

FOR IMMEDIATE RELEASE

TXU Reports First Quarter Results Up 24 Percent

DALLAS—(April 25, 2002) TXU (NYSE:TXU), a global energy services company with business interests on three continents, today announced that earnings for the first quarter ended March 31, 2002 were \$0.94 per share of common stock versus \$0.76 per share for the first quarter of 2001, an increase of 24%. Before an extraordinary item discussed below, earnings for the first quarter of 2002 were \$1.01 per share, an increase of 22 percent over first quarter 2001 earnings of \$0.83 per share, excluding unusual items.

Highlights since the end of the year include:

- Further actions to strengthen the balance sheet and position the company for future growth, including closing of the previously announced sale of the United Kingdom (UK) networks business in January and the closing of the previously announced sale of two generation plants in Texas, which is expected soon;
- Purchase of a 122 MW generation plant in New Jersey, TXU's first major asset acquisition in the US outside of Texas, another step in TXU's strategic plan to build a diversified global portfolio of assets, and a complement to the February award of 1,000 megawatts of load in the New Jersey Statewide Basic Generation Service Electricity Supply Auction;
- Acquisition of the UK retail and trading business of Amerada Hess announced in March, representing over 400,000 residential energy and telecommunications accounts, approximately 7 percent of the UK commercial and industrial gas supply market, and wholesale gas marketing operations;
- Successful, although challenging, opening of the electricity market to competition in Texas on January 1, 2002;
- Completion of the opening of the retail electricity market in Victoria, Australia to competition;
- Implementation of a retail price increase in Victoria, Australia to address increased wholesale electricity prices; and
- Successful implementation of Oncor Utility Solutions asset management business to multiple clients. Oncor Utility Solutions offers asset management services to cooperatives, municipally-owned and investor-owned utilities.

Mike McNally, chief financial officer said, "I am pleased by the continued efforts and ability of the management and employees of TXU to deliver outstanding results while continuing to focus on long term growth and shareholder value. The diversity of our operations allowed us to overcome very difficult market conditions in the UK this quarter with increased contributions from the rest of international and North America operations, meeting our guidance for first quarter earnings. We also continue to improve the balance sheet and are on course to achieve our goal of 55 percent long-term debt to capital this year and continued improvement thereafter. Finally, I am still very comfortable with analysts' estimates for 2002 in the general range of \$4.35 to \$4.45 per share and anticipate second quarter results in the \$0.70 to \$0.75 range."

First quarter results reflect strong contributions from the North America Energy and Energy Delivery segments and from Australia and continental Europe operations, somewhat offset by the effect of extremely difficult market conditions in the UK. Results benefited from the discontinuance of goodwill amortization and reduced interest expense due to the benefits of the company's balance sheet improvement efforts. Results were negatively affected by the absence of the earnings contribution from the UK networks business, which was sold at the beginning of the year, and by the \$17 million (after tax) extraordinary loss on early extinguishment of debt related to the restructuring of the Texas electricity operations.

The North America Energy segment delivered strong net income results of \$180 million. This segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The segment contains the company's generation, merchant trading and retail operations in Texas and other similar positions in North America. The results reflect the successful transition to competition of the Texas operations, primarily driven by higher gross margin (despite milder weather) somewhat offset by higher O&M expenses, depreciation and tax expenses.

Net income contribution from the International Energy segment declined from \$75 million in the first quarter of 2001 to \$49 million in the first quarter of 2002. The International Energy segment includes the company's operations in the UK, Europe and Australia. The discontinuance of goodwill amortization added \$50 million while the sale of the UK networks eliminated approximately \$42 million of contribution. Segment results were driven primarily by difficult market conditions in the UK, where very mild winter weather contributed to low volatility and prices in electricity and gas markets. These conditions decreased the value of the length of the UK portfolio in the quarter, which tends to be a net seller to the market in the winter. Results for the rest of the year should benefit in the current price environment as the UK portfolio is a net buyer in those periods. The decreased results from UK operations were somewhat offset by added contributions from Australia and Continental Europe. Improved results from Australia were primarily driven by improved margin and favorable energy market movements. As previously reported, results from the prior year quarter included \$17 million after tax of restructuring charges primarily related to the outsourcing of customer service operations in the UK.

