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WHO WE ARE

TXU Corp., a Dallas-based energy company, manages a portfolio of competitive and regulated energy businesses primarily in Texas. The competitive TXU Energy Holdings business segment includes the TXU Energy retail electricity sales operations, the TXU Power electricity generation operations, and the TXU Wholesale energy markets operations.¹ TXU Energy provides electricity and related services to 2.3 million competitive electricity customers in Texas, more customers than any other retail electric provider in the state. TXU Power has over 18,300 megawatts of generation in Texas, including 2,300 MW of nuclear and 5,837 MW of lignite/coal-fired generation capacity. The company is also one of the largest purchasers of wind-generated electricity in Texas and North America. TXU Wholesale optimizes the purchases and sales of energy for TXU Energy and TXU Power and provides related services to other market participants. TXU Corp.'s regulated business segment, TXU Electric Delivery, is an electric distribution and transmission business that complements the competitive operations, using superior asset management skills to provide reliable electricity delivery to consumers. TXU Electric Delivery operates the largest distribution and transmission system in Texas, providing power to 3 million electric delivery points over more than 100,000 miles of distribution and 14,000 miles of transmission lines. Visit www.txucorp.com for more information about TXU Corp.

FINANCIAL AND OPERATING HIGHLIGHTS²

\$ millions unless otherwise noted	2005	2004 ³	% change
Financial Data			
Revenues	\$ 10,437	\$ 9,308	12
Income from continuing operations	\$ 1,775	\$ 81	–
Operational earnings	\$ 1,615	\$ 887	82
Income from continuing operations per diluted share	\$ 2.63	\$ 0.13	–
Operational earnings per diluted share	\$ 3.33	\$ 1.41	136
Dividends declared per share	\$ 1.26	\$ 0.47	168
Cash provided by operating activities	\$ 2,793	\$ 1,758	59
Normalized operating cash flow	\$ 2,902	\$ 2,042	42
Normalized free cash flow	\$ 1,798	\$ 1,043	72
ROIC (on operational earnings) – percent	15.4	8.4	83
EBITDA/interest – ratio	4.9	4.0	23
Debt/EBITDA – ratio	3.1	4.2	(26)
Operating Data			
Retail electricity sales volumes in gigawatt-hours	58,176	70,291	(17)
Wholesale electricity sales volumes in gigawatt-hours	52,001	48,309	8
Total electricity sales volumes in gigawatt-hours	110,177	118,600	(7)
Total retail electricity customers in thousands	2,325	2,536	(8)
Electric energy delivered in gigawatt-hours	106,780	101,928	5
Electricity points of delivery in thousands	3,013	2,971	1
Employees	7,615	7,911	(4)

¹ TXU Energy Holdings is managed as an integrated business; however, for purposes of operational accountability and performance management, the business segment has been divided into three operations, each of which is conducted through separate legal entities.

² This annual report includes certain non-GAAP (Generally Accepted Accounting Principles) financial measures that management uses to measure performance. Reconciliations of these measures to the most directly comparable GAAP measures and financial definitions are included on pages 15 and 16. See Management's Discussion and Analysis of Financial Condition and Results of Operations in Form 10-K.

³ Results for 2004 are significantly impacted by charges related to the comprehensive restructuring plan as described in Management's Discussion and Analysis of Financial Condition and Results of Operations in Form 10-K.