

FOR IMMEDIATE RELEASE

TXU Delivers on 2003 Plan

DALLAS – February 12, 2004 – TXU (NYSE: TXU) reported today earnings for the quarter and year ended December 31, 2003. Selected highlights for the year are as follows:

- For the year ended December 31, 2003, earnings from continuing operations before cumulative effect of changes in accounting principles, net of preference stock dividends, were \$715 million, \$2.03 per diluted share of common stock. Comparable earnings before extraordinary charges in 2002 were \$160 million, \$0.58 per diluted share of common stock.
- For the year ended December 31, 2003, net income available for common stock was \$560 million, \$1.62 per diluted share of common stock, as compared to the 2002 net loss available for common stock of \$4,232 million, \$15.23 per diluted share of common stock.
- Fourth quarter 2003 earnings from continuing operations, net of preference stock dividends, were \$66 million, \$0.20 per diluted share of common stock. Comparable results before extraordinary charges for the fourth quarter of 2002 were a loss of \$547 million, \$1.84 per diluted share of common stock.
- Fourth quarter 2003 net income available for common stock was \$23 million, \$0.07 per diluted share of common stock, as compared to the fourth quarter 2002 net loss available for common stock of \$4,883 million, \$16.44 per diluted share of common stock.

“TXU had a good year in 2003. We delivered on our initiatives, and our shareholders realized a total return of more than 30 percent, six percentage points higher than the S&P Electric Utilities index,” said Dan Farrell, chief financial officer. “We remain committed to delivering strong results and will continue to strengthen the balance sheet, enhance credit, pursue industry leading cost competitiveness and capitalize on market leadership positions.”

Selected Operating Highlights:

- In January 2004, TXU entered into an agreement to sell its telecommunications business for \$527 million. The sale is expected to close in the first half of 2004.
- In August 2003, a subsidiary of Oncor issued \$500 million in transition bonds. The net proceeds were used to retire debt. In the first quarter of 2004, the subsidiary expects to sell approximately \$800 million of additional transition bonds, completing the securitization offering authorized by the Public Utility Commission.
- In December 2003, the Public Utility Commission lifted restrictions on competition in the small-business market after TXU Energy reached the 40 percent threshold, allowing pricing flexibility and full competition among providers.

- TXU Australia posted strong customer growth of 7.1 percent in the electric business and 9.8 percent in the natural gas business. In just two years of electric competition, TXU Australia has become the most recognized brand and the third largest energy business in Victoria.
- TXU Gas filed its first system-wide gas rate case to reflect higher infrastructure investment and to enable continued support of economic growth in North Texas. A final ruling on the request, which represents approximately \$70 million in annual revenues, is expected in May 2004.
- TXU Energy received the “Project of the Year Award” from the Texas Renewable Energy Industries Association (TREIA) for its participation in a wind farm near the Brazos River. In addition, TXU Energy’s mining operation received the 2003 Mining Reclamation Award and The Railroad Commission of Texas honored the company for overall efforts in planting more than 20 million trees since 1975 at the company’s mine sites in Texas.
- TXU announced purchase power agreements facilitating two additional new wind energy projects in Texas totaling approximately 200 megawatts, retaining its leadership position in providing electricity generated by wind power to Texans. TXU is the fourth largest wind power purchaser in the nation and the largest in Texas with 583 megawatts under contract.

Net income available for common stock in 2003 included a \$97 million loss from discontinued operations and a \$58 million cumulative effect charge in the first quarter from changes in accounting principles. Discontinued operations in 2003 include the telecommunications business, the strategic accounts (energy management outsourcing) business, for which a formal exit plan was completed in December 2003, and the small natural gas distribution business in Mexico that was sold in January 2004 for approximately \$11 million. The cumulative effect of changes in accounting principles represents an after-tax charge of \$63 million associated with the rescission of Emerging Issues Task Force (EITF) Issue No. 98-10, “Accounting for Contracts Involved in Energy Trading and Risk Management Activities”, and an after-tax benefit of \$5 million associated with Statement of Financial Accounting Standards No. 143 “Accounting for Asset Retirement Obligations”. EITF 98-10 had required mark-to-market accounting for certain energy-related contracts that are now accounted for on an accrual basis.

Net income available for common stock in 2002 included a \$4,258 million loss from discontinued operations, principally related to the European operations, and a \$134 million extraordinary loss, primarily from the write down of regulatory assets.

Fourth quarter 2003 net income available for common stock included a \$43 million loss from discontinued operations. Fourth quarter 2002 net loss available for common stock included a \$4,202 million loss from discontinued operations and the \$134 million extraordinary loss.

BUSINESS SEGMENT RESULTS

The following is a discussion by business segment of major factors in the period to period comparison of income from continuing operations before cumulative effects of changes in accounting principles and extraordinary items.