The North America Energy Delivery segment provided \$101 million of net income. This segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The segment includes the electric transmission and distribution assets as well as the company's gas pipeline and distribution business. Segment results reflect increased electric rate base, lower operating expense and reduced interest expense primarily from the retirement of first mortgage bonds.

Conference Call and Analyst Meeting

TXU's quarterly earnings teleconference with financial analysts is scheduled for 9 a.m. Central (10 a.m. Eastern) today. The teleconference will be broadcast live on the TXU web site for any parties who wish to listen, and a replay will be available on the web site approximately two hours after the teleconference is completed. Consolidated and segment condensed income statements and operating and financial statistics for the periods ended March 31, 2002 are also available on the web site at www.txu.com in the Investor Resources section.

In addition, TXU will webcast live at www.txu.com its regular quarterly meeting with analysts on Monday, April 29, 2002 at 8:30 a.m. Eastern Time and will have a replay available on the web site later that day. For analysts who wish to attend the quarterly meeting, it will begin with an informal breakfast at 7:45 a.m. Eastern Time on Monday, April 29, 2002 at the Essex House Hotel at 160 Central Park S. in New York City. The meeting will begin promptly at 8:30 a.m. If you plan to attend the analyst meeting, please RSVP to Sherri Cox at scox2@txu.com, 214/812-4901, or via fax at 214/812-3366.

TXU is a global leader in electric and natural gas services, merchant trading, energy marketing, telecommunications, energy delivery and other energy-related services. TXU is one of the largest energy companies in the world with \$28 billion of annual revenue and \$40 billion of assets. TXU is one of the largest generators of electricity in the world and sells over 330 million megawatt hours of electricity and 2.8 trillion cubic feet of natural gas annually. TXU delivers or sells energy to more than 11 million customers primarily in the US, Europe and Australia. Visit www.txu.com for more information about TXU.

This release contains forward looking statements, which are subject to various risks and uncertainties. Discussion of factors that could cause actual results to differ materially from management's current projections, forecasts, estimates and expectations is contained in the company's SEC filings. In addition to the factors set forth in the company's SEC filings, other factors which could affect the forward looking statements contained in this press release include prevailing government policies on environmental, tax or accounting matters, regulatory actions, weather conditions, unanticipated population growth or decline and changes in market demand and demographic patterns, changing competition for customers including the deregulation of the U.S. electric utility industry and the entry of new competitors, pricing and transportation of crude oil, natural gas and other commodities, financial market conditions including unanticipated changes in interest rates, rates of inflation, or foreign exchange rates, unanticipated changes in operating expenses and capital expenditures, legal and administrative proceedings and settlements, inability of the various counterparties to meet their obligations with respect to financial instruments, and changes in technology used and services offered by TXU Corp.

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TXU Corp.

The following table identifies the components of the contribution and change in earnings for the quarter ended March 31, 2002, by segment.

| Three Months Ended | Contribution | | Change | | EPS |
|-------------------------------------|---|----------------|--|-----------------------------|----------------|
| | Net Income US\$ (Millions) | EPS | US\$ (Millions) After Tax | Per Share Impact | |
| Adjusted Earnings 03/31/2001 | | | | | \$ 0.83 |
| North America Energy | \$ 180 | \$ 0.68 | \$ 55 | \$ 0.21 | |
| International Energy | 49 | 0.19 | (43) | (0.16) | |
| Total Energy | 229 | 0.87 | 12 | 0.05 | |
| North America Energy Delivery | 101 | 0.38 | 38 | 0.14 | |
| Corporate and Other | (63) | (0.24) | 4 | 0.02 | |
| Change in Common Shares Outstanding | | | | (0.03) | 0.18 |
| Adjusted Earnings 03/31/2002 | 267 | 1.01 | 54 | | \$ 1.01 |
| Corporate Extraordinary Item | (17) | (0.07) | (17) | | (0.07) |
| Reported Earnings 03/31/2002 | \$ 250 | \$ 0.94 | \$ 37 | | \$ 0.94 |

These tables are furnished in response to your request for information concerning the Company and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.



