

FOR IMMEDIATE RELEASE

TXU Delivers Strong Second Quarter Results

- Second quarter 2003 earnings from continuing operations, net of preference stock dividends: \$171 million, \$0.49 per diluted share, exceeds market expectations of approximately \$0.35.
- Second quarter 2003 net income available to common stock: \$105 million, \$0.31 per diluted share, which includes a charge of \$0.18 related to discontinued operations.
- Full year 2003 guidance for earnings from continuing operations before cumulative effect of changes in accounting principles remains at \$2.00 to \$2.10 per diluted share of common stock with focus on further efficiency and excellence in core operations, debt reduction, and strengthening credit.

DALLAS - July 31, 2003 – TXU (NYSE: TXU) announced today that earnings from continuing operations, net of preference stock dividends, for the second quarter ended June 30, 2003 were \$171 million, or \$0.49 per diluted share of common stock. This compares to expectations of \$0.35 per diluted share and to earnings from continuing operations for the second quarter of 2002 of \$172 million or \$0.64 per diluted share of common stock.

Including the discontinued telecommunications business, second quarter 2003 earnings were \$105 million, or \$0.31 per diluted share of common stock. TXU announced its intent to sell its telecommunications business in May 2003, and expects the sale to be completed during the first half of 2004. Second quarter 2002 reported earnings, including the discontinued Europe operations, were \$195 million, or \$0.73 per diluted share of common stock.

“TXU’s second quarter results exceeded expectations and confirmed that the company is executing successfully on its 2003 plan,” said Dan Farrell, chief financial officer. “We continue to deliver on our initiatives of enhancing credit, reducing debt, lowering costs and aggressively defending and building upon our leadership positions in Texas and Australia.”

Major factors in the quarter-to-quarter comparison of earnings per share of common stock (diluted) include an increase in the number of common shares outstanding as a result of issuances of common stock in May, August and December 2002, an increase in diluted shares due to the issuance in November 2002 of subordinated notes exchangeable into TXU Corp. common stock, and increased interest expense resulting from more permanent financing and strengthened liquidity. Available liquidity (cash and credit facilities) is currently more than \$3 billion. Lower costs (operating costs and selling, general and administrative expenses), driven by the company’s cost initiative programs, more than offset decreased contribution margin (revenues less cost of energy sales and delivery fees). Results from each of the segments are discussed further below.

Earnings from continuing operations before cumulative effect of changes in accounting principles, net of preference stock dividends, for the year-to-date period ended June 30, 2003 were \$282 million, or \$0.82 per diluted share of common stock, as compared to \$424 million or \$1.59 per diluted share of common stock for the year-to-date period ended June 30, 2002. Including discontinued operations and the cumulative effect of changes in accounting principles, year-to-date 2003 earnings were \$145 million, or \$0.45 per diluted share of common stock, as compared to \$445 million, or \$1.67 per diluted share in the 2002 period.

Business Segment Results

The North America Energy segment delivered \$154 million of net income in the second quarter of 2003 compared to \$183 million in the second quarter of 2002. This segment contains the company's generation, portfolio management, and retail operations, primarily in Texas. The lower results were mainly driven by decreased contribution margin and higher interest expense. The results benefited from lower expenses as a result of the company's cost reduction initiatives and reduced depreciation expense related primarily to extending the useful life of the company's nuclear plant as a result of a review of depreciable lives of all of the company's generation fleet.

The North America Energy Delivery segment provided \$36 million of net income in the second quarter of 2003 compared to \$41 million in the second quarter of 2002. This segment includes the electric transmission and distribution assets as well as the company's natural gas pipeline and distribution business. Natural gas delivery results improved by \$8 million as a result of decreased interest expense and increased contribution margin as a result of improved rate structures, somewhat offset by increased revenue related taxes. Electric delivery results declined \$13 million primarily as a result of increased interest expense due to more permanent financing and reduced reliance on bank borrowings.

