

FOR IMMEDIATE RELEASE

TXU Closes Challenging 2002, Focuses on Operational Excellence in 2003

- **2002 Earnings: Loss of \$4.2 billion, \$15.23 per share (diluted)**
- **2002 Adjusted Earnings of \$622 million, \$2.21 per share (diluted), excluding write off of the Europe investment and other significant unusual charges**
- **2003 guidance established at \$1.95 to \$2.05 per share with focus on further efficiency and excellence in core operations, debt reduction, and strengthening credit**

DALLAS - February 5, 2003 – TXU Corp. (NYSE:TXU), an energy services company serving five million customers in North America and Australia, today reported a net loss for 2002 of \$4.232 billion, \$15.23 per share (diluted) of common stock compared with net income for 2001 of \$655 million, \$2.52 per share. Excluding discontinued operations and other significant unusual charges detailed below, primarily consisting of the previously disclosed \$4.2 billion of charges associated with the exit of the Europe business, net income for 2002 was \$622 million, or \$2.21 per share (diluted) as compared to \$635 million or \$2.44 per share (diluted) for 2001. Previously disclosed significant unusual items in 2001 were the extraordinary charges of \$154 million associated with the restructuring of the Texas electricity market and \$18 million of other charges associated with the industry restructuring, primarily the write off of certain wholesale-related regulatory assets. Prior year results included \$43 million or 17 cents per share of goodwill amortization which was discontinued at the end of 2001.

Adjusted earnings are not intended to replace GAAP earnings, but are provided as a tool to assist investors who may not consider discontinued operations, impairments and certain other unusual charges deemed non-recurring in nature to be useful in forecasting future results. Unusual charges are listed below to assist investors in making their own decisions.

Significant unusual items in 2002

Significant unusual items in 2002 are shown here in millions of US dollars and after tax, with reference to the quarter in which they were incurred.

• Discontinued operations – Europe (4Q)	\$4,195
• Discontinued operations – Monterrey, Mexico (3Q)	<u>15</u>
Total discontinued operations	4,210
• Extraordinary - losses on extinguishment of debt (1Q/3Q/4Q)	41
• Extraordinary – write off regulatory assets and related charges (4Q)	<u>134</u>
Total extraordinary items	175
• Impairment of Twin Oak and Forest Grove projects (4Q)	154
• Impairment of telecommunications investment (4Q)	174
• Retail clawback – Texas Electric Choice Law (4Q)	120
• Employee severance benefit costs (primarily 4Q)	<u>21</u>
Total	<u>\$4,854</u>

As previously disclosed in Form 10-Q filings with the Securities and Exchange Commission, the company wrote-off the European investment and recognized the impairment of the Monterrey natural gas distribution operations. Extraordinary items include the write off of a portion of generation related regulatory assets, representing the difference between the net carrying value of the assets and the anticipated principal and interest from transition (securitization) bonds that will be issued in 2003 and 2004 to securitize those assets. This regulatory asset write off was described in the Form 10-Q for the period ended September 30, 2002 and is now being recognized as a result of the recently announced settlement of appeals related to the financing order authorizing the issuance of the securitization bonds. There was also a \$23 million (after tax) extraordinary charge associated with the early extinguishment of debt at TXU Gas in the fourth quarter and the previously disclosed \$18 million (after tax) of extraordinary loss on extinguishment of debt associated with the restructuring of the Texas electricity operations.

The impairment of the Twin Oak and Forest Grove lignite-fueled generation projects in Texas, which are being held for final development, is the result of reduced capital expenditure forecasts and market dynamics which make it less likely that these facilities will be developed by TXU. The impairment of the telecommunications investment is the result of the testing of goodwill and recently announced asset sales indicating a decline in the value of competitive line assets at TXU Communications and the related determination that TXU's investment in the Pinnacle partnership may no longer be realizable under current telecommunications market conditions.

The retail clawback is a requirement of the Texas Electric Choice legislation implemented in 1999 to open the retail electricity markets in Texas to customer choice, beginning in 2002. The clawback will be applied as a credit to electricity delivery charges over the two year period of 2004 and 2005. The retail clawback charge was recorded in the fourth quarter of 2002, reflecting the current best estimate of the clawback obligation.

Results of operations for 2002

In addition to the cessation of goodwill amortization described above, comparisons to the prior year results are 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 2002 and the issuance of 11.8 million shares of common stock in June 2002 and 35 million shares in December 2002. Fully diluted common stock on adjusted earnings was also increased by the effect of the issuance, for the purpose of improving liquidity, of \$750 million of notes exchangeable into approximately 57 million shares common stock as announced in November 2002.