Energy

The Energy segment, which includes the company’s retail, generation and portfolio management operations, primarily in Texas, contributed \$56 million of income in the fourth quarter and \$493 million for the full year 2003. This compares to a loss of \$311 million and income of \$319 million for the fourth quarter and full year 2002, respectively. The fourth quarter and full year 2002 results included charges of \$185 million (\$120 million net of tax) for provision for retail clawback and \$237 million (\$154 million net of tax) for the impairment of the Twin Oak and Forest Grove power plant projects. The \$185 million accrual for retail clawback was reduced by \$12 million in the second half

of 2003 to reflect the exclusion of the small and medium business customers and to reconcile to year end 2003 residential customer counts.

Excluding the items discussed above, performance for the year reflected a decline in contribution margin (operating revenues net of cost of energy sold and delivery fees) and increased interest expense, somewhat offset by reduced operating costs and selling, general and administrative (SG&A) expenses and lower depreciation expense. The decrease in contribution margin was driven primarily by a 12 percent decrease in retail electric sales volumes, substantially related to competition for larger business customers. Other factors in the change in contribution margin include increased average cost of energy sold due to higher natural gas prices, and the benefits of higher retail and wholesale prices, increased wholesale sales volumes, and increased base load generation output. Higher interest expense resulted from actions in late 2002 and early 2003 to more permanently finance the business. The segment reduced costs by approximately \$200 million including operating costs and SG&A expenses and similar cost reductions in the strategic accounts business, which is now reflected as a discontinued operation. Depreciation expense decreased primarily due to extension of the useful life of the company's nuclear plant following a review of the depreciable lives of all of the company's generation fleet.

In addition to the retail clawback and impairment in 2002, major quarter to quarter variances were improved contribution margin, decreased operating costs and SG&A expenses and lower depreciation expense, somewhat offset by increased interest expense. Contribution margin increased as a result of higher electricity prices, wholesale sales volumes and base load generation fleet production. These increases were somewhat offset by reduced retail sales volumes, particularly to larger businesses, and higher average costs of sales as a result of higher natural gas prices.

Energy Delivery

The Energy Delivery segment earned \$36 million in the fourth quarter of 2003 and \$299 million for the year. This compares to \$8 million in the fourth quarter of 2002 and \$228 million for the year. This segment includes the electric transmission and distribution assets as well as the company's natural gas pipeline and distribution business.

For the year, Energy Delivery's results improved due to a \$14 million increase from Oncor Electric Delivery and a \$57 million increase from TXU Gas. Oncor's improvement was largely due to higher revenues as a result of increased transmission tariffs, new transition charge revenues associated with securitization bonds and higher miscellaneous services revenues. Combined operating costs and SG&A expenses were held essentially flat, except for increased third party transmission expenses and expenses associated with miscellaneous service for retail electric providers, which are more than offset by associated revenue increases. Depreciation and amortization expenses increased primarily due to initiation of amortization of certain regulatory assets related to the \$500 million of transition bonds issued in August. Interest expense at Oncor increased primarily because of actions in 2002 to more permanently finance the business. The year over year improvement in TXU Gas was largely due to higher contribution margin, a \$36 million (\$23 million net of tax) charge for early retirement of debt in the fourth quarter of 2002, and lower interest expense due to decreased debt levels.

Quarter to quarter improvement for Energy Delivery was due to a \$7 million increase in results from Oncor Electric Delivery and a \$21 million increase from TXU Gas. Oncor's improved results reflect the same factors as discussed above. The TXU Gas increase was largely due to the \$36 million (\$23 million net of tax) charge for early retirement of debt in 2002.

Australia

Net income from the Australia segment was \$6 million in the fourth quarter and \$102 million for the full year 2003. This compares to a net loss of \$3 million in the fourth quarter and \$74 million of net income for the year 2002. This segment includes the company's retail, generation, portfolio management, and gas and electricity delivery operations in Australia.

Increased contribution margin and approximately \$16 million benefit from the effects of the stronger Australian dollar were the main drivers of the full year increase. Contribution margin improved primarily as a result of increased electricity and natural gas sales due to successful customer retention and acquisition activities and colder winter weather.

The quarter to quarter improvement was primarily due to higher contribution margin, driven by increased electricity and gas sales volumes.

Corporate and Other

Corporate and other expenses declined by \$209 million for the quarter and \$282 million for the year, net of tax. Fourth quarter 2002 results included \$174 million (net of tax) in charges related to the decline in value of the company's telecommunications business, including TXU's equity interest in impairment charges recorded by the business. Telecommunications business results have been classified as discontinued operations effective from when the business was consolidated in March 2003. Equity interests in losses from the telecommunications business for 2003 and 2002 were \$17 million and \$104 million (including \$37 million related to impairment charges in the fourth quarter), respectively. For the fourth quarter 2002, these losses were \$64 million, including impairment charges.

In addition to the items above, corporate and other expenses reflected lower interest expense because of reduced debt balances and an \$18 million loss associated with early extinguishment of debt, primarily in the first quarter of 2002.