TXU CORP. AND SUBSIDIARIES

For the Three Months Ended March 31, 2002

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended March 31, | | |
|--|---------------------------------|----------|----------|
| | 2002 | 2001 | % Change |
| | <i>Millions of Dollars</i> | | |
| Operating revenues | \$ 8,097 | \$ 8,375 | (3.3) |
| Operating expenses | | | |
| Energy purchased for resale and fuel consumed | 6,188 | 6,507 | (4.9) |
| Operation and maintenance | 810 | 704 | 15.1 |
| Depreciation and other amortization | 240 | 257 | (6.6) |
| Goodwill amortization | - | 55 | - |
| Taxes other than income | 182 | 182 | - |
| Total operating expenses | 7,420 | 7,705 | (3.7) |
| Operating income | 677 | 670 | 1.0 |
| Other income (deductions) -- net | (17) | (3) | - |
| Income before interest, other charges, income taxes, and extraordinary items | 660 | 667 | (1.0) |
| Interest income | 12 | 37 | (67.6) |
| Interest expense and other charges | | | |
| Interest | 283 | 381 | (25.7) |
| Distributions on preferred securities of subsidiary perpetual trust of TXU Europe | 4 | 4 | - |
| Distributions on mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company: | | | |
| TXU Corp. obligated | 8 | 8 | - |
| Subsidiary obligated | 2 | 19 | (89.5) |
| Preferred stock dividends of subsidiaries | 3 | 3 | - |
| Allowance for borrowed funds used during construction and capitalized interest | (3) | (5) | (40.0) |
| Total interest expense and other charges | 297 | 410 | (27.6) |
| Income before income taxes and extraordinary items | 375 | 294 | 27.6 |
| Income tax expense (benefit) | 103 | 93 | 10.8 |
| Income before extraordinary items | 272 | 201 | 35.3 |
| Extraordinary items, less applicable income tax | (17) | - | - |
| Net Income | 255 | 201 | 26.9 |
| Preference stock dividends | 5 | 5 | - |
| Net income available for common stock | \$ 250 | \$ 196 | 27.6 |
| Average shares of common stock outstanding (millions) | 265 | 257 | 3.1 |
| Per share of common stock: | | | |
| Basic and diluted earnings | | | |
| Income before extraordinary items | \$1.01 | \$0.76 | 32.9 |
| Extraordinary items, net of tax | (\$0.07) | \$0.00 | - |
| Net income available for common stock | \$0.94 | \$0.76 | 23.7 |
| Dividends declared | \$0.60 | \$0.60 | - |

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.) and all Quarterly Reports to the Securities and Exchange Commission on Form 10-Q. This financial statement is furnished in response to your request for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

TXU CORP. AND SUBSIDIARIES

Condensed Statements of Consolidated Cash Flows

(Unaudited)