Excluding unusual items, goodwill amortization and increased shares as discussed above, the decline in results for the year were primarily the result of increased expenses associated with the opening of the Texas electricity market to customer choice in the North America Energy segment which were somewhat offset by the outstanding results from Australia, increased contribution from North America Energy Delivery, and reduced interest expense at Corporate. As previously disclosed, actions are being taken to reduce expenses substantially in 2003.

TXU closed 2002 with over \$2 billion of available liquidity, including approximately \$1.6 billion of cash. Net debt to capital was 58 percent. Net debt is the sum of long term debt, long term debt due currently, and notes payable, excluding securitization bonds, notes exchangeable to common stock and equity-linked securities, net of cash and restricted cash. Capital is net debt plus preferred and preference stock and securities and common shareholders' equity.

In preparation for the opening of the Texas electricity markets to customer choice on January 1, 2002, TXU unbundled its electric operations into an electricity delivery business consisting of regulated transmission and distribution operations and a competitive energy business consisting of generation, portfolio management and retail operations operated as a single energy business. Because these businesses were bundled and were all predominantly regulated in 2001, comparisons of results from 2002 to 2001 may not be representative.

The North America Energy segment delivered \$536 million of net income in 2002, excluding unusual items. This segment contains the company's generation, portfolio management, and retail operations primarily in Texas. The results reflect the successful transition to competition of the Texas operations. Higher selling, general and administrative expenses, including temporarily increased costs associated with the opening of the electricity market in Texas to customer choice this year, were somewhat offset by increased margin. Significant steps were taken in North American operations in late 2002 and continue into 2003 with a targeted net reduction of expenses in 2003 of \$250 million. As such, contributions from North America Energy in 2003 are expected to improve substantially.

The North America Energy Delivery segment provided \$252 million of net income in 2002, excluding unusual items. This segment includes the electric transmission and distribution assets as well as the company's natural gas pipeline and distribution business. Segment results reflect strong customer and usage growth in the North Texas area. Electric delivery results improved, reflecting earnings at or near regulatory authorized levels. Natural gas delivery results also improved, primarily due to increased customer and usage growth, enhanced pipeline revenues and the discontinuance of goodwill amortization partially offset by the gain on a favorable gas contract settlement that was included in the 2001 results. The outlook for 2003 from this segment is down slightly as customer and usage growth and improvement in results from gas operations are likely to be outweighed by initiation of amortization of non-securitized regulatory assets and increased interest expense from the refinancing of short term debt in late 2002 and the planned 2003 issuance of \$500 million of securitization bonds.

Net income contribution from Australia was \$74 million in 2002. Improved energy margins and the discontinuance of goodwill amortization were partially offset by higher expenses associated with increased retail infrastructure and marketing expenditures in conjunction with the full opening of the retail markets. Contributions in 2003 are expected to be slightly lower than the exceptional 2002 results primarily due to the regulatory mandated four percent decrease in ex-franchise small consumer electricity rates implemented in January 2003, offsetting anticipated continued cost control and customer and sales growth.

For the fourth quarter ended December 31, 2002, TXU reported a net loss of \$4.883 billion, \$16.44 per share of common stock compared with a net loss for the fourth quarter of 2001 of \$76 million, \$0.29 per share. Excluding discontinued operations and other unusual charges listed above, results for the fourth quarter of 2002 was a net loss of \$72 million, or \$0.24 per share as compared to net income of \$72 million, or \$0.27 per share for 2001. Unusual items in the fourth quarter of 2001 were the extraordinary charges of \$154 million associated with the restructuring of the Texas electricity market.

Also, the fourth quarter of 2001 included goodwill amortization of \$11 million or 4 cents per share. Operating results for the quarter were down primarily as a result of decreased contributions from North America operations. The reduced results from North America were primarily the result of a decrease in margins and increased expenses as discussed above. Margins declined primarily as a result of the effect of higher gas costs and decreased activity in the large commercial and industrial and wholesale markets as compared to the fourth quarter of 2001. Interest costs also increased as a result of actions taken in the fourth quarter to further strengthen liquidity.

Outlook for 2003

For 2003, TXU management plans to deliver value through a continued focus on delivering operational excellence from its solid energy and energy delivery businesses in North America and Australia; delivering low risk growth through growing customer population and usage in Texas and Australia, operating cost reduction and debt reduction; maintaining strong liquidity; and continuing to maximize strong cash flows to reduce debt and strengthen credit.