Net income contribution from Australia was \$26 million in the second quarter of 2003, an increase of \$16 million from the prior year period. This segment includes the company's generation, portfolio management, retail, and gas and electricity delivery operations in Australia. Results benefited from increased electricity sales revenues driven primarily by customer growth, lower wholesale power costs and favorable foreign exchange rate movements.

2003 Earnings Guidance

TXU's guidance for full year earnings from continuing operations before cumulative effect of changes in accounting principles remains unchanged at \$2.00 to \$2.10 per share. Earnings for the third quarter are expected to be around \$0.90.

Conference Call

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 (www.txucorp.com) in the Investor Resources section 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 and consolidated balance sheet and cash flow statements are also available on the web site at www.txucorp.com in the Investor Resources section.

Quarterly Analyst Meeting

In addition, TXU will web cast live at www.txucorp.com its regular quarterly meeting with analysts in New York City on Thursday, August 7, 2003, at 8:30 a.m. Eastern (7:30 a.m. Central) and will have a replay available on the web site later that day.

For analysts who wish to attend the quarterly meeting in New York City, it will begin promptly at 8:30 a.m. Eastern in the St. Regis Roof Room on the 20th floor of the St. Regis Hotel (located at 2 East 55th Street).

TXU will also host a meeting for analysts in Boston at 1:30 p.m. Eastern Time on August 7, 2003, at the Boston Harbor Hotel (located at 70 Rowes Wharf on Atlantic Avenue).

Analysts who would like to attend one of these analyst meetings should RSVP to Sherri Cox at scox2@txu.com, 214/812-4901, or via fax at 214/812-3366. Please indicate your meeting preference.

TXU is a major energy company with operations in North America and Australia. TXU manages a diverse energy portfolio with a strategic mix of over \$31 billion of assets. TXU's distinctive business model for competitive markets integrates generation, portfolio management, and retail into one single business. The regulated electric and natural gas distribution and transmission businesses complement the competitive operations, using asset management skills developed over more than a hundred years, to provide reliable energy delivery to consumers and earnings and cash flow for stakeholders. In its primary market of Texas, TXU's portfolio includes 19,000 megawatts of generation and additional contracted capacity with a fuel mix of coal/lignite, natural gas/oil, nuclear power and wind. TXU serves more than five million customers in North America and Australia, including 2.6 million competitive electric customers in Texas where it is the leading energy retailer. Visit www.txucorp.com for more information about TXU.

This release contains forward-looking statements, which are subject to various risks and uncertainties. Discussion of risks and uncertainties 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. The risks and uncertainties set forth in the company's SEC filings include TXU's ability to negotiate satisfactory terms and obtain all necessary governmental and other approvals and consents for the sale of TXU Communications, prevailing government policies on environmental, tax or accounting matters, regulatory and rating agency 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 and capital market conditions, 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 June 30, 2003, by segment.

Three Months Ended	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Reported Earnings 06/30/2002 (Basic & Diluted)					\$ 0.73
Discontinued Operations			(23)	(0.09)	\$ (0.09)
Earnings from Continuing Operations 06/30/2002					\$ 0.64
North America Energy	154	0.41	(29)	(0.11)	
North America Energy Delivery	36	0.10	(5)	(0.02)	
Australia	26	0.07	16	0.06	
Corporate and Other	(45)	(0.12)	17	0.06	
Effect of Exchangeable Notes *	13	0.03	13	0.05	
Change in Common Shares Outstanding				(0.19)	(0.15)
Earnings from Continuing Operations 06/30/2003 (Diluted)	184	0.49	12		\$ 0.49
Discontinued Operations	(66)	(0.18)			(0.18)
Reported Earnings 06/30/2003 (Diluted)	118	0.31			\$ 0.31

* Amount represents the interest and discount amortization associated with the TXU Energy Exchangeable Notes.