| | Three Months Ended | |
|---|----------------------------|---------------|
| | March 31, | |
| | <u>2002</u> | <u>2001</u> |
| | <i>Millions of Dollars</i> | |
| CASH FLOWS - OPERATING ACTIVITIES | | |
| Net income | \$ 255 | \$ 201 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Loss on extraordinary items | 17 | - |
| Depreciation and amortization | 275 | 343 |
| Deferred income taxes and investment tax credits -- net | (34) | 101 |
| Gains from sale of assets | - | (9) |
| Net effect of unrealized mark-to-market valuation losses/(gains) | 142 | (47) |
| Equity in losses of affiliates and joint ventures | 10 | 12 |
| Other | (2) | 19 |
| Changes in operating assets and liabilities | <u>(519)</u> | <u>(262)</u> |
| Cash provided by operating activities | <u>144</u> | <u>358</u> |
| CASH FLOWS - FINANCING ACTIVITIES | | |
| Issuances of securities: | | |
| Long-term debt | 171 | 59 |
| Common stock | 1 | 4 |
| Retirements/repurchases of securities: | | |
| Long-term debt | (655) | (621) |
| Change in notes payable | (692) | 183 |
| Cash dividends paid: | | |
| Common stock | (159) | (154) |
| Preference stock | (5) | (6) |
| Other | <u>(40)</u> | <u>(3)</u> |
| Cash used in financing activities | <u>(1,379)</u> | <u>(538)</u> |
| CASH FLOWS - INVESTING ACTIVITIES | | |
| Capital expenditures | (313) | (319) |
| Acquisitions of businesses | (167) | (217) |
| Proceeds from sale of assets | 1,146 | 141 |
| Nuclear fuel | (10) | (11) |
| Other | <u>(27)</u> | <u>(70)</u> |
| Cash provided by (used in) investing activities | <u>629</u> | <u>(476)</u> |
| EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS | <u>(28)</u> | <u>(18)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (634) | (674) |
| CASH AND CASH EQUIVALENTS -- BEGINNING BALANCE | <u>1,161</u> | <u>1,039</u> |
| CASH AND CASH EQUIVALENTS -- ENDING BALANCE | <u>\$ 527</u> | <u>\$ 365</u> |

TXU CORP. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Unaudited)

| | March 31, | |
|---|----------------------------|------------------|
| | 2002 | 2001 |
| | <i>Millions of Dollars</i> | |
| ASSETS | | |
| Current assets | \$ 6,413 | \$ 5,048 |
| Investments | 2,083 | 3,003 |
| Property, plant and equipment: | | |
| United States (US): | | |
| Property, plant and equipment | 27,643 | 26,488 |
| Less accumulated depreciation | 9,588 | 8,920 |
| Net of accumulated depreciation | 18,055 | 17,568 |
| Construction work in progress | 592 | 528 |
| Nuclear fuel (net of accumulated amortization) | 138 | 172 |
| Held for future use | 22 | 22 |
| Reserve for regulatory disallowances | (836) | (836) |
| Net US property, plant and equipment | 17,971 | 17,454 |
| Europe (net of accumulated depreciation) | 1,122 | 4,062 |
| Australia (net of accumulated depreciation) | 1,670 | 1,515 |
| Net property, plant and equipment | 20,763 | 23,031 |
| Goodwill (net of accumulated amortization) | 6,891 | 7,196 |
| Other assets | 3,955 | 4,741 |
| Total Assets | <u>\$ 40,105</u> | <u>\$ 43,019</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Notes payable | \$ 2,515 | \$ 3,228 |
| Long-term debt due currently | 1,285 | 3,110 |
| Other | 5,496 | 5,068 |
| Total current liabilities | 9,296 | 11,406 |
| Long-term debt, less amounts due currently | 14,526 | 14,538 |
| Accumulated deferred income taxes | 3,483 | 3,946 |
| Investment tax credits | 473 | 496 |
| Other deferred credits and noncurrent liabilities | 3,420 | 3,283 |
| Total liabilities | 31,198 | 33,669 |
| Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company: | | |
| TXU obligated | 368 | 368 |
| Subsidiary obligated | 147 | 976 |
| Preferred securities of subsidiary perpetual trust of TXU Europe | 150 | 150 |
| Preferred stock of subsidiaries: | | |
| Not subject to mandatory redemption | 190 | 190 |
| Subject to mandatory redemption | 21 | 21 |
| Common stock redeemable under equity forward contracts, at redemption value | - | 146 |
| Shareholders' equity | | |
| Preference stock | 300 | 300 |
| Common stock without par value | 6,580 | 6,218 |
| Retained earnings | 1,954 | 1,863 |
| Accumulated other comprehensive income | (803) | (882) |
| Total shareholders' equity | 8,031 | 7,499 |
| Total Liabilities and Shareholders' Equity | <u>\$ 40,105</u> | <u>\$ 43,019</u> |