The number of common shares outstanding and diluted shares of common stock increased due to issuances of common stock in June, August and December 2002 and of TXU Energy's subordinated securities exchangeable into TXU common stock in November 2002.

Cash and Balance Sheet

For the year ended December 31, 2003, cash provided by operating activities was \$2.8 billion versus \$1.3 billion in the same period in 2002. The \$1.5 billion increase was primarily due to the \$616 million tax refund in the first quarter and an additional \$683 million benefit from working capital changes due in large part to improved accounts receivable collections over 2002 when billings and collections were delayed with the opening of the market and related data reconciliation issues, as well as certain timing effects. At December 31, 2003, TXU and its subsidiaries had \$3.4 billion of aggregate cash and cash equivalents and available credit facility capacity.

As compared to December 31, 2002, TXU debt (notes payable and long term debt, including long term debt due currently) decreased by \$1.8 billion in 2003. The reduction includes the exchange of the \$639 million (net of discount) of TXU Energy's exchangeable subordinated notes for preferred membership interests somewhat offset by an approximate \$379 million increase in debt caused by the effect of the stronger Australian dollar. Debt includes \$500 million of transition bonds issued in August 2003, which are considered off-credit by the rating agencies and \$525 million of convertible notes, which are given net debt treatment by the rating agencies against \$525 million of restricted cash that secures a subsidiary's credit facility. In addition, in 2003, TXU repurchased \$98 million of preferred stock of subsidiaries, all of the \$150 million of partners' equity interest in the company's telecommunications joint venture, and \$250 million of secured notes issued by the telecommunications joint venture.

2004 Earnings

Management's objective is to deliver 2004 earnings from continuing operations of \$2.15 per diluted share of common stock. First quarter 2004 earnings from continuing operations are projected to be around \$0.45 per diluted share of common stock.

Conference Call and Analyst Meeting

TXU's quarterly earnings teleconference with financial analysts is scheduled for 9:30 a.m. Central (10:30 a.m. Eastern) today. The teleconference will be broadcast live on the TXU web site (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, 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.

TXU will also hold its regular quarterly meeting with analysts on Tuesday, February 17, 2004 at 8:30 a.m. Eastern (7:30 a.m. Central) in New York, NY. The event will be webcast live at www.txucorp.com. For analysts who wish to attend the meeting, it will begin promptly at 8:30 a.m. Eastern on the 20th floor of the St. Regis Hotel located at 2 East 55th at 5th Avenue. If you plan to attend the 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 manages a diverse energy portfolio with a strategic mix of over \$31 billion of assets. TXU's distinctive business model for competitive markets integrates generation, portfolio management, and retail into one single business. The regulated electric and natural gas distribution and transmission businesses complement the competitive operations, using asset management skills developed over more than one hundred years, to provide reliable energy delivery to consumers and earnings and cash flow for stakeholders. In its primary market of Texas, TXU's portfolio includes 19,000 megawatts of generation and additional contracted capacity with a fuel mix of coal/lignite, natural gas/oil, nuclear power and wind. TXU serves more than five million customers in North America and Australia, including 2.6 million competitive electric customers in Texas where it is the leading energy retailer. 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 TXU's ability to obtain all necessary governmental and other approvals and consents for the sale of TXU Communications, 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, unanticipated power plant outages, 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 ended December 31, 2003, by segment.

Three Months Ended	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Reported Earnings 12/31/2002 (Basic & Diluted)					\$ (16.44)
Discontinued Operations			(4,202)	(14.15)	\$ (14.15)
Extraordinary loss			(134)	(0.45)	\$ (0.45)
Earnings from Continuing Operations 12/31/2002					\$ (1.84)
Energy	56	0.15	367	1.24	
Energy Delivery	36	0.09	28	0.09	
Australia	6	0.02	9	0.03	
Corporate and Other	(32)	(0.09)	209	0.70	
Effect of TXU Energy Preferred Securities *	13	0.03	13	0.04	
Change in Common Shares Outstanding				(0.06)	2.04
Earnings from Continuing Operations 12/31/2003 (Diluted)	79	0.20			\$ 0.20
Discontinued Operations	(43)	(0.13)			(0.13)
Reported Earnings 12/31/2003 (Diluted)	36	0.07			\$ 0.07

* Amount represents the interest and discount amortization associated with the TXU Energy exchangeable preferred securities which are dilutive for EPS calculations.

Year to Date	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Reported Earnings 12/31/2002 (Basic & Diluted)					\$ (15.23)
Discontinued Operations			(4,258)	(15.33)	\$ (15.33)
Extraordinary loss			(134)	(0.48)	\$ (0.48)
Earnings from Continuing Operations 12/31/2002					\$ 0.58
Energy	493	1.30	174	0.63	
Energy Delivery	299	0.79	71	0.26	
Australia	102	0.27	28	0.10	
Corporate and Other	(179)	(0.47)	282	1.00	
Effect of TXU Energy Preferred Securities *	53	0.14	53	0.19	
Change in Common Shares Outstanding				(0.73)	1.45
Earnings from Continuing Operations 12/31/2003 (Diluted)	768	2.03			\$ 2.03
Discontinued Operations	(97)	(0.26)			(0.26)
Cumulative Effect of Accounting Changes	(58)	(0.15)			(0.15)
Reported Earnings 12/31/2003 (Diluted)	613	1.62			\$ 1.62

* Amount represents the interest and discount amortization associated with the TXU Energy exchangeable preferred securities which are dilutive for EPS calculations.

