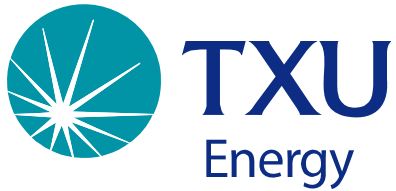


Energy Future Holdings



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# Q2 08 Investor Call

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August 19, 2008

# Safe Harbor Statement

***This presentation 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 EFH Corp.'s filings with the Securities and Exchange Commission (SEC). In addition to the risks and uncertainties set forth in EFH Corp.'s SEC filings, the forward-looking statements in this presentation regarding the company's long-term hedging program could be affected by, among other things: any change in the ERCOT electricity market, including a regulatory or legislative change, that results in wholesale electricity prices not being largely driven by natural gas prices; any decrease in market heat rates as the long-term hedging program does not mitigate exposure to changes in market heat rates; the unwillingness or failure of any hedge counterparty or the lender under the commodity collateral posting facility to perform its obligations under a long-term hedge agreement or the facility, as applicable; or any other unforeseen event that results in the inability to continue to use a first lien to secure a substantial portion of the hedges under the long-term hedging program. In addition, the forward-looking statements in this presentation regarding the on-line dates for the company's new generation plants could be affected by, among other things, EFH Corp.'s ability to timely manage the construction of the new plants, labor strikes or labor or materials shortages, and any unexpected judicial rulings with respect to the plants' construction permits.***

## **Regulation G**

***This presentation includes certain non-GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included in the appendix to this presentation.***

# Today's Agenda

**Financial Overview**

**Paul Keglevic**  
**Executive Vice President & CFO**

**Strategy and Operational  
Results**

**John Young**  
**President & CEO**

**Q&A**

# EFH Corp. Adjusted (Non-GAAP) Operating Earnings

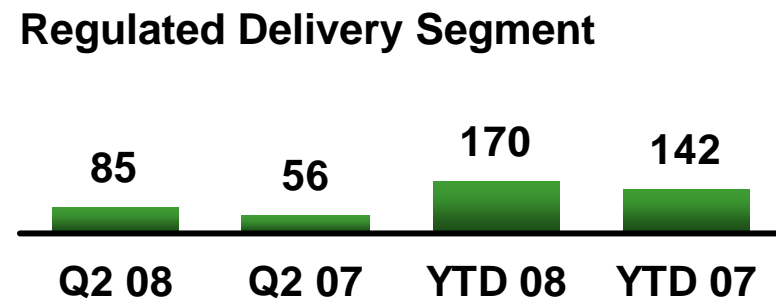