TXU CORP CONSOLIDATED STATISTICS
Consolidated Operating Statistics
Periods Ended March 31, 2002 and 2001

| | Three Months Ended | | |
|---|--------------------|---------|--------|
| | 2002 | 2001 | % |
| Operating statistics | | | |
| Sales volumes | | | |
| Electric (gigawatt-hours) | 39,168 | 38,362 | 2.1 |
| Gas (bcf): | | | |
| Residential | 81 | 89 | (9.0) |
| Industrial and commercial | 120 | 145 | (17.2) |
| Total gas | 201 | 234 | (14.1) |
| Wholesale energy sales (physical settled): | | | |
| Gas (bcf) | 748 | 695 | 7.6 |
| Electric (gigawatt-hours) | 99,491 | 25,827 | - |
| Physical and financial energy trades | | | |
| Gas (bcf) | 5,714 | 2,721 | - |
| Electric (gigawatt-hours) | 828,113 | 348,228 | - |
| North America Energy Delivery units distributed-electric (gigawatt-hours) | 23,909 | 23,239 | 2.9 |
| Pipeline transportation (bcf) | 166 | 158 | 5.1 |
| Retail customers and points of delivery (end of period & in thousands) | | | |
| Electric | 7,683 | 7,694 | (0.1) |
| Gas | 3,507 | 3,093 | 13.4 |
| Total customers | 11,190 | 10,787 | 3.7 |
| Electric points of delivery served by North America Energy Delivery | 2,900 | 2,805 | 3.4 |
| Operating revenues (in millions of dollars) | | | |
| Electric: | | | |
| Residential | 1,295 | 1,402 | (7.6) |
| Industrial and commercial | 1,585 | 1,295 | 22.4 |
| Other | 59 | 93 | (36.6) |
| Total electric operating revenues | 2,939 | 2,790 | 5.3 |
| Gas: | | | |
| Residential | 446 | 611 | (27.0) |
| Industrial and commercial | 483 | 953 | (49.3) |
| Total gas operating revenues | 929 | 1,564 | (40.6) |
| Wholesale energy | 4,016 | 3,604 | 11.4 |
| North America Energy Delivery electricity distribution | 494 | 476 | 3.8 |
| Pipeline transportation | 23 | 38 | (39.5) |
| Other revenues, net of intra segment eliminations | (304) | (97) | - |
| Total operating revenues | 8,097 | 8,375 | (3.3) |
| Financial statistics and ratios - March 2002 | | | |
| Common stock data: | | | |
| Shares outstanding-end of period (millions) | | | 266 |
| Book value per share -end of period | | | 29.05 |
| Return on average common stock equity | | | 9.2 |
| Dividends declared as a percent of net income | | | 91.9 |
| Capitalization ratios (end of period) | | | |
| Long-term debt excluding equity-linked securities of \$1.35 billion | | | 56.2 |
| Equity-linked securities | | | 5.8 |
| Preferred securities of subsidiary trusts | | | 2.8 |
| Preference and preferred stock | | | 2.2 |
| Common stock equity | | | 33.0 |
| Total | | | 100.0 |

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY SEGMENT

For the Three Months Ended March 31, 2002

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | |
|--|----------------------------|---------------|-----------------|
| | March 31, | | |
| | <u>2002</u> | <u>2001 *</u> | <u>% Change</u> |
| | <i>Millions of Dollars</i> | | |
| Operating revenues | \$ 3,503 | \$ 4,117 | (14.9) |
| Operating expenses | | | |
| Energy purchased for resale and fuel consumed | 2,650 | 3,561 | (25.6) |
| Operation and maintenance | 358 | 208 | 72.1 |
| Depreciation and amortization | 114 | 101 | 12.9 |
| Taxes other than income | 59 | 27 | - |
| Total operating expenses | 3,181 | 3,897 | (18.4) |
| Operating income | 322 | 220 | 46.4 |
| Other income (deductions) -- net | (1) | (1) | - |
| Income before interest, other charges, and income taxes | 321 | 219 | 46.6 |
| Interest income | 14 | 22 | (36.4) |
| Interest expense and other charges | 69 | 69 | - |
| Income before income taxes | 266 | 172 | 54.7 |
| Income tax expense | 86 | 50 | 72.0 |
| Net income | \$ 180 | \$ 122 | 47.5 |