Earnings

Management is establishing guidance for 2003 fully diluted earnings per share of \$1.95 to \$2.05 per share of common stock, excluding unusual items. Initial expectations for earnings growth beyond 2003 is four to six percent. 2003 expectations are based upon net income by segment of \$600 to \$630 million for North America Energy, \$230 to \$240 million for North America Energy Delivery, and approximately \$65 million for Australia less net costs at Corporate of approximately \$205 million. For the fully diluted earnings per share calculation, earnings are increased by approximately \$52 million for the after tax interest cost at North America Energy of the exchangeable notes issued in November 2002. Management projects 2003 average shares of common stock outstanding of approximately 323 million shares basic and 380 million shares fully diluted, reflecting the mid and late year equity issuances in 2002 and increases in 2003 only for shares issued through the Direct Stock Purchase and Dividend Reinvestment Plan.

Key drivers of the variance between 2003 and 2002 earnings are anticipated to be customer and usage growth, reduced operating costs, increased retail electricity prices to offset increased natural gas-driven electricity costs in Texas, increased rates for natural gas distribution to reflect investment, and reduced debt. Partially offsetting these are increased number of shares outstanding, increased pension and other employee benefits costs, increased natural gas prices, and customer switching to other retail electric providers. Not included in the guidance of \$1.95 to \$2.05 per share for 2003 earnings is an expected charge preliminarily estimated to be between \$60 million to \$80 million (after tax) from the cumulative effect of a change in accounting principle in the first quarter associated with the rescission of Emerging Issues Task Force Consensus No. 98-10.

Cash Flow, Liquidity and Capitalization

Management targets cash from operations at approximately \$2.3 billion in 2003, including expected tax refunds associated with the discontinuance of the European operations. This will leave approximately \$1.5 billion of free cash flow to reduce debt after capital expenditures and dividends. Liquidity is targeted to remain at a minimum \$1.5 billion through 2004 and will generally exceed \$2 billion. Net debt to capital is targeted to be approximately 53 percent by the end of 2003 and at or below 48 percent in 2004.

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 (www.txucorp.com) in the Investor Resources section 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 and consolidated balance sheet and cash flow statements are also available on the web site at www.txucorp.com in the Investor Resources section, under Annual, Quarterly, and Financial Reports.

Quarterly analyst meeting

In addition, TXU will webcast live at www.txucorp.com its regular quarterly meeting with analysts on Monday, February 10, 2003, at 8:30 a.m. Eastern (7:30 a.m. Central) and will have a replay available on the website later that day.

For analysts who wish to attend the quarterly meeting in New York, NY, it will begin with an informal breakfast at 7:45 a.m. Eastern on Monday, February 10, 2003. The meeting will begin promptly at 8:30 a.m. If you plan to attend the analyst meeting, please RSVP to Sherri Cox at scox2@txu.com, 214/812-4901, or via fax at 214/812-3366.

TXU is a major energy company with operations in North America and Australia. TXU's energy business is the largest power generator and electricity retailer in Texas with approximately 19,000 megawatts of competitive generation and 2.7 million electric customers. TXU also has the largest electricity and natural gas utilities in Texas, delivering over 100 million-megawatt hours of electricity and over 140 billion cubic feet of natural gas annually. TXU's business in Australia includes both electricity and natural gas delivery and energy operations with 1,280 megawatts of generation and almost 1 million electricity and natural gas customers. TXU serves more than five million electricity and natural gas customers in North America and Australia. Visit www.txucorp.com for more information about TXU.

This release contains forward-looking statements, which are subject to various risks and uncertainties. Discussion of risks and uncertainties that could cause actual results to differ materially from management's current projections, forecasts, estimates and expectations is contained in the company's SEC filings. The risks and uncertainties set forth in the company's SEC filings include prevailing government policies on environmental, tax or accounting matters, regulatory and rating agency 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 and capital market conditions, 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 December 31, 2002, by segment. The change in adjusted earnings from 2001 to 2002 for the three months and year-to-date reflects the cessation of \$11 million (\$0.04 per share) and \$43 million (\$0.17 per share), respectively, of goodwill amortization in 2001.