Year to Date	Contribution		Change		EPS
	Net Income US\$ (Millions)	EPS	US\$ (Millions) After Tax	Per Share Impact	
Reported Earnings 06/30/2002 (Basic & Diluted)					\$ 1.67
Discontinued Operations			(21)	(0.08)	\$ (0.08)
Earnings from Continuing Operations 06/30/2002					\$ 1.59
North America Energy	189	0.50	(181)	(0.67)	
North America Energy Delivery	146	0.39	4	0.01	
Australia	53	0.14	(8)	(0.03)	
Corporate and Other	(106)	(0.28)	43	0.16	
Effect of Exchangeable Notes *	26	0.07	26	0.10	
Change in Common Shares Outstanding				(0.34)	(0.77)
Earnings from Continuing Operations 06/30/2003 (Diluted)	308	0.82	(116)		\$ 0.82
Discontinued Operations	(79)	(0.22)			(0.22)
Cumulative Effect of Accounting Changes	(58)	(0.15)			(0.15)
Reported Earnings 06/30/2003 (Diluted)	171	0.45			\$ 0.45

* Amount represents the interest and discount amortization associated with the TXU Energy Exchangeable Notes.

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.

For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 2,672	\$ 2,505	6.7	\$ 5,471	\$ 4,958	10.3
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,176	983	19.6	2,563	1,783	43.7
Operating costs.....	426	402	6.0	851	767	11.0
Depreciation and amortization.....	208	213	(2.3)	432	433	(0.2)
Selling, general and administrative expenses.....	269	330	(18.5)	516	668	(22.8)
Franchise and revenue-based taxes.....	120	117	2.6	231	235	(1.7)
Other income.....	(23)	(19)	21.1	(34)	(26)	30.8
Other deductions.....	7	12	(41.7)	24	59	(59.3)
Interest income.....	(10)	(7)	42.9	(19)	(15)	26.7
Interest expense and other charges.....	248	217	14.3	496	433	14.5
Total costs and expenses.....	2,421	2,248	7.7	5,060	4,337	16.7
Income from continuing operations before income taxes and cumulative effect of changes in accounting principles.....	251	257	(2.3)	411	621	(33.8)
Income tax expense.....	74	79	(6.3)	118	186	(36.6)
Income from continuing operations before cumulative effect of changes in accounting principles.....	177	178	(0.6)	293	435	(32.6)
Income (loss) from discontinued operations, including tax effects.....	(66)	23	-	(79)	21	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	-	-	-	(58)	-	-
Net income.....	111	201	(44.8)	156	456	(65.8)
Preference stock dividends.....	6	6	-	11	11	-
Net income available for common stock.....	\$ 105	\$ 195	(46.2)	\$ 145	\$ 445	(67.4)
Average shares of common stock outstanding, basic (millions).....	321	269	19.3	321	267	20.2
Average shares of common stock outstanding, diluted (millions).....	378	269	40.5	378	267	41.6
Per share of common stock:						
Basic earnings:						
Income from continuing operations before cumulative effect of changes in accounting principles.....	\$ 0.54	\$ 0.64	(15.6)	\$ 0.88	\$ 1.59	(44.7)
Income (loss) on discontinued operations, including tax effects.....	\$ (0.21)	\$ 0.09	-	\$ (0.25)	\$ 0.08	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	\$ -	\$ -	-	\$ (0.18)	\$ -	-
Net income available for common stock.....	\$ 0.33	\$ 0.73	(54.8)	\$ 0.45	\$ 1.67	(73.1)
Diluted earnings:						
Income from continuing operations before cumulative effect of changes in accounting principles.....	\$ 0.49	\$ 0.64	(23.4)	\$ 0.82	\$ 1.59	(48.4)
Income (loss) on discontinued operations, including tax effects.....	\$ (0.18)	\$ 0.09	-	\$ (0.22)	\$ 0.08	-
Cumulative effect of changes in accounting principles, net of tax benefit.....	\$ -	\$ -	-	\$ (0.15)	\$ -	-
Net income available for common stock.....	\$ 0.31	\$ 0.73	(57.5)	\$ 0.45	\$ 1.67	(73.1)
Dividends declared.....	\$ 0.125	\$ 0.600	(79.2)	\$ 0.250	\$ 1.200	(79.2)