* The North America Energy segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The generation and certain retail operations of US Holdings, the energy trading business and unregulated commercial /industrial retail gas operations of TXU Gas Company and other energy related businesses of TXU Corp were transferred to the North America Energy segment effective January 1, 2002.

Prior period data is included above for the purpose of providing historical financial information about the North America Energy segment after giving effect to the US Electric restructuring transactions described in the Notes to Financial Statements included in the TXU US Holdings Company 2001 10K. Had the North America Energy segment existed as a separate segment, its results of operations and financial position could have differed materially from those reflected above. Additionally, future results of the North America Energy segment's operations and financial position could differ materially from the historical information presented.

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.) and all Quarterly Reports to the Securities and Exchange Commission on Form 10-Q. This financial statement is furnished in response to your request for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

NORTH AMERICA ENERGY SEGMENT
Operating and Financial Statistics
Periods Ended March 31, 2002 and 2001

| | Three Months | | |
|---|--------------|----------|----------|
| | 2002 | 2001* | % Change |
| Operating statistics | | | |
| Retail sales volumes: | | | |
| Electric (gigawatt-hours) | 22,386 | 23,256 | (3.7) |
| Large commercial and industrial gas (bcf) | 50 | 66 | (24.2) |
| Wholesale energy sales (physical settled): | | | |
| Gas (billion cubic feet) | 159 | 208 | (23.6) |
| Electric (gigawatt-hours) | 40,884 | 6,529 | - |
| Physical and financial energy trades | | | |
| Gas (billion cubic feet) | 4,613 | 1,341 | - |
| Electric (gigawatt-hours) | 582,717 | 14,976 | - |
| Customers (end of period & in thousands) | | | |
| Electric | 2,756 | 2,689 | 2.5 |
| Gas | 3 | 4 | (25.0) |
| Total customers | 2,759 | 2,693 | 2.5 |
| Operating revenues (millions of dollars) | | | |
| Electric: | | | |
| Residential | \$ 689 | \$ 765 | (9.9) |
| Commercial and industrial | 1,021 | 910 | 12.2 |
| Other | 7 | 93 | (92.5) |
| Total electric | 1,717 | 1,768 | (2.9) |
| Large commercial and industrial gas | 207 | 506 | (59.1) |
| Wholesale energy sales (gas and electric) | 1,570 | 1,764 | (11.0) |
| Other revenues | 9 | 79 | (88.6) |
| Total operating revenues | \$ 3,503 | \$ 4,117 | (14.9) |
| Weather (average for service area) | | | |
| Percent of normal: | | | |
| Cooling degree days | 94.1% | 17.6% | - |
| Heating degree days | 101.5% | 109.3% | (7.1) |

* See footnote on North America Energy segment Statements of Consolidated Income.

Additional financial information is available on request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411
(214) 812-4600.