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, 2003
Statements of Consolidated Income
(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2003	2002	% Change	2003	2002	% Change
	<i>(millions of dollars, except per share amounts)</i>					
Operating revenues.....	\$ 2,527	\$ 2,117	19.4	\$ 11,008	\$ 9,896	11.2
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,108	1,087	1.9	4,947	4,087	21.0
Operating costs.....	433	437	(0.9)	1,665	1,592	4.6
Depreciation and amortization.....	233	221	5.4	886	868	2.1
Selling, general and administrative expenses.....	323	290	11.4	1,108	1,213	(8.7)
Franchise and revenue-based taxes.....	121	135	(10.4)	456	478	(4.6)
Other income.....	(19)	(10)	90.0	(82)	(51)	60.8
Other deductions.....	15	495	(97.0)	46	577	(92.0)
Interest income.....	(19)	(11)	72.7	(44)	(31)	41.9
Interest expense and related charges.....	240	238	0.8	975	882	10.5
Total costs and expenses.....	2,435	2,882	(15.5)	9,957	9,615	3.6
Income (loss) from continuing operations before income taxes, extraordinary items and cumulative effect of changes in accounting principles.....	92	(765)	-	1,051	281	-
Income tax expense (benefit).....	20	(224)	-	314	99	-
Income (loss) from continuing operations before extraordinary items and cumulative effect of changes in accounting principles.....	72	(541)	-	737	182	-
Loss from discontinued operations, net of tax effect.....	(43)	(4,202)	(99.0)	(97)	(4,258)	(97.7)
Extraordinary loss, net of tax effect.....	-	(134)	-	-	(134)	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	-	-	-	(58)	-	-
Net income (loss).....	29	(4,877)	-	582	(4,210)	-
Preference stock dividends.....	6	6	-	22	22	-
Net income (loss) available for common stock.....	\$ 23	\$ (4,883)	-	\$ 560	\$ (4,232)	-
Average shares of common stock outstanding, basic (millions).....	323	297	8.8	322	278	15.8
Average shares of common stock outstanding, diluted (millions).....	380	297	27.9	379	278	36.3
Per share of common stock:						
Basic earnings:						
Income (loss) from continuing operations before cumulative effect of changes in accounting principles.....	\$ 0.20	\$ (1.84)	-	\$ 2.22	\$ 0.58	-
Loss on discontinued operations, net of tax effect.....	\$ (0.13)	\$ (14.15)	(99.1)	\$ (0.30)	\$ (15.33)	(98.0)
Extraordinary loss, net of tax effect.....	\$ -	\$ (0.45)	-	\$ -	\$ (0.48)	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	\$ -	\$ -	-	\$ (0.18)	\$ -	-
Net income (loss) available for common stock.....	\$ 0.07	\$ (16.44)	-	\$ 1.74	\$ (15.23)	-
Diluted earnings:						
Income (loss) from continuing operations before cumulative effect of changes in accounting principles.....	\$ 0.20	\$ (1.84)	-	\$ 2.03	\$ 0.58	-
Loss on discontinued operations, net of tax effect.....	\$ (0.13)	\$ (14.15)	(99.1)	\$ (0.26)	\$ (15.33)	(98.3)
Extraordinary loss, net of tax effect.....	\$ -	\$ (0.45)	-	\$ -	\$ (0.48)	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	\$ -	\$ -	-	\$ (0.15)	\$ -	-
Net income (loss) available for common stock.....	\$ 0.07	\$ (16.44)	-	\$ 1.62	\$ (15.23)	-
Dividends declared.....	\$ 0.125	\$ 0.125	-	\$ 0.500	\$ 1.925	(74.0)

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.) and all Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests 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 Statements of Consolidated Cash Flows

(Unaudited)