	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Three Months Ended					
Reported Earnings 12/31/2001					\$ (0.29)
Discontinued Operations	(6)	(0.02)			
Significant Unusual Items	154	0.58			\$ 0.56
Adjusted Earnings 12/31/2001					\$ 0.27
North America Energy	(45)	(0.15)	(111)	(0.42)	
North America Energy Delivery	32	0.11	(40)	(0.15)	
Australia	(3)	(0.01)	4	0.02	
Corporate and Other	(56)	(0.19)	3	0.01	
Change in Common Shares Outstanding				0.03	(0.51)
Adjusted Earnings 12/31/2002	(72)	(0.24)	(144)		\$ (0.24)
Discontinued Operations:					
Europe	(4,187)	(14.10)			(14.10)
Extraordinary Items	(157)	(0.53)			(0.53)
Asset Impairments:					
Twin Oak & Forest Grove - NA Energy	(154)	(0.52)			(0.52)
Telecommunications - Corp & Other	(174)	(0.59)			(0.59)
Retail Clawback - NA Energy	(120)	(0.40)			(0.40)
Severance - NA Energy	(19)	(0.06)			(0.06)
Reported Earnings 12/31/2002	(4,883)	(16.44)			\$ (16.44)

	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Year to Date					
Reported Earnings 12/31/2001					\$ 2.52
Discontinued Operations	(192)	(0.74)			
Significant Unusual Items	172	0.66			\$ (0.08)
Adjusted Earnings (diluted) 12/31/2001					\$ 2.44
North America Energy	536	1.93	(114)	(0.44)	
North America Energy Delivery	252	0.91	27	0.10	
Australia	74	0.26	55	0.21	
Corporate and Other	(240)	(0.89)	20	0.05	
Change in Common Shares Outstanding				(0.15)	\$ (0.23)
Adjusted Earnings (diluted) 12/31/2002	622	2.21	(12)		\$ 2.21
Discontinued Operations:					
Europe	(4,195)	(15.09)			(15.09)
Mexico	(15)	(0.06)			(0.06)
Extraordinary Items	(175)	(0.63)			(0.63)
Asset Impairments:					
Twin Oak & Forest Grove - NA Energy	(154)	(0.55)			(0.55)
Telecommunications - Corp & Other	(174)	(0.63)			(0.63)
Retail Clawback - NA Energy	(120)	(0.43)			(0.43)
Severance - NA Energy	(21)	(0.08)			(0.08)
Other		0.03			0.03
Reported Earnings 12/31/2002	(4,232)	(15.23)			\$ (15.23)

* Other represents the effect of the dilution calculation.

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.

For the Periods Ended December 31, 2002

Statements of Consolidated Income*(Unaudited)*

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2002	2001	% Change	2002	2001	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues.....	\$ 2,158	\$ 2,153	0.2	\$ 10,034	\$ 10,049	(0.1)
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,117	675	65.5	4,198	4,232	(0.8)
Operating costs.....	458	398	15.1	1,660	1,532	8.4
Depreciation and amortization, other than goodwill.....	220	211	4.3	858	785	9.3
Selling, general and administrative expenses.....	304	309	(1.6)	1,260	1,000	26.0
Franchise and revenue-based taxes.....	136	142	(4.2)	479	530	(9.6)
Other income.....	10	26	(61.5)	56	51	9.8
Other deductions.....	459	106	-	514	185	-
Interest income.....	12	15	(20.0)	32	84	(61.9)
Interest expense and other charges.....	238	221	7.7	884	965	(8.4)
Goodwill amortization.....	-	11	-	-	43	-
Total costs and expenses.....	2,910	2,032	43.2	9,765	9,137	6.9
Income (loss) from continuing operations before income taxes and extraordinary items.....	(752)	121	-	269	912	(70.5)
Income tax expense (benefit).....	(219)	43	-	94	273	(65.6)
Income (loss) from continuing operations before extraordinary items..	(533)	78	-	175	639	(72.6)
Income (loss) on discontinued operations, net of tax effect.....	(4,187)	6	-	(4,210)	192	-
Extraordinary items, net of tax effect.....	(157)	(154)	-	(175)	(154)	-
Net income (loss).....	(4,877)	(70)	-	(4,210)	677	-
Preference stock dividends.....	6	6	-	22	22	-
Net income (loss) available for common stock.....	\$ (4,883)	\$ (76)	-	\$ (4,232)	\$ 655	-
Average shares of common stock outstanding (millions).....	297	264	12.5	278	259	7.3
Per share of common stock:						
Basic and diluted earnings						
Income (loss) from continuing operations before extraordinary items.....	\$ (1.81)	\$ 0.27	-	\$ 0.55	\$ 2.38	(76.9)
Income (loss) on discontinued operations, net of tax.....	\$ (14.10)	\$ 0.02	-	\$ (15.15)	\$ 0.74	-
Extraordinary items, net of tax.....	\$ (0.53)	\$ (0.58)	(8.6)	\$ (0.63)	\$ (0.60)	5.0
Net income (loss) available for common stock.....	\$ (16.44)	\$ (0.29)	-	\$ (15.23)	\$ 2.52	-
Dividends declared.....	\$ 0.125	\$ 0.600	(79.2)	\$ 1.925	\$ 2.400	(19.8)