TXU CORP. AND SUBSIDIARIES
INTERNATIONAL ENERGY SEGMENT

For the Three Months Ended March 31, 2002

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | |
|---|---------------------------------|----------|----------|
| | March 31, | | |
| | 2002 | 2001 | % Change |
| | <i>Millions of U.S. Dollars</i> | | |
| Operating revenues | \$ 4,153 | \$ 3,545 | 17.2 |
| Operating expenses | | | |
| Energy purchased for resale and fuel consumed | 3,738 | 2,897 | 29.0 |
| Operation and maintenance | 218 | 232 | (6.0) |
| Depreciation and other amortization | 40 | 80 | (50.0) |
| Goodwill amortization | - | 50 | - |
| Total operating expenses | 3,996 | 3,259 | 22.6 |
| Operating income | 157 | 286 | (45.1) |
| Other income (deductions) -- net | (5) | 3 | - |
| Income before interest and income taxes | 152 | 289 | (47.4) |
| Interest income | 6 | 18 | (66.7) |
| Interest expense and other charges | 112 | 191 | (41.4) |
| Income before income taxes | 46 | 116 | (60.3) |
| Income tax expense (benefit) | (3) | 41 | - |
| Net income | \$ 49 | \$ 75 | (34.7) |

Note: The International Energy segment includes Europe and Australia operations.

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INTERNATIONAL ENERGY SEGMENT
Operating and Financial Statistics
Periods Ended March 31, 2002 and 2001

| | Three Months Ended | | |
|--|--------------------|-----------------|---------------|
| | 2002 | 2001 | % Change |
| Operating Statistics | | | |
| Electric (gigawatt-hours): | | | |
| Residential | 7,562 | 7,468 | 1.3 |
| Industrial and commercial | 8,640 | 6,966 | 24.0 |
| Total Electric | <u>16,202</u> | <u>14,434</u> | <u>12.2</u> |
| Gas (bcf): | | | |
| Residential | 40 | 43 | (7.0) |
| Industrial and commercial | 32 | 34 | (5.9) |
| Total Gas | <u>72</u> | <u>77</u> | <u>(6.5)</u> |
| Wholesale energy sales (physical settled): | | | |
| Gas (bcf) | 476 | 391 | 21.7 |
| Electric (gigawatt-hours) | <u>37,657</u> | <u>20,124</u> | <u>87.1</u> |
| Physical and financial energy trades: | | | |
| Gas (bcf) | 1,101 | 1,380 | (20.2) |
| Electric (gigawatt-hours) | <u>245,396</u> | <u>333,252</u> | <u>(26.4)</u> |
| Retail Customers (end of period & in thousands) | | | |
| Electric | 4,913 | 5,005 | (1.8) |
| Gas | 2,045 | 1,645 | 24.3 |
| Total customers | <u>6,958</u> | <u>6,650</u> | <u>4.6</u> |
| Operating Revenues (millions of US Dollars) | | | |
| Electric: | | | |
| Residential | \$ 605 | \$ 637 | (5.0) |
| Industrial and commercial | 457 | 385 | 18.7 |
| Total electric operating revenues | <u>1,062</u> | <u>1,022</u> | <u>3.9</u> |
| Gas: | | | |
| Residential | 223 | 191 | 16.8 |
| Industrial and commercial | 119 | 110 | 8.2 |
| Total gas operating revenues | <u>342</u> | <u>301</u> | <u>13.6</u> |
| Wholesale energy: | | | |
| Gas | 1,537 | 1,215 | 26.5 |
| Electric | 909 | 625 | 45.4 |
| Total wholesale energy revenues | <u>2,446</u> | <u>1,840</u> | <u>32.9</u> |
| Other | 350 | 491 | (28.7) |
| Less intercompany revenue | (47) | (109) | (56.9) |
| Total operating revenues | <u>\$ 4,153</u> | <u>\$ 3,545</u> | <u>17.2</u> |

Note: The International Energy segment includes Europe and Australia operations.

