

TXU HAS THREE STRUCTURALLY ADVANTAGED BUSINESSES...



TXU ENERGY

- > Largest competitive electricity retailer, serving more than 2.5 million customers
- > High-growth market (2.5% per year)
- > Distinctive brand recognition and reputation



TXU POWER

- > 2nd-largest deregulated power producer
- > Low-cost baseload capacity and highly flexible gas fleet
- > Robust wholesale market and tightening reserve margins



TXU ELECTRIC DELIVERY

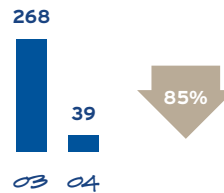
- > 6th-largest U.S. transmission and distribution company, delivering electricity to 3 million consumers
- > High-growth market (2.5% per year)
- > Lowest wires cost in Texas

...FOCUSED ON INDUSTRY LEADERSHIP ACROSS THREE CRITICAL

Operational Excellence	Market Leadership
<ul style="list-style-type: none"> > Safety > Reliability > Asset productivity > Cost leadership 	<ul style="list-style-type: none"> > Customer service > Commercial excellence > Risk management > Growth

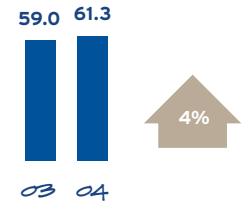
OPERATIONAL IMPROVEMENT 03-04

TXU Energy

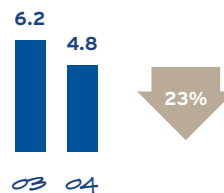


CALL ANSWER TIMES
average annual seconds

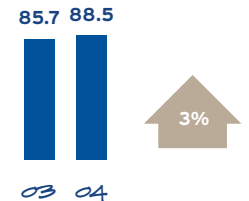
TXU Power



BASELOAD GENERATION OUTPUT
terawatt-hours



NATIVE MASS MARKET¹ CUSTOMER CHURN RATE
percent



BASELOAD CAPACITY FACTOR
percent

¹ Native mass market comprises TXU Energy's residential and small- and medium-business customers in the historical North Texas service territory.
² SAIDI is the number of minutes in a year the average customer is out of service.
³ SAIFI is the number of times in a year the average customer is out of service.

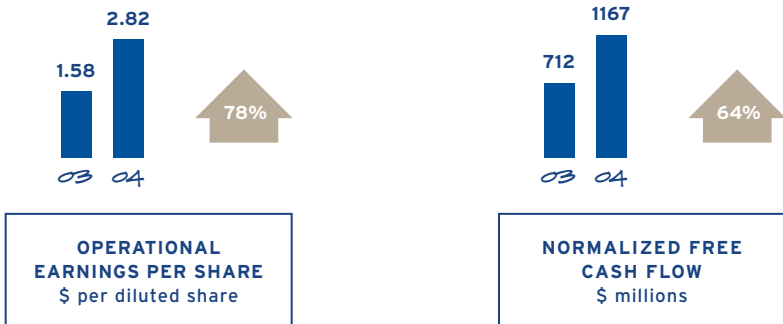
PERFORMANCE DRIVERS...

Human Performance Leadership

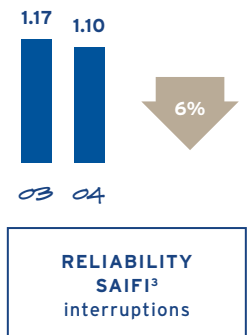
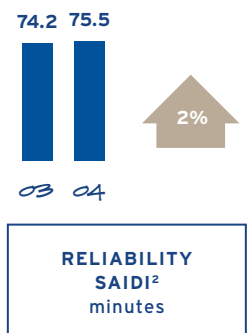
- > High-performance culture
- > Performance management and incentives
- > Employee development

...TO DELIVER TOP-QUARTILE FINANCIAL PERFORMANCE.

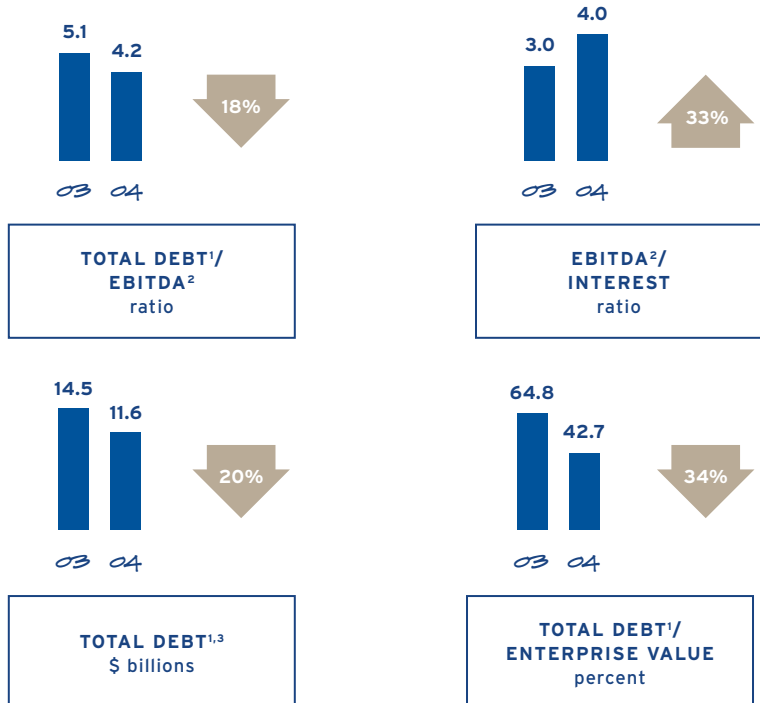
FINANCIAL RESULTS IMPROVEMENT 03-04



TXU Electric Delivery



FINANCIAL FLEXIBILITY IMPROVEMENT 03-04



¹ Total debt excludes transition bonds.
² Results are from continuing operations excluding special items.
³ 2003 total debt includes \$2.4 billion related to telecom and discontinued operations.