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.) 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. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Unaudited)

	December 31, 2002	December 31, 2001
	<i>Millions of Dollars</i>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,574	\$ 216
Accounts receivable	1,687	1,165
Inventories - at average cost	493	439
Commodity contract assets	1,298	848
Other current assets	763	232
Total current assets	<u>5,815</u>	<u>2,900</u>
Investments		
Restricted cash	306	-
Other investments	750	985
Net property, plant and equipment	19,642	19,419
Goodwill	1,588	1,520
Regulatory assets - net	1,772	1,733
Commodity contract assets	657	548
Cash flow hedges and other derivative assets	150	163
Other noncurrent assets	207	175
Discontinued assets	-	14,875
Total assets	<u>\$ 30,887</u>	<u>\$ 42,318</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes payable:		
Commercial paper	\$ 18	\$ 853
Banks	2,306	1,061
Long-term debt due currently	855	866
Accounts payable	1,054	859
Commodity contract liabilities	1,138	630
Other current liabilities	1,253	1,176
Total current liabilities	<u>6,624</u>	<u>5,445</u>
Accumulated deferred income taxes	3,613	3,361
Investment tax credits	453	479
Commodity contract liabilities	351	255
Cash flow hedges and other derivative liabilities	220	118
Other noncurrent liabilities and deferred credits	2,124	1,192
Discontinued liabilities	-	11,860
Long-term debt, less amounts due currently	11,700	10,926
Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:		
TXU obligated	368	368
Subsidiary obligated	147	147
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	8,106	6,560
Retained earnings	(2,900)	1,863
Accumulated other comprehensive income	(430)	(767)
Total shareholders' equity	<u>5,076</u>	<u>7,956</u>
Total liabilities and shareholders' equity	<u>\$ 30,887</u>	<u>\$ 42,318</u>

TXU CORP. AND SUBSIDIARIES

Condensed Statements of Consolidated Cash Flows

(Unaudited)

	Twelve Months Ended	
	December 31,	
	2002	2001
	<i>Millions of Dollars</i>	
Cash flows - operating activities		
Income from continuing operations before extraordinary items	\$ 175	\$ 639
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	953	1,024
Deferred income taxes and investment tax credits -- net	67	193
Gains from sale of assets	(31)	(1)
Net effect of unrealized mark-to-market valuations of commodity contracts	68	(319)
Equity in losses of affiliates and joint ventures	253	50
Reduction of revenues for earnings in excess of regulatory earnings cap	-	40
Asset impairments and other writedowns	253	-
Retail clawback accrual	185	-
Other	(17)	114
Changes in operating assets and liabilities	<u>(565)</u>	<u>136</u>
Cash provided by operating activities	<u>1,341</u>	<u>1,876</u>
Cash flows - financing activities		
Issuances of securities:		
Long-term debt	4,567	5,954
Common stock	1,257	354
Retirements/repurchases of securities:		
Long-term debt	(3,596)	(5,478)
Common stock	-	(44)
Change in notes payable:		
Commerical paper	(844)	(1,035)
Banks	1,242	615
Cash dividends paid:		
Common stock	(652)	(621)
Preference stock	(22)	(22)
Debt premium, discount, financing and reacquisition expenses	<u>(476)</u>	<u>(232)</u>
Cash provided by (used in) financing activities	<u>1,476</u>	<u>(509)</u>
Cash flow - investing activities		
Capital expenditures	(996)	(1,248)
Acquisition of business	(36)	-
Proceeds from sale of assets	449	26
Nuclear fuel	(51)	(38)
Other	<u>(213)</u>	<u>104</u>
Cash used in investing activities	<u>(847)</u>	<u>(1,156)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(11)</u>	<u>1</u>
Cash used in discontinued operations	(601)	(45)
Net change in cash and cash equivalents	1,358	167
Cash and cash equivalents -- beginning balance	<u>216</u>	<u>49</u>
Cash and cash equivalents -- ending balance	<u>\$ 1,574</u>	<u>\$ 216</u>

TXU CORP CONSOLIDATED STATISTICS
Consolidated Operating Statistics
Periods Ended December 31, 2002 and 2001

