

**TXU CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

ASSETS	December 31,	
	2004	2003
	(millions of dollars)	
Current assets:		
Cash and cash equivalents	\$ 106	\$ 829
Restricted cash	49	12
Accounts receivable — trade	1,274	1,016
Income taxes receivable	25	—
Inventories	320	419
Commodity contract assets	546	548
Accumulated deferred income taxes	224	94
Assets of telecommunications holding company	—	110
Other current assets	249	196
Total current assets	<u>2,793</u>	<u>3,224</u>
Investments:		
Restricted cash	47	582
Other investments	664	632
Property, plant and equipment — net	16,676	16,803
Goodwill	542	558
Regulatory assets — net	1,891	1,872
Commodity contract assets	315	109
Cash flow hedge and other derivative assets	6	88
Other noncurrent assets	283	214
Assets held for sale (Note 4)	<u>24</u>	<u>7,202</u>
Total assets	<u>\$23,241</u>	<u>\$31,284</u>
LIABILITIES, PREFERRED SECURITIES OF SUBSIDIARIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable - banks	\$ 210	\$ —
Long-term debt due currently	229	678
Accounts payable — trade	950	790
Commodity contract liabilities	491	502
Litigation and other settlement accruals	391	—
Liabilities of telecommunications holding company	—	603
Other current liabilities	1,445	1,322
Total current liabilities	<u>3,716</u>	<u>3,895</u>
Accumulated deferred income taxes	2,721	3,599
Investment tax credits	405	430
Commodity contract liabilities	347	47
Cash flow hedge and other derivative liabilities	195	240
Long-term debt held by subsidiary trusts (Note 10)	—	546
All other long-term debt, less amounts due currently	12,412	10,608
Other noncurrent liabilities and deferred credits	2,762	2,289
Liabilities held for sale (Note 4)	<u>6</u>	<u>2,952</u>
Total liabilities	<u>22,564</u>	<u>24,606</u>
Preferred securities of subsidiaries (Note 9)	38	759
Contingencies (Note 18)		
Shareholders' equity (Note 11)	639	5,919
Total liabilities, preferred securities of subsidiaries and shareholders' equity	<u>\$23,241</u>	<u>\$31,284</u>

See Notes to Financial Statements.