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 on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests 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)

	Six Months Ended June 30,	
	2003	2002
	<i>millions of dollars</i>	
Cash flows - operating activities		
Income from continuing operations before cumulative effect of changes in accounting principles	\$ 293	\$ 435
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	470	467
Deferred income taxes and investment tax credits -- net	87	(6)
Gains from sale of assets	(20)	(13)
Net unrealized gain from mark-to-market valuations of commodity contracts	(27)	(6)
Net loss associated with unconsolidated affiliates and joint ventures	16	24
Over recovered fuel	34	67
Reduction in regulatory liability	(78)	(41)
Changes in operating assets and liabilities	667	(315)
Cash provided by operating activities	<u>1,442</u>	<u>612</u>
Cash flows - financing activities		
Issuances of securities:		
Long-term debt	1,317	1,846
Common stock	8	605
Retirements/repurchases of securities:		
Long-term debt	(761)	(1,677)
Preferred stock of subsidiaries, subject to mandatory redemption	(4)	-
Change in notes payable:		
Commerical paper	11	383
Banks	(2,299)	(517)
Cash dividends paid:		
Common stock	(80)	(318)
Preference stock	(11)	(11)
Redemption deposits applied to debt retirements	210	-
Debt premium, discount, financing and reacquisition expenses	(53)	(81)
Cash provided by (used in) financing activities	<u>(1,662)</u>	<u>230</u>
Cash flow - investing activities		
Capital expenditures	(458)	(502)
Proceeds from sale of assets	15	444
Acquisitions of businesses	(150)	(36)
Nuclear fuel	(35)	(50)
Other	14	(43)
Cash used in investing activities	<u>(614)</u>	<u>(187)</u>
Effect of exchange rate changes on cash and cash equivalents	8	(16)
Cash used by discontinued operations	(15)	(595)
Net change in cash and cash equivalents	(841)	44
Cash and cash equivalents -- beginning balance	1,574	216
Cash and cash equivalents -- ending balance	<u>\$ 733</u>	<u>\$ 260</u>

TXU CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

	June 30, 2003	December 31, 2002
	<i>(millions of dollars)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 733	\$ 1,574
Restricted cash	-	210
Accounts receivable - trade	1,529	1,696
Income taxes receivable	33	488
Inventories	522	493
Commodity contract assets	1,366	1,298
Assets of telecommunications holding company	145	-
Other current assets	233	263
Total current assets	<u>4,561</u>	<u>6,022</u>
Investments:		
Restricted cash	111	96
Other investments	640	757
Property, plant and equipment - net	20,467	19,642
Goodwill	1,723	1,588
Regulatory assets - net	1,880	1,772
Commodity contract assets	646	657
Cash flow hedges and other derivative assets	160	150
Other noncurrent assets	336	332
Telecommunications assets held for sale	670	-
Total assets	<u>\$ 31,194</u>	<u>\$ 31,016</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable:		
Commercial paper	\$ 33	\$ 18
Banks	8	2,306
Long-term debt due currently	743	958
Accounts payable - trade	1,083	1,054
Commodity contract liabilities	1,198	1,138
Liabilities of telecommunications holding company	854	-
Other current liabilities	1,073	1,209
Total current liabilities	<u>4,992</u>	<u>6,683</u>
Accumulated deferred income taxes and investment tax credits	4,322	4,060
Commodity contract liabilities	554	520
Cash flow hedges and other derivative liabilities	363	220
Other noncurrent liabilities and deferred credits	2,298	2,144
Long-term debt, less amounts due currently	12,563	11,597
Telecommunications liabilities held for sale	121	-
Mandatorily redeemable, preferred securities of subsidiary trusts, each holding solely junior subordinated debentures of the obligated company:		
TXU Corp. obligated	368	368
Subsidiary obligated	147	147
Preferred stock of subsidiaries:		
Not subject to mandatory redemption	190	190
Subject to mandatory redemption	17	21
Shareholders' equity:		
Preferred stock not subject to mandatory redemptions	300	300
Common stock without par value	12	7,995
Additional paid in capital	8,097	111
Retained deficit	(2,834)	(2,900)
Accumulated other comprehensive loss	(316)	(440)
Total shareholders' equity	<u>5,259</u>	<u>5,066</u>
Total liabilities and shareholders' equity	<u>\$ 31,194</u>	<u>\$ 31,016</u>