Operating statistics-volumes	Three Months Ended			Twelve Months Ended		
	2002	2001	%	2002	2001	%
Retail electric sales (gigawatt-hours)	19,851	22,360	(11.2)	97,464	104,502	(6.7)
Retail gas sales (billion cubic feet)	56	52	7.7	207	211	(1.9)
Wholesale electric sales: (gigawatt-hours)	7,841	1,936	-	32,710	10,235	-
Wholesale energy portfolio management activities (trades):						
Electric (gigawatt-hours)	224,470	160,268	40.1	1,555,576	417,668	-
Gas (billion cubic feet)	3,066	5,748	(46.7)	18,420	13,447	37.0
North America electricity distribution (gigawatt-hours)	22,393	21,083	6.2	104,785	99,139	5.7
North America gas pipeline transportation (billion cubic feet)	90	94	(4.3)	437	386	13.2
Retail customers & points of delivery (end of period & in thousands)						
Electric				3,271	3,261	0.3
Gas				1,909	1,877	1.7
Total customers				5,180	5,138	0.8
Points of delivery-North American electricity distribution				2,909	2,844	2.3
Points of delivery-Australia electricity distribution				549	535	2.6
Points of delivery-Australia gas distribution				466	453	2.9
Total points of delivery				1,015	988	2.7
Operating revenues (in millions of dollars)						
Retail electric:						
Residential	\$ 587	580	1.2	\$ 3,322	3,427	(3.1)
Industrial & commercial	765	761	0.5	3,641	3,979	(8.5)
Total	1,352	1,341	0.8	6,963	7,406	(6.0)
Retail gas:						
Residential	216	142	52.1	636	762	(16.5)
Industrial & commercial	138	88	56.8	420	516	(18.6)
Total	354	230	53.9	1,056	1,278	(17.4)
Wholesale electric revenues	207	31	-	910	157	-
North America electricity distribution	443	659	(32.8)	1,994	2,314	(13.8)
Australia electricity distribution	11	8	37.5	38	31	22.6
Australia gas distribution	6	7	(14.3)	33	32	3.1
North America gas pipeline transportation	15	10	50.0	59	47	25.5
Wholesale energy portfolio management activities & other revenues	25	165	(84.8)	354	348	1.7
Less intercompany revenue	(255)	(298)	(14.4)	(1,373)	(1,564)	(12.2)
Total operating revenues	\$ 2,158	2,153	0.2	\$ 10,034	10,049	(0.1)
Financial statistics & ratios - December 2002						
Common stock data:						
Shares outstanding-end of period (millions)				322		
Book value per share-end of period				\$ 14.83		
Return on average common stock equity				(68.1) %		
Capitalization ratios (end of period):						
Long-term debt excluding equity-linked securities of \$1.44 billion & exchangeable subordinated notes				54.3 %		
Equity-linked securities				8.2		
Exchangeable subordinated notes				4.3		
Preferred securities of subsidiary trusts				2.9		
Preference & preferred stock				2.9		
Common stock equity				27.4		
Total				100.0 %		

Additional financial information is available on request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-341
(214) 812-4600.

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY SEGMENT

For the Periods Ended December 31, 2002

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2002	2001 *	% Change	2002	2001 *	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues.....	\$ 1,499	\$ 1,491	0.5	\$ 7,738	\$ 7,458	3.8
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,127	893	26.2	4,803	4,802	0.0
Operating costs.....	211	188	12.2	747	708	5.5
Depreciation and amortization, other than goodwill.....	110	101	8.9	438	396	10.6
Selling, general and administrative expenses.....	219	131	67.2	842	390	-
Franchise and revenue-based taxes.....	46	3	-	139	15	-
Other income.....	-	-	-	33	3	-
Other deductions.....	246	26	-	254	50	-
Interest income.....	6	11	(45.5)	29	71	(59.2)
Interest expense and other charges.....	72	51	41.2	257	247	4.0
Goodwill amortization.....	-	3	-	-	14	-
Total costs and expenses.....	2,025	1,385	46.2	7,418	6,548	13.3
Income (loss) before income taxes and extraordinary items.....	(526)	106	-	320	910	(64.8)
Income tax expense (benefit).....	(189)	40	-	78	277	(71.8)
Income (loss) before extraordinary items.....	\$ (337)	\$ 66	-	\$ 242	\$ 633	(61.8)

The North America Energy segment includes the electricity generation, wholesale and retail energy sales, and portfolio management operations of TXU Energy Company LLC, operating principally in the competitive Texas market.

