

TXU CORP. AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

	Year Ended December 31,		
	2004	2003	2002
	(millions of dollars)		
Preference stock			
Balance at end of year	\$ 300	\$ 300	\$ 300
Common stock without par value — authorized shares — 1,000,000,000			
Balance at beginning of year	48	7,995	6,560
Issuance of 46,800,000 shares in public offering	—	—	1,084
Issuances under Direct Stock Purchase and Dividend Reinvestment Plan: (2004 — 110,014 shares; 2003 — 508,379 shares; and 2002 — 1,069,264 shares)	4	10	40
Recording of contract adjustment payment liability related to equity-linked debt securities	—	—	(48)
Effects of awards under Long-Term Incentive Compensation Plan	5	19	(3)
Issuance of shares under equity-linked debt securities (2004 — 1,817,371; 2002 — 8,365,133)	101	—	349
Special allocation to Thrift Plan by LESOP trustee	3	4	8
Reclassification of stated capital to additional paid in capital	—	(7,986)	—
Cancellation of common stock repurchased	(161)	—	—
Other	2	6	5
Balance at end of year (2004 — 239,852,880 shares; 2003 — 323,883,092 shares; and 2002 — 321,974,000 shares)	2	48	7,995
Additional paid-in capital:			
Balance at beginning of year	8,097	111	—
Common stock repurchases (2004 — 84,257,444 shares)	(4,737)	—	—
Net premium on repurchase of exchangeable preferred membership interests	(849)	—	—
Discount on repurchase of equity-linked debt securities (related to equity component) and reversal of contract adjustment payment liability...	96	—	—
Effects of awards under Long-Term Incentive Compensation Plan	38	—	—
Reclassification of stated capital to additional paid-in capital	—	7,986	—
Cancellation of common stock repurchased	161	—	—
Discount on 9% exchangeable subordinated notes of Energy	—	—	111
Balance at end of year	2,806	8,097	111
Retained earnings:			
Balance at beginning of year	(2,498)	(2,900)	1,863
Net income (loss)	485	582	(4,210)
Dividends declared on common stock (\$0.938, \$0.50 and \$1.925 per share) .	(251)	(160)	(533)
Dividends on preference stock (\$7,240, \$7,240 and \$7,240 per share)	(22)	(22)	(22)
LESOP dividend deduction tax benefit and other	3	2	2
Balance at end of year	(2,283)	(2,498)	(2,900)

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	Year Ended December 31,		
	2004	2003	2002
	(millions of dollars)		
Accumulated other comprehensive loss, net of tax effects:			
Foreign currency translation adjustments:			
Balance at beginning of year.....	145	(157)	(654)
Change during the year.....	(90)	302	329
Amounts related to disposed businesses	<u>(55)</u>	<u>—</u>	<u>168</u>
Balance at end of year.....	<u>—</u>	<u>145</u>	<u>(157)</u>
Minimum pension liability adjustments:			
Balance at beginning of year.....	(38)	(92)	(9)
Change during the year.....	23	54	(83)
Amounts related to disposed businesses	<u>1</u>	<u>—</u>	<u>—</u>
Balance at end of year.....	<u>(14)</u>	<u>(38)</u>	<u>(92)</u>
Cash flow hedges (SFAS 133):			
Balance at beginning of year.....	(135)	(191)	(104)
Change during the year.....	(38)	56	(102)
Amounts related to disposed businesses	<u>1</u>	<u>—</u>	<u>15</u>
Balance at end of year.....	<u>(172)</u>	<u>(135)</u>	<u>(191)</u>
Total accumulated other comprehensive loss	<u>(186)</u>	<u>(28)</u>	<u>(440)</u>
Total common stock equity.....	<u>339</u>	<u>5,619</u>	<u>4,766</u>
Shareholders' equity	<u>\$ 639</u>	<u>\$ 5,919</u>	<u>\$ 5,066</u>

See Notes to Financial Statements.