TXU CORP CONSOLIDATED STATISTICS
Consolidated Operating Statistics
Periods Ended June 30, 2003 and 2002

Operating statistics-volumes	Three Months Ended			Six Months Ended		
	2003	2002	%	2003	2002	%
Retail electric sales (gigawatt-hours)	21,741	24,383	(10.8)	43,007	48,177	(10.7)
Retail gas sales (billion cubic feet)	35	38	(7.9)	117	114	2.6
Wholesale electric sales: (gigawatt-hours)	8,966	7,882	13.8	16,831	14,634	15.0
North America electricity distribution (gigawatt-hours)	24,378	26,232	(7.1)	48,286	49,818	(3.1)
Australia electricity distribution (gigawatt-hours, non-affiliated)	614	529	16.1	1,211	994	21.8
North America gas pipeline transportation (billion cubic feet, excludes retail gas distribution)	92	116	(20.7)	178	218	(18.3)
Retail customers & points of delivery (end of period & in thousands)						
Electric				3,214	3,265	(1.6)
Gas				1,934	1,864	3.8
Total customers				5,148	5,129	0.4
Points of delivery-North American electricity distribution				2,909	2,887	0.8
Points of delivery-Australia electricity distribution				554	541	2.4
Points of delivery-Australia gas distribution				473	459	3.1
Total points of delivery				1,027	1,000	2.7
Operating revenues (in millions of dollars)						
Retail electric:						
Residential	\$ 881	\$ 838	5.1	\$ 1,621	\$ 1,575	2.9
Commercial & industrial	904	883	2.4	1,732	1,979	(12.5)
Total	1,785	1,721	3.7	3,353	3,554	(5.7)
Retail gas:						
Residential	146	97	50.5	562	327	71.9
Commercial and industrial	96	78	23.1	316	207	52.7
Total	242	175	38.3	878	534	64.4
Wholesale electric revenues	295	232	27.2	542	389	39.3
North America electricity distribution	486	500	(2.8)	992	994	(0.2)
Australia electricity distribution (non-affiliated)	14	9	55.6	27	18	50.0
Australia gas distribution (non-affiliated)	12	11	9.1	17	15	13.3
North America gas pipeline transportation (excludes retail gas distribution)	12	17	(29.4)	28	29	(3.4)
Wholesale energy portfolio management activities	79	126	(37.3)	189	133	42.1
Other revenues, less intercompany eliminations	(253)	(286)	(11.5)	(555)	(708)	(21.6)
Total operating revenues	\$ 2,672	\$ 2,505	6.7	\$ 5,471	\$ 4,958	10.3
Financial statistics & ratios - June 2003						
Common stock data:						
Shares outstanding-end of period (millions)				322		
Book value per share-end of period				\$ 15.40		
Return on average common stock equity (based on continuing operations for the last 12 month period)				(0.5) %		
Capitalization (millions) and capitalization ratios (end of period)						
Long-term debt excluding equity-linked securities & exchangeable subordinated notes	\$ 10,480			56.5 %		
Equity-linked securities	1,440			7.8		
Exchangeable subordinated notes (net of discount)	642			3.5		
Total long-term debt	12,562			67.8		
Preferred securities of subsidiary trusts	516			2.8		
Preference & preferred stock	507			2.7		
Common stock equity	4,959			26.7		
Total	\$ 18,544			100.0 %		

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
NORTH AMERICA ENERGY SEGMENT (TXU ENERGY LLC)