* 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 Form 10-K. 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 December 31, 2002 and 2001

Operating statistics - Volumes	Three Months			Twelve Months		
	2002	2001*	% Change	2002	2001*	% Change
Retail electric sales (gigawatt-hours)	18,030	21,086	(14.5)	90,581	99,151	(8.6)
Wholesale electric sales (gigawatt-hours)	7,080	1,231	-	29,578	6,409	-
Wholesale energy portfolio management activities (trades):						
Electric (gigawatt-hours)	196,050	155,028	26.5	1,473,576	377,968	-
Gas (billion cubic feet)	3,066	5,748	(46.7)	18,420	13,447	37.0
Retail customers (end of period & in thousands)						
Electric				2,737	2,728	0.3
Gas				2	3	(33.3)
Total customers				2,739	2,731	0.3
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 539	\$ 546	(1.3)	\$ 3,108	\$ 3,255	(4.5)
Commercial & industrial	695	721	(3.6)	3,415	3,837	(11.0)
Total	1,234	1,267	(2.6)	6,523	7,092	(8.0)
Wholesale electric	194	19	-	845	96	-
Wholesale energy portfolio management activities	17	148	(88.5)	252	254	(0.8)
Other revenues	54	57	(5.3)	118	16	-
Total operating revenues	\$ 1,499	\$ 1,491	0.5	\$ 7,738	\$ 7,458	3.8
Weather (average for service area)						
Percent of normal:						
Cooling degree days	68.2 %	84.1 %	(15.9) Pts	99.9 %	100.5 %	(0.6) Pts
Heating degree days	106.6 %	85.8 %	20.8 Pts	101.6 %	97.5 %	4.1 Pts

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY DELIVERY SEGMENT

4

For the Periods Ended December 31, 2002

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2002	2001 *	% Change	2002	2001 *	% Change
	<i>Millions of Dollars</i>			<i>Millions of Dollars</i>		
Operating revenues.....	\$ 784	\$ 912	(14.0)	\$ 2,973	\$ 3,542	(16.1)
Costs and expenses:						
Cost of gas sold.....	208	124	67.7	510	764	(33.2)
Operating costs.....	231	193	19.7	848	757	12.0
Depreciation and amortization, other than goodwill.....	86	78	10.3	332	303	9.6
Selling, general and administrative expenses.....	75	152	(50.7)	320	494	(35.2)
Franchise and revenue-based taxes.....	86	134	(35.8)	322	495	(34.9)
Other income.....	16	27	(40.7)	21	35	(40.0)
Other deductions.....	1	74	(98.6)	4	76	(94.7)
Interest income.....	16	3	-	48	19	-
Interest expense and other charges.....	87	75	16.0	331	347	(4.6)
Goodwill amortization.....	-	3	-	-	10	-
Total costs and expenses.....	742	803	(7.6)	2,598	3,192	(18.6)
Income before income taxes and extraordinary items.....	42	109	(61.5)	375	350	7.1
Income tax expense.....	10	37	(73.0)	123	125	(1.6)
Income before extraordinary items.....	\$ 32	\$ 72	(55.6)	\$ 252	\$ 225	12.0

The North America Energy Delivery segment includes the electricity transmission and distribution business of Oncor Electric Delivery Company and the natural gas pipeline and distribution business of TXU Gas Company, both of which are subject to regulation by Texas authorities.

* 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 Form 10-K. 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.), 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 DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended December 31, 2002 and 2001

Operating statistics - Volumes	Three Months			Twelve Months		
	2002	2001 *	% Change	2002	2001*	% Change
Electric energy delivered (gigawatt-hours).....	<u>22,393</u>	<u>21,083</u>	<u>6.2</u>	<u>104,785</u>	<u>99,139</u>	<u>5.7</u>
Gas distribution (bcf):						
Residential.....	29	24	20.8	86	84	2.4
Commercial.....	15	14	7.1	53	53	-
Industrial & electric generation.....	-	1	-	5	7	(28.6)
Total.....	<u>44</u>	<u>39</u>	<u>12.8</u>	<u>144</u>	<u>144</u>	<u>-</u>
Pipeline transportation (bcf).....	<u>90</u>	<u>94</u>	<u>(4.3)</u>	<u>437</u>	<u>386</u>	<u>13.2</u>
Retail customers & points of delivery (end of period & in thousands)						
Gas distribution customers.....				<u>1,470</u>	<u>1,447</u>	<u>1.6</u>
Electricity distribution points of delivery.....				<u>2,909</u>	<u>2,844</u>	<u>2.3</u>
Operating revenues (millions of dollars)						
Electricity distribution						
Affiliated North America Energy.....	\$ 334			\$ 1,586		
Non-affiliated.....	109			408		
Total.....	<u>443</u>	<u>\$ 659</u>	<u>(32.8)</u>	<u>1,994</u>	<u>\$ 2,314</u>	<u>(13.8)</u>
Gas distribution:						
Residential.....	200	131	52.7	563	691	(18.5)
Commercial.....	110	61	80.3	291	372	(21.8)
Industrial & electric generation.....	2	3	(33.3)	20	47	(57.4)
Subtotal.....	<u>312</u>	<u>195</u>	<u>60.0</u>	<u>874</u>	<u>1,110</u>	<u>(21.3)</u>
Pipeline transportation.....	15	10	50.0	59	47	25.5
Other revenues, net of eliminations.....	15	49	(69.4)	48	72	(33.3)
Total gas delivery.....	<u>342</u>	<u>254</u>	<u>34.6</u>	<u>981</u>	<u>1,229</u>	<u>(20.2)</u>
Intra-segment eliminations.....	(1)	(1)	-	(2)	(1)	-
Total operating revenues.....	<u>\$ 784</u>	<u>\$ 912</u>	<u>(14.0)</u>	<u>\$ 2,973</u>	<u>\$ 3,542</u>	<u>(16.1)</u>