	Twelve Months Ended December 31,	
	2003	2002
	<i>(millions of dollars)</i>	
Cash flows - operating activities:		
Income from continuing operations before extraordinary items and cumulative effect of changes in accounting principles	\$ 737	\$ 182
Adjustments to reconcile income from continuing operations before extraordinary items and cumulative effect of changes in accounting principles to cash provided by operating activities:		
Depreciation and amortization	959	947
Deferred income taxes and investment tax credits -- net	10	65
Net gain from sale of assets	(43)	(31)
Net effect of unrealized mark-to-market valuations of commodity contracts	128	108
Net equity loss from unconsolidated affiliates and joint ventures	17	255
Over (under) recovery of gas costs	62	(8)
Reduction in regulatory liability	(132)	(151)
Retail clawback accrual increase (decrease)	(12)	185
Asset Impairment charge	-	253
Losses on early extinguishment of debt	-	63
Changes in operating assets and liabilities	1,072	(520)
Cash provided by operating activities	<u>2,798</u>	<u>1,348</u>
Cash flows - financing activities:		
Issuances of securities:		
Equity-linked debt securities	-	440
Exchangeable subordinated notes	-	750
Other long-term debt	3,245	3,377
Common stock	23	1,274
Retirements/repurchases of securities:		
Long-term debt	(2,736)	(3,595)
Preferred stock of subsidiaries	(98)	-
Change in notes payable:		
Commercial paper	31	(844)
Banks	(2,270)	1,243
Cash dividends paid:		
Common stock	(160)	(652)
Preference stock	(22)	(22)
Redemption deposits applied to debt retirements	210	-
Debt premium, discount, and reacquisition expenses	(41)	(493)
Cash used in financing activities	<u>(1,818)</u>	<u>1,478</u>
Cash flow - investing activities:		
Capital expenditures	(956)	(1,003)
Proceeds from sale of assets	24	449
Acquisitions of businesses	(150)	(36)
Nuclear fuel	(44)	(51)
Investment in collateral trust	(525)	-
Other	2	(210)
Cash used in investing activities	<u>(1,649)</u>	<u>(851)</u>
Effect of exchange rates on cash and cash equivalents	8	(13)
Cash used by discontinued operations	<u>(37)</u>	<u>(605)</u>
Net change in cash and cash equivalents	(698)	1,357
Cash and cash equivalents -- beginning balance	<u>1,573</u>	<u>216</u>
Cash and cash equivalents -- ending balance	<u>\$ 875</u>	<u>\$ 1,573</u>

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TXU CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

ASSETS	December 31, 2003	December 31, 2002
	<i>(millions of dollars)</i>	
Current assets:		
Cash and cash equivalents	\$ 875	\$ 1,573
Restricted cash	12	210
Accounts receivable - trade	1,369	1,670
Income taxes receivable	-	488
Inventories	599	545
Commodity contract assets	959	1,298
Assets of telecommunications holding company	110	-
Other current assets	333	348
Total current assets	<u>4,257</u>	<u>6,132</u>
Investments:		
Restricted cash	582	96
Other investments	705	724
Property, plant and equipment - net	20,791	19,590
Goodwill and other unamortized intangible assets	1,829	1,588
Regulatory assets - net	1,966	1,772
Commodity contract assets	362	657
Cash flow hedges and other derivative assets	123	150
Other noncurrent assets	411	328
Assets held for sale	709	95
Total assets	<u>\$ 31,735</u>	<u>\$ 31,132</u>
LIABILITIES, PREFERRED SECURITIES OF SUBSIDIARIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable:		
Commercial paper	\$ 58	\$ 18
Banks	39	2,306
Long-term debt due currently	677	958
Accounts payable - trade	1,042	1,029
Commodity contract liabilities	913	1,138
Liabilities of telecommunications holding company	603	-
Other current liabilities	1,339	1,293
Total current liabilities	<u>4,671</u>	<u>6,742</u>
Accumulated deferred income taxes and investment tax credits	4,369	4,060
Commodity contract liabilities	318	520
Cash flow hedges and other derivative liabilities	267	220
Long-term debt held by subsidiary trusts	546	546
All other long-term debt, less amounts due currently	12,324	11,593
Other noncurrent liabilities and deferred credits	2,370	2,127
Liabilities held for sale	192	47
Total liabilities	<u>25,057</u>	<u>25,855</u>
Preferred securities of subsidiaries	759	211
Shareholders' equity:		
Preferred stock - not subject to mandatory redemption	300	300
Common stock without par value	48	7,995
Additional paid in capital	8,097	111
Retained deficit	(2,498)	(2,900)
Accumulated other comprehensive loss	(28)	(440)
Total shareholders' equity	<u>5,919</u>	<u>5,066</u>
Total liabilities, preferred securities of subsidiaries and shareholders' equity	<u>\$ 31,735</u>	<u>\$ 31,132</u>

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TXU CORP CONSOLIDATED STATISTICS
Consolidated Operating Statistics
Periods Ended December 31, 2003 and 2002