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For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 2,045	\$ 2,019	1.3	\$ 3,851	\$ 3,818	0.9
Costs and expenses:						
Cost of energy sold and delivery fees.....	1,282	1,185	8.2	2,500	2,126	17.6
Operating costs.....	186	178	4.5	379	340	11.5
Depreciation and amortization.....	95	107	(11.2)	208	226	(8.0)
Selling, general and administrative expenses.....	153	217	(29.5)	297	437	(32.0)
Franchise and revenue-based taxes.....	27	26	3.8	55	56	(1.8)
Other income.....	(16)	(13)	23.1	(24)	(15)	60.0
Other deductions.....	3	2	50.0	5	5	-
Interest income.....	(1)	-	-	(3)	(9)	(66.7)
Interest expense and other charges.....	86	50	72.0	163	109	49.5
Total costs and expenses.....	1,815	1,752	3.6	3,580	3,275	9.3
Income before income taxes and cumulative effect of changes in accounting principles.....	230	267	(13.9)	271	543	(50.1)
Income tax expense.....	76	84	(9.5)	82	173	(52.6)
Income before cumulative effect of changes in accounting principles...	154	183	(15.8)	189	370	(48.9)
Cumulative effect of changes in accounting principles, net of tax benefit.....	-	-	-	(58)	-	-
Net income.....	\$ 154	\$ 183	(15.8)	\$ 131	\$ 370	(64.6)

The North America Energy segment represents the electricity generation, portfolio management and wholesale and retail energy sales operations of TXU Energy LLC, operating principally in the competitive Texas market.

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 on Form 10-Q filed with the Securities and Exchange Commission. This financial statement is furnished in response to requests 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 June 30, 2003 and 2002

Operating statistics - Volumes	Three Months			Six Months		
	2003	2002	% Change	2003	2002	% Change
Retail electric sales (gigawatt-hours)	19,804	22,771	(13.0)	39,202	45,157	(13.2)
Wholesale electric sales volumes (gigawatt-hours)	8,384	7,115	17.8	15,835	13,314	18.9
Retail electric customers (end of period and in thousands - number of meters)				2,649	2,731	(3.0)
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 808	\$ 781	3.5	\$ 1,492	\$ 1,476	1.1
Commercial & industrial	832	831	0.1	1,580	1,881	(16.0)
Total	1,640	1,612	1.7	3,072	3,357	(8.5)
Wholesale electric	281	209	34.4	518	355	45.9
Wholesale energy portfolio management activities	62	112	(44.6)	153	49	-
Other revenues	62	86	(27.9)	108	57	89.5
Total operating revenues	\$ 2,045	\$ 2,019	1.3	\$ 3,851	\$ 3,818	0.9
Weather (average for service area)						
Percent of normal:						
Cooling degree days	107.0 %	106.6 %	0.4 Pts	104.7 %	106.1 %	(1.4) Pts
Heating degree days	64.0 %	69.0 %	(5.0) Pts	103.9 %	99.2 %	4.7 Pts

TXU CORP. AND SUBSIDIARIES
NORTH AMERICA ENERGY DELIVERY SEGMENT

For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.	\$ 684	\$ 657	4.1	\$ 1,811	\$ 1,495	21.1
Costs and expenses:						
Cost of gas sold.	89	72	23.6	519	252	-
Operating costs.	217	204	6.4	428	389	10.0
Depreciation and amortization.	87	84	3.6	174	163	6.7
Selling, general and administrative expenses.	82	90	(8.9)	166	182	(8.8)
Franchise and revenue-based taxes.	88	80	10.0	162	159	1.9
Other income.	(1)	(6)	(83.3)	(3)	(4)	(25.0)
Other deductions.	-	-	-	-	1	-
Interest income.	(14)	(10)	40.0	(30)	(21)	42.9
Interest expense and other charges.	86	82	4.9	178	161	10.6
Total costs and expenses.	634	596	6.4	1,594	1,282	24.3
Income before income taxes.	50	61	(18.0)	217	213	1.9
Income tax expense.	14	20	(30.0)	71	71	-
Net income.	\$ 36	\$ 41	(12.2)	\$ 146	\$ 142	2.8

The North America Energy Delivery segment includes the electricity transmission and distribution business of Oncor Electric Delivery Company and the natural gas pipeline and distribution business of TXU Gas Company, both of which are subject to regulation by Texas authorities.

