	<u>427</u>	<u>276</u>	<u>54.7</u>	<u>680</u>	<u>536</u>	<u>26.9</u>
Wholesale energy sales .....	1,576	564	-	3,399	1,408	-	5,290	2,430	-
Other .....	196	56	-	472	140	-	548	238	-
Less intercompany revenues .....	(55)	(69)	(20.3)	(132)	(191)	(30.9)	(271)	(447)	(39.4)
Total operating revenues .....	<u>\$ 2,706</u>	<u>\$ 1,259</u>	<u>-</u>	<u>\$ 6,071</u>	<u>\$ 3,108</u>	<u>95.3</u>	<u>\$ 10,007</u>	<u>\$ 5,975</u>	<u>67.5</u>

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

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(214) 812-4600

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

For the Periods Ended June 30, 2001

**Statements of Consolidated Income**

(Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended		
	June 30,			June 30,			June 30,		
	<u>2001</u>	<u>2000</u>	<u>% Change</u>	<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>			<i>Millions of Dollars</i>		
Operating revenues . . . . .	\$ <b>167</b>	\$ 209	(20.1)	\$ <b>347</b>	\$ 357	(2.8)	\$ <b>707</b>	\$ 755	(6.4)
Operating expenses									
Energy purchased for resale and fuel consumed . . .	<b>77</b>	87	(11.5)	<b>178</b>	162	9.9	<b>348</b>	318	9.4
Operation and maintenance . . . . .	<b>32</b>	30	6.7	<b>65</b>	64	1.6	<b>142</b>	186	(23.7)
Depreciation and other amortization . . . . .	<b>15</b>	16	(6.3)	<b>29</b>	32	(9.4)	<b>57</b>	63	(9.5)
Goodwill amortization . . . . .	<b>4</b>	6	(33.3)	<b>9</b>	11	(18.2)	<b>19</b>	22	(13.6)
Total operating expenses . . . . .	<b>128</b>	139	(7.9)	<b>281</b>	269	4.5	<b>566</b>	589	(3.9)
Operating income . . . . .	<b>39</b>	70	(44.3)	<b>66</b>	88	(25.0)	<b>141</b>	166	(15.1)
Other income (deductions)--net . . . . .	<b>(2)</b>	(7)	(71.4)	<b>(1)</b>	4	-	<b>4</b>	(1)	-
Income before interest and income taxes . . . . .	<b>37</b>	63	(41.3)	<b>65</b>	92	(29.3)	<b>145</b>	165	(12.1)
Interest charges . . . . .	<b>31</b>	35	(11.4)	<b>64</b>	73	(12.3)	<b>142</b>	146	(2.7)
Income before income taxes . . . . .	<b>6</b>	28	(78.6)	<b>1</b>	19	(94.7)	<b>3</b>	19	(84.2)
Income tax expense (benefit) . . . . .	<b>(7)</b>	2	-	<b>(20)</b>	(18)	11.1	<b>(38)</b>	(29)	31.0
Net income . . . . .	\$ <b>13</b>	\$ 26	(50.0)	\$ <b>21</b>	\$ 37	(43.2)	\$ <b>41</b>	\$ 48	(14.6)

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 June 30, 2001 and 2000

	Three Months			Six Months			Twelve Months		
	2001	2000	% Change	2001	2000	% Change	2001	2000	% Change
Sales volumes									
Electric (gigawatt-hours):									
Residential . . . . .	700	731	(4.2)	1,309	1,286	1.8	2,723	2,608	4.4
Commercial and industrial . . . . .	634	709	(10.6)	1,276	1,497	(14.8)	2,459	3,024	(18.7)
Total electric. . . . .	<u>1,334</u>	<u>1,440</u>	<u>(7.4)</u>	<u>2,585</u>	<u>2,783</u>	<u>(7.1)</u>	<u>5,182</u>	<u>5,632</u>	<u>(8.0)</u>
Gas (billion cubic feet):									
Residential . . . . .	7	8	(12.5)	9	11	(18.2)	18	22	(18.2)
Commercial, industrial and electric generation . . . . .	13	13	-	24	24	-	47	45	4.4
Total gas. . . . .	<u>20</u>	<u>21</u>	<u>(4.8)</u>	<u>33</u>	<u>35</u>	<u>(5.7)</u>	<u>65</u>	<u>67</u>	<u>(3.0)</u>
<hr/>									
Customers (end of period & in thousands)									
Electric . . . . .							522	512	2.0
Gas . . . . .							422	414	1.9
<hr/>									
Operating revenues (millions of U.S. dollars)									
Electric:									
Residential . . . . .	\$ 45	\$ 54	(16.7)	\$ 90	\$ 100	(10.0)	\$ 184	\$ 191	(3.7)
Commercial and industrial . . . . .	34	37	(8.1)	66	79	(16.5)	131	184	(28.8)
Total electric. . . . .	<u>79</u>	<u>91</u>	<u>(13.2)</u>	<u>156</u>	<u>179</u>	<u>(12.8)</u>	<u>315</u>	<u>375</u>	<u>(16.0)</u>
Gas:									
Residential . . . . .	24	29	(17.2)	34	37	(8.1)	64	76	(15.8)
Commercial, industrial and electric generation. . . . .	23	24	(4.2)	43	49	(12.2)	95	91	4.4
Total gas. . . . .	<u>47</u>	<u>53</u>	<u>(11.3)</u>	<u>77</u>	<u>86</u>	<u>(10.5)</u>	<u>159</u>	<u>167</u>	<u>(4.8)</u>
Other . . . . .	41	65	(36.9)	114	92	23.9	233	213	9.4
Total operating revenues . . . . .	<u>\$ 167</u>	<u>\$ 209</u>	<u>(20.1)</u>	<u>\$ 347</u>	<u>\$ 357</u>	<u>(2.8)</u>	<u>\$ 707</u>	<u>\$ 755</u>	<u>(6.4)</u>

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