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY DELIVERY SEGMENT

For the Three Months Ended March 31, 2002

Statements of Consolidated Income

(Unaudited)

| | Three Months Ended | | |
|--|----------------------------|----------|----------|
| | March 31, | | |
| | 2002 | 2001 * | % Change |
| | <i>Millions of Dollars</i> | | |
| Operating revenues | \$ 838 | \$ 1,160 | (27.8) |
| Operating expenses | | | |
| Energy purchased for resale | 181 | 495 | (63.4) |
| Operation and maintenance | 240 | 252 | (4.8) |
| Depreciation and amortization | 79 | 78 | 1.3 |
| Taxes other than income | 114 | 146 | (21.9) |
| Total operating expenses | 614 | 971 | (36.8) |
| Operating income | 224 | 189 | 18.5 |
| Other income (deductions) -- net | (3) | 1 | - |
| Income before interest, other charges and income taxes | 221 | 190 | 16.3 |
| Interest income | 11 | 4 | - |
| Interest expense and other charges | 80 | 93 | (14.0) |
| Income before income taxes | 152 | 101 | 50.5 |
| Income tax expense | 51 | 35 | 45.7 |
| Net income | \$ 101 | \$ 66 | 53.0 |

* The North America Energy Delivery segment was created as a result of the deregulation of the electric utility industry in Texas, which became effective January 1, 2002. The North America Energy Delivery segment includes the electric transmission and distribution business of US Holding and the natural gas pipeline and distribution operations of TXU Gas.

Prior period data is included above for the purpose of providing historical financial information about the North America Energy Delivery segment after giving effect to the US Electric restructuring transactions described in the Notes to Financial Statements included in the TXU US Holdings Company 2001 10K. Had the North America Energy Delivery segment existed as a separate segment, its results of operations and financial position could have differed materially from those reflected above. Additionally, future results of the North America Energy Delivery segment's operations and financial position could differ materially from the historical information presented.

Reference is made to the Notes to Financial Statements contained in the Annual Report on Form 10-K of TXU Corp. and Subsidiaries (TXU Corp.), all Quarterly Reports to the Securities and Exchange Commission on Form 10-Q and on the following page of this statement. This financial statement is furnished in response to your request for information concerning TXU Corp. and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

NORTH AMERICA ENERGY DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended March 31, 2002 and 2001

| Operating Statistics | Three Months | | |
|--|---------------------|-----------------|-----------------|
| | 2002 | 2001 * | % Change |
| Electric energy delivered (gigawatt-hours)..... | <u>23,909</u> | <u>23,239</u> | <u>2.9</u> |
| Gas distribution (bcf): | | | |
| Residential..... | 41 | 46 | (10.9) |
| Commercial..... | 22 | 25 | (12.0) |
| Industrial and electric generation..... | 3 | 3 | - |
| Total gas sales..... | <u>66</u> | <u>74</u> | <u>(10.8)</u> |
| Pipeline transportation (bcf)..... | <u>166</u> | <u>158</u> | <u>5.1</u> |
| Gas distribution customers and electric points of delivery (end of period & in thousands) | | | |
| Gas distribution customers..... | <u>1,459</u> | <u>1,444</u> | <u>1.0</u> |
| Electric points of delivery..... | <u>2,955</u> | <u>2,805</u> | <u>5.3</u> |
| Operating Revenues (millions of dollars) | | | |
| Electric delivery: | | | |
| North America Energy..... | \$ 416 | \$ 476 | (12.6) |
| Non-affiliated..... | 78 | - | - |
| Total electric energy delivery..... | <u>494</u> | <u>476</u> | <u>3.8</u> |
| Gas distribution: | | | |
| Residential..... | 223 | 420 | (46.9) |
| Commercial..... | 98 | 215 | (54.4) |
| Industrial and electric generation..... | 8 | 26 | (69.2) |
| Total gas..... | <u>329</u> | <u>661</u> | <u>(50.2)</u> |
| Pipeline transportation..... | 33 | 38 | (13.2) |
| Other revenues, net of eliminations..... | (18) | (15) | 20.0 |
| Total gas and pipeline transportation..... | <u>344</u> | <u>684</u> | <u>(49.7)</u> |
| Total operating revenues..... | <u>\$ 838</u> | <u>\$ 1,160</u> | <u>(27.8)</u> |

* See footnote on North America Energy Delivery segment Statements of Consolidated Income.

*Additional financial information is available on request to TXU Corp. at 1601 Bryan Street, Dallas, Texas 75201-3411
(214) 812-4600.*