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NORTH AMERICA ENERGY DELIVERY SEGMENT
Operating and Financial Statistics
Periods Ended June 30, 2003 and 2002

Operating statistics - Volumes	Three Months			Six Months		
	2003	2002	% Change	2003	2002	% Change
Electric energy delivered (gigawatt-hours)	<u>24,378</u>	<u>26,232</u>	<u>(7.1)</u>	<u>48,286</u>	<u>49,818</u>	<u>(3.1)</u>
Retail gas distribution (billion cubic feet):						
Residential	8	10	(20.0)	53	51	3.9
Commercial	8	9	(11.1)	32	31	3.2
Industrial & electric generation	1	1	-	3	4	(25.0)
Total	<u>17</u>	<u>20</u>	<u>(15.0)</u>	<u>88</u>	<u>86</u>	<u>2.3</u>
Pipeline transportation (billion cubic feet, excludes retail gas distribution)	<u>92</u>	<u>116</u>	<u>(20.7)</u>	<u>178</u>	<u>218</u>	<u>(18.3)</u>
Retail customers & points of delivery (end of period & in thousands)						
Retail gas distribution customers				<u>1,458</u>	<u>1,433</u>	<u>1.7</u>
Electricity distribution points of delivery				<u>2,909</u>	<u>2,887</u>	<u>0.8</u>
Operating revenues (millions of dollars)						
Electricity distribution						
Affiliated (North America Energy)	\$ 349	\$ 397	(12.1)	\$ 726	\$ 813	(10.7)
Non-affiliated	137	103	33.0	266	181	47.0
Total	<u>486</u>	<u>500</u>	<u>(2.8)</u>	<u>992</u>	<u>994</u>	<u>(0.2)</u>
Retail gas distribution:						
Residential	94	76	23.7	495	299	65.6
Commercial	66	44	50.0	249	142	75.4
Industrial & electric generation	10	5	-	20	13	53.8
Subtotal	<u>170</u>	<u>125</u>	<u>36.0</u>	<u>764</u>	<u>454</u>	<u>68.3</u>
Pipeline transportation (excludes retail gas distribution)	12	17	(29.4)	28	29	(3.4)
Other revenues, net of eliminations	16	15	6.7	27	18	50.0
Total	<u>198</u>	<u>157</u>	<u>26.1</u>	<u>819</u>	<u>501</u>	<u>63.5</u>
Total operating revenues	<u>\$ 684</u>	<u>\$ 657</u>	<u>4.1</u>	<u>\$ 1,811</u>	<u>\$ 1,495</u>	<u>21.1</u>

TXU CORP. AND SUBSIDIARIES
AUSTRALIA SEGMENT

2

For the Periods Ended June 30, 2003

Statements of Consolidated Income

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2003	2002	% Change	2003	2002	% Change
	<i>millions of dollars</i>			<i>millions of dollars</i>		
Operating revenues.....	\$ 274	\$ 216	26.9	\$ 499	\$ 428	16.6
Costs and expenses:						
Cost of energy sold and delivery fees.....	134	108	24.1	229	180	27.2
Operating costs.....	24	23	4.3	45	42	7.1
Depreciation and amortization.....	22	17	29.4	41	32	28.1
Selling, general and administrative expenses.....	25	20	25.0	43	34	26.5
Other income.....	-	(1)	-	-	(1)	-
Other deductions.....	1	2	(50.0)	2	4	(50.0)
Interest income.....	(2)	-	-	(3)	-	-
Interest expense and other charges.....	36	33	9.1	70	62	12.9
Total costs and expenses.....	240	202	18.8	427	353	21.0
Income before income taxes.....	34	14	-	72	75	(4.0)
Income tax expense.....	8	4	-	19	14	35.7
Net Income.....	\$ 26	\$ 10	-	\$ 53	\$ 61	(13.1)
Exchange rates.....	0.6406	0.5513		0.6169	0.5352	

The Australia segment includes electricity generation, energy distribution, portfolio management, wholesale and retail energy sales and gas storage businesses operating in southern Australia, in largely competitive markets.