Operating statistics-Volumes	Three Months			Twelve Months		
	2003	2002	%	2003	2002	%
Retail electricity (gigawatt-hours)	19,534	19,851	(1.6)	88,328	97,464	(9.4)
Wholesale electricity: (gigawatt-hours)	11,705	7,841	49.3	39,636	32,781	20.9
Retail gas (billion cubic feet)	54	56	(3.6)	206	207	(0.5)
US electricity distribution (gigawatt-hours) (a)	21,644	22,623	(4.3)	101,810	102,481	(0.7)
Australia electricity distribution (gigawatt-hours)	691	512	35.0	2,486	2,106	18.0
Gas pipeline transportation (billion cubic feet)	85	89	(4.5)	360	437	(17.6)
Retail customers & points of delivery (end of period & in thousands)						
Electricity				3,170	3,248	(2.4)
Gas				1,962	1,907	2.9
Total customers				5,132	5,155	(0.4)
Points of delivery-US electricity distribution				2,932	2,909	0.8
Points of delivery-Australia electricity distribution				560	549	2.0
Points of delivery-Australia gas distribution				481	466	3.2
Total points of delivery - Australia				1,041	1,015	2.6
Operating revenues (in millions of dollars)						
Retail electricity:						
Residential	\$ 756	\$ 586	29.0	\$ 3,598	\$ 3,320	8.4
Business and other	838	764	9.7	3,498	3,640	(3.9)
Total retail	1,594	1,350	18.1	7,096	6,960	2.0
Wholesale electricity	364	218	67.0	1,321	922	43.3
Retail gas:						
Residential	246	221	11.3	977	656	48.9
Business and other	146	133	9.8	548	401	36.7
Total	392	354	10.7	1,525	1,057	44.3
US electricity distribution	482	443	8.8	2,087	1,994	4.7
Australia electricity distribution	18	9	-	59	37	59.5
Australia gas distribution	9	6	50.0	43	33	30.3
Gas pipeline transportation	14	14	-	57	53	7.5
Hedging and risk management activities	(112)	15	-	60	249	(75.9)
Other revenues, less intercompany eliminations	(234)	(292)	(19.9)	(1,240)	(1,409)	(12.0)
Total operating revenues	\$ 2,527	\$ 2,117	19.4	\$ 11,008	\$ 9,896	11.2
Financial statistics & ratios - December 2003						
Common stock data:						
Shares outstanding-end of period (millions)				324		
Book value per share-end of period				\$ 17.35		
Return on average common stock equity (based on continuing operations)				13.8 %		
Capitalization (millions) and capitalization ratios (end of period):						
Long-term debt excluding equity-linked and subsidiary trust securities	\$ 10,884			55.6 %		
Equity-linked securities	1,440			7.4		
Long-term debt held by subsidiary trusts (b)	546			2.8		
Exchangeable preferred membership interests (net of discount)	646			3.3		
Preference & preferred stock	413			2.2		
Common stock equity	5,619			28.7		
Total	\$ 19,548			100.0 %		

(a) 2002 data revised

(b) The amount represents debt of TXU Corp. and TXU Gas held by subsidiary financing trusts as investments supporting Preferred Securities issued by the trusts. The trusts were deconsolidated as a result of recently issued accounting rules.

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

TXU CORP. AND SUBSIDIARIES
ENERGY SEGMENT (TXU ENERGY COMPANY LLC)

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For the Periods Ended December 31, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2003	2002	% Change	2003	2002	% Change
	<i>(millions of dollars)</i>			<i>(millions of dollars)</i>		
Operating revenues.....	\$ 1,745	\$ 1,483	17.7	\$ 7,995	\$ 7,691	4.0
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,082	1,121	(3.5)	5,124	4,783	7.1
Operating costs.....	180	194	(7.2)	691	701	(1.4)
Depreciation and amortization.....	102	113	(9.7)	409	450	(9.1)
Selling, general and administrative expenses.....	179	198	(9.6)	636	775	(17.9)
Franchise and revenue-based taxes.....	40	38	5.3	124	120	3.3
Other income.....	(5)	-	-	(48)	(33)	45.5
Other deductions.....	14	246	(94.3)	22	254	(91.3)
Interest income.....	(5)	(2)	-	(8)	(10)	(20.0)
Interest expense and related charges.....	77	62	24.2	323	215	50.2
Total costs and expenses.....	1,664	1,970	(15.5)	7,273	7,255	0.2
Income (loss) from continuing operations before income taxes and cumulative effect of changes in accounting principles.....	81	(487)	-	722	436	65.6
Income tax expense (benefit).....	25	(176)	-	229	117	95.7
Income (loss) from continuing operations before cumulative effect of changes in accounting principles.....	56	(311)	-	493	319	54.5
Loss from discontinued operations, net of tax effect.....	(15)	(16)	(6.3)	(14)	(49)	(71.4)
Cumulative effect of changes in accounting principles, net of tax benefit.....	-	-	-	(58)	-	-
Net income (loss).....	\$ 41	\$ (327)	-	\$ 421	\$ 270	55.9

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

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 on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests 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.