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

TXU CORP. AND SUBSIDIARIES
AUSTRALIA SEGMENT

For the Periods Ended December 31, 2002

Statements of Consolidated Income

(Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2002	2001	% Change	2002	2001	% Change
	<i>Millions of U.S. Dollars</i>			<i>Millions of U.S. Dollars</i>		
Operating revenues.	\$ 198	\$ 153	29.4	\$ 860	\$ 700	22.9
Costs and expenses:						
Cost of energy sold and delivery fees.	102	71	43.7	400	333	20.1
Operating costs.	22	18	22.2	83	74	12.2
Depreciation and amortization, other than goodwill.	18	16	12.5	67	60	11.7
Selling, general and administrative expenses.	23	20	15.0	87	63	38.1
Franchise and revenue-based taxes.	-	-	-	-	-	-
Other income.	-	1	-	2	3	(33.3)
Other deductions.	3	2	50.0	4	6	(33.3)
Interest income.	1	-	-	1	-	-
Interest expense and other charges.	35	31	12.9	129	126	2.4
Goodwill amortization.	-	5	-	-	19	-
Total costs and expenses	202	162	24.7	767	678	13.1
Income before income taxes.	(4)	(9)	(55.6)	93	22	-
Income tax expense (benefit).	(1)	(2)	(50.0)	19	3	-
Net Income (loss).	(3)	(7)	(57.1)	74	19	-
Exchange rates.	0.5582	0.5121		0.5441	0.5182	

The Australia segment includes electricity generation, energy distribution, wholesale and retail energy sales, portfolio management and gas storage businesses operating in South Australia, in largely competitive markets.

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TXU Australia
Operating and Financial Statistics
Periods Ended December 31, 2002 and 2001

	Three Months Ended			Twelve Months Ended		
	2002	2001	% Change	2002	2001	% Change
Operating statistics - Volumes						
Retail electric sales (gigawatt-hours)	1,821	1,274	42.9	6,883	5,351	28.6
Retail gas sales (bcf)	12	13	(7.7)	63	67	(6.0)
Wholesale electric sales:						
Electric (gigawatt-hours)	761	705	7.9	3,132	3,826	(18.1)
Wholesale electric portfolio management activities (trades):						
(gigawatt-hours)	28,420	5,240	-	82,000	39,700	-
Retail customers & points of delivery (end of period & in thousands)						
Electric				534	533	0.2
Gas				437	427	2.3
Total customers				971	960	1.1
Electricity distribution points of delivery				549	535	2.6
Gas distribution points of delivery				466	453	2.9
Total points of delivery				1,015	988	2.7
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 48	\$ 34	41.2	\$ 214	\$ 172	24.4
Industrial & commercial	70	40	75.0	226	142	59.2
Total	118	74	59.5	440	314	40.1
Electricity distribution	11	8	37.5	38	31	22.6
Retail gas:						
Residential	16	11	45.5	73	71	2.8
Industrial & commercial	26	24	8.3	109	97	12.4
Total	42	35	20.0	182	168	8.3
Gas distribution	6	7	(14.3)	33	32	3.1
Wholesale electric revenues	13	12	8.3	65	61	6.6
Wholesale electric portfolio management activities & other revenues	8	17	(52.9)	102	94	8.5
Total operating revenues	\$ 198	\$ 153	29.4	\$ 860	\$ 700	22.9