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1600 Bryan Street  
Dallas, Texas 75201

## **TXU Corp**

### **2003 Dividends as Nontaxable Distributions**

TXU Corp's 2003 dividends on common and preference stock will be reported to the Internal Revenue Service and to shareholders as nontaxable distributions rather than as ordinary taxable dividends.

Distributions on stock are "ordinary dividends" if there is current or accumulated earnings and profits (E&P) sufficient to cover them. (E&P are calculated based on IRS rules which are different from net income under Generally Accepted Accounting Principles). Distributions in excess of E&P are treated as returns of capital and are reported in Box 3 "Nontaxable distributions" on IRS Form 1099-DIV.

Nontaxable distributions are applicable for the following stock issues:

- TXU Corp. Common Stock – CUSIP 873168108
- TXU Corp. Flexible Money Market Preference Stock – CUSIP 873168405