ENERGY SEGMENT
Operating and Financial Statistics
Periods Ended December 31, 2003 and 2002

	Three Months			Twelve Months		
	2003	2002	% Change	2003	2002	% Change
Operating statistics - Volumes						
Retail electricity (gigawatt-hours)	17,270	18,030	(4.2)	79,922	90,581	(11.8)
Wholesale electricity (gigawatt-hours)	10,850	7,080	53.2	37,362	29,649	26.0
Retail electricity customers (end of period and in thousands - number of meters)				2,597	2,713	(4.3)
Operating revenues (millions of dollars)						
Retail electricity:						
Residential	\$ 679	\$ 539	26.0	\$ 3,311	\$ 3,108	6.5
Business and other	747	695	7.5	3,173	3,415	(7.1)
Total	1,426	1,234	15.6	6,484	6,523	(0.6)
Wholesale electricity	350	200	75.0	1,274	857	48.7
Hedging and risk management activities (a)	(115)	5	-	18	142	(87.3)
Other revenues	84	44	90.9	219	169	29.6
Total operating revenues	\$ 1,745	\$ 1,483	17.7	\$ 7,995	\$ 7,691	4.0
Weather (average for service area)						
Percent of normal:						
Cooling degree days	128.8 %	67.0 %	61.8 Pts	103.1 %	99.8 %	3.3 Pts
Heating degree days	80.2 %	107.0 %	(26.8) Pts	94.0 %	102.0 %	(8.0) Pts

(a) Includes net unrealized mark-to-market losses of \$100 million and \$113 million in the twelve months 2003 and 2002, respectively.

TXU CORP. AND SUBSIDIARIES
ENERGY DELIVERY SEGMENT

For the Periods Ended December 31, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2003	2002	% Change	2003	2002	% Change
	<i>(millions of dollars)</i>			<i>(millions of dollars)</i>		
Operating revenues.	\$ 832	\$ 784	6.1	\$ 3,429	\$ 2,973	15.3
Costs and expenses:						
Cost of gas sold.	207	205	1.0	791	502	57.6
Operating costs.	228	227	0.4	880	829	6.2
Depreciation and amortization.	101	86	17.4	372	332	12.0
Selling, general and administrative expenses.	98	83	18.1	345	348	(0.9)
Franchise and revenue-based taxes.	78	86	(9.3)	316	322	(1.9)
Other income.	(4)	(16)	(75.0)	(12)	(21)	(42.9)
Other deductions.	1	37	(97.3)	-	40	-
Interest income.	(9)	(16)	(43.8)	(54)	(48)	12.5
Interest expense and related charges.	81	87	(6.9)	346	331	4.5
Total costs and expenses.	781	779	0.3	2,984	2,635	13.2
Income before income taxes and extraordinary loss.	51	5	-	445	338	31.7
Income tax expense (benefit)	15	(3)	-	146	110	32.7
Income before extraordinary loss.	36	8	-	299	228	31.1
Extraordinary loss, net of tax effect.	-	(123)	-	-	(123)	-
Net income (loss).	\$ 36	\$ (115)	-	\$ 299	\$ 105	-

The 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.

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ENERGY DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended December 31, 2003 and 2002

Operating statistics - Volumes	Three Months			Twelve Months		
	2003	2002	% Change	2003	2002	% Change
Electricity distribution (gigawatt-hours) (a)	<u>21,644</u>	<u>22,623</u>	<u>(4.3)</u>	<u>101,810</u>	<u>102,481</u>	<u>(0.7)</u>
Retail gas distribution (billion cubic feet):						
Residential	24	29	(17.2)	83	86	(3.5)
Business and other	15	16	(6.3)	58	58	-
Total	<u>39</u>	<u>45</u>	<u>(13.3)</u>	<u>141</u>	<u>144</u>	<u>(2.1)</u>
Pipeline transportation (billion cubic feet)	<u>85</u>	<u>89</u>	<u>(4.5)</u>	<u>360</u>	<u>437</u>	<u>(17.6)</u>
Retail gas distribution customers & electricity points of delivery						
(end of period & in thousands)						
Retail gas distribution customers				<u>1,482</u>	<u>1,470</u>	<u>0.8</u>
Electricity distribution points of delivery (b)				<u>2,932</u>	<u>2,909</u>	<u>0.8</u>
Operating revenues (millions of dollars)						
Electricity transmission and distribution:						
Affiliated (TXU Energy)	\$ 322	\$ 334	(3.6)	\$ 1,489	\$ 1,586	(6.1)
Non-affiliated	160	109	46.8	598	408	46.6
Total	<u>482</u>	<u>443</u>	<u>8.8</u>	<u>2,087</u>	<u>1,994</u>	<u>4.7</u>
Retail gas distribution:						
Residential	200	200	-	770	563	36.8
Business and other	122	114	7.0	455	313	45.4
Total	<u>322</u>	<u>314</u>	<u>2.5</u>	<u>1,225</u>	<u>876</u>	<u>39.8</u>
Pipeline transportation	14	14	-	57	53	7.5
Other revenues, net of eliminations	14	13	7.7	60	50	20.0
Total retail gas distribution and pipeline transportation	<u>350</u>	<u>341</u>	<u>2.6</u>	<u>1,342</u>	<u>979</u>	<u>37.1</u>
Total operating revenues	<u>\$ 832</u>	<u>\$ 784</u>	<u>6.1</u>	<u>\$ 3,429</u>	<u>\$ 2,973</u>	<u>15.3</u>

(a) 2002 data revised

(b) Includes approximately 100,000 lighting sites, primarily guard lights, for which TXU Energy is the REP but are not included in TXU Energy's customer count.