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AUSTRALIA SEGMENT
Operating and Financial Statistics
Periods Ended June 30, 2003 and 2002

	Three Months Ended			Six Months Ended		
	2003	2002	% Change	2003	2002	% Change
Operating statistics - Volumes						
Retail electric sales (gigawatt-hours):						
Residential	710	658	7.9	1,309	1,222	7.1
Commercial & industrial	1,227	954	28.6	2,496	1,798	38.8
Total	<u>1,937</u>	<u>1,612</u>	<u>20.2</u>	<u>3,805</u>	<u>3,020</u>	<u>26.0</u>
Retail gas sales (billion cubic feet)	<u>18</u>	<u>18</u>	<u>-</u>	<u>29</u>	<u>28</u>	<u>3.6</u>
Delivered electricity distribution (gigawatt-hours, non-affiliated)	<u>614</u>	<u>529</u>	<u>16.1</u>	<u>1,211</u>	<u>994</u>	<u>21.8</u>
Retail gas distribution volumes (billion cubic feet, non-affiliated)	<u>10</u>	<u>10</u>	<u>-</u>	<u>17</u>	<u>16</u>	<u>6.3</u>
Wholesale electric sales:						
(gigawatt-hours)	<u>582</u>	<u>767</u>	<u>(24.1)</u>	<u>996</u>	<u>1,320</u>	<u>(24.5)</u>
Retail customers & points of delivery (end of period & in thousands)						
Electric				565	534	5.8
Gas				476	431	10.4
Total				<u>1,041</u>	<u>965</u>	<u>7.9</u>
Electricity distribution points of delivery				554	541	2.4
Gas distribution points of delivery				473	459	3.1
Total points of delivery				<u>1,027</u>	<u>1,000</u>	<u>2.7</u>
Operating revenues (millions of dollars)						
Retail electric:						
Residential	\$ 73	\$ 57	28.1	\$ 129	\$ 99	30.3
Commercial & industrial	72	52	38.5	152	98	55.1
Total	<u>145</u>	<u>109</u>	<u>33.0</u>	<u>281</u>	<u>197</u>	<u>42.6</u>
Electricity distribution (non-affiliated)	<u>14</u>	<u>9</u>	<u>55.6</u>	<u>27</u>	<u>18</u>	<u>50.0</u>
Retail gas:						
Residential (a)	52	21	-	67	28	-
Commercial & industrial	20	29	(31.0)	47	52	(9.6)
Total	<u>72</u>	<u>50</u>	<u>44.0</u>	<u>114</u>	<u>80</u>	<u>42.5</u>
Gas distribution (non-affiliated)	<u>12</u>	<u>11</u>	<u>9.1</u>	<u>17</u>	<u>15</u>	<u>13.3</u>
Wholesale electric revenues	<u>14</u>	<u>23</u>	<u>(39.1)</u>	<u>24</u>	<u>34</u>	<u>(29.4)</u>
Wholesale electric portfolio management activities & other revenues	<u>17</u>	<u>14</u>	<u>21.4</u>	<u>36</u>	<u>84</u>	<u>(57.1)</u>
Total operating revenues	<u>\$ 274</u>	<u>\$ 216</u>	<u>26.9</u>	<u>\$ 499</u>	<u>\$ 428</u>	<u>16.6</u>

(a) Revenue growth reflected a former agency arrangement for certain customers, which converted to a direct sales relationship in late 2002, with revenue in 2002 representing the service fee. Reported volumes for 2003 and 2002 are comparable.