

## 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 segment includes the TXU Energy retail electricity sales operations, the TXU Power electricity generation operations, and the TXU Wholesale energy markets operations.<sup>1</sup> TXU Energy provides electricity and related services to more than 2.1 million competitive electricity customers in Texas. TXU Power has over 18,100 megawatts of generation in Texas, including 2,300 MW of nuclear and more than 5,800 MW of coal-fueled generation capacity. TXU Wholesale optimizes the purchases and sales of energy for TXU Energy and TXU Power and provides related services to other market participants. TXU Wholesale is the largest purchaser of wind-generated electricity in Texas and fifth largest in the United States. TXU Corp.'s regulated segment, TXU Electric Delivery, is an electric distribution and transmission business that uses 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 three million electric delivery points over more than 101,000 miles of distribution and 14,300 miles of transmission lines.

Visit [www.txucorp.com](http://www.txucorp.com) for more information about TXU Corp.

## FINANCIAL AND OPERATING HIGHLIGHTS<sup>2</sup>

\$ millions unless otherwise noted	2006	2005	% change
<b>Financial Data</b>			
Revenues	\$ <b>10,856</b>	\$ 10,662	2
Net income available for common stock	\$ <b>2,552</b>	\$ 1,712	49
Operational earnings	\$ <b>2,592</b>	\$ 1,628	59
Net income available for common stock (per diluted share)	\$ <b>5.46</b>	\$ 2.50	118
Operational earnings (per diluted share)	\$ <b>5.55</b>	\$ 3.35	66
Dividends declared (per share)	\$ <b>1.670</b>	\$ 1.256	33
Cash provided by operating activities	\$ <b>4,954</b>	\$ 2,793	77
Normalized operating cash flow	\$ <b>4,976</b>	\$ 2,902	71
Normalized free cash flow	\$ <b>2,679</b>	\$ 1,798	49
ROIC based on adjusted operational earnings (percent)	<b>21.7</b>	15.5	40
EBITDA/interest (ratio)	<b>6.4</b>	4.9	31
Debt/EBITDA (ratio)	<b>2.1</b>	3.1	(32)
<b>Operating Data</b>			
Retail electricity sales volumes (GWh)	<b>52,050</b>	58,176	(11)
Total retail electricity customers (thousands)	<b>2,182</b>	2,325	(6)
Electric energy delivered (GWh)	<b>107,098</b>	106,780	-
Electricity points of delivery (thousands)	<b>3,056</b>	3,013	1
Employees	<b>7,262</b>	7,615	(5)

<sup>1</sup> 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.

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