TXU CORP. AND SUBSIDIARIES
AUSTRALIA SEGMENT

For the Periods Ended December 31, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2003	2002	% Change	2003	2002	% Change
	<i>(millions of dollars)</i>			<i>(millions of dollars)</i>		
Operating revenues.....	\$ 283	\$ 198	42.9	\$ 1,103	\$ 860	28.3
Costs and expenses:						
Cost of energy sold and delivery fees.....	145	102	42.2	527	400	31.8
Operating costs.....	25	22	13.6	98	83	18.1
Depreciation and amortization.....	24	18	33.3	86	67	28.4
Selling, general and administrative expenses.....	40	23	73.9	113	87	29.9
Other income.....	(1)	-	-	(1)	(2)	(50.0)
Other deductions.....	2	3	(33.3)	4	4	-
Interest income.....	(1)	(1)	-	(5)	(1)	-
Interest expense and related charges.....	42	35	20.0	151	129	17.1
Total costs and expenses.....	276	202	36.6	973	767	26.9
Income (loss) before income taxes.....	7	(4)	-	130	93	39.8
Income tax expense (benefit).....	1	(1)	-	28	19	47.4
Net Income (loss).....	\$ 6	\$ (3)	-	\$ 102	\$ 74	37.8
Exchange rates.....	0.7159	0.5582		0.6525	0.5441	

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

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AUSTRALIA SEGMENT
Operating and Financial Statistics
Periods Ended December 31, 2003 and 2002

	Three Months			Twelve Months		
	2003	2002	% Change	2003	2002	% Change
Operating statistics - Volumes						
Retail electricity (gigawatt-hours) :						
Residential	769	584	31.7	3,067	2,667	15.0
Business and other	1,495	1,237	20.9	5,339	4,216	26.6
Total	<u>2,264</u>	<u>1,821</u>	<u>24.3</u>	<u>8,406</u>	<u>6,883</u>	<u>22.1</u>
Wholesale electricity:						
(gigawatt-hours)	<u>855</u>	<u>761</u>	<u>12.4</u>	<u>2,274</u>	<u>3,132</u>	<u>(27.4)</u>
Retail gas (billion cubic feet)	<u>15</u>	<u>11</u>	<u>36.4</u>	<u>65</u>	<u>63</u>	<u>3.2</u>
Electricity distribution (gigawatt-hours)	<u>691</u>	<u>512</u>	<u>35.0</u>	<u>2,486</u>	<u>2,106</u>	<u>18.0</u>
Gas distribution (billion cubic feet)	<u>9</u>	<u>8</u>	<u>12.5</u>	<u>39</u>	<u>35</u>	<u>11.4</u>
Retail customers & points of delivery (end of period & in thousands)						
Electricity				573	535	7.1
Gas				480	437	9.8
Total				<u>1,053</u>	<u>972</u>	<u>8.3</u>
Electricity distribution points of delivery				560	549	2.0
Gas distribution points of delivery				481	466	3.2
Total points of delivery				<u>1,041</u>	<u>1,015</u>	<u>2.6</u>
Operating revenues (millions of dollars)						
Retail electricity:						
Residential	\$ 77	\$ 47	63.8	\$ 287	\$ 212	35.4
Business and other	91	69	31.9	325	225	44.4
Total	<u>168</u>	<u>116</u>	<u>44.8</u>	<u>612</u>	<u>437</u>	<u>40.0</u>
Wholesale electricity	<u>14</u>	<u>18</u>	<u>(22.2)</u>	<u>47</u>	<u>65</u>	<u>(27.7)</u>
Electricity distribution	<u>18</u>	<u>9</u>	<u>-</u>	<u>59</u>	<u>37</u>	<u>59.5</u>
Retail gas:						
Residential (a)	46	21	-	207	93	-
Business and other	24	19	26.3	93	88	5.7
Total	<u>70</u>	<u>40</u>	<u>75.0</u>	<u>300</u>	<u>181</u>	<u>65.7</u>
Gas distribution	<u>9</u>	<u>6</u>	<u>50.0</u>	<u>43</u>	<u>33</u>	<u>30.3</u>
Hedging and risk management activities & other revenues (b)	<u>4</u>	<u>9</u>	<u>(55.6)</u>	<u>42</u>	<u>107</u>	<u>(60.7)</u>
Total operating revenues	<u>\$ 283</u>	<u>\$ 198</u>	<u>42.9</u>	<u>\$ 1,103</u>	<u>\$ 860</u>	<u>28.3</u>

(a) Revenue growth reflected a former agency arrangement for certain customers, which converted to a direct sales relationship in late 2002, with revenue in 2002 representing the service fee. Reported volumes for 2003 and 2002 are comparable.

(b) Includes net unrealized mark-to-market losses of \$28 million in the twelve months 2003 period and net gains of \$5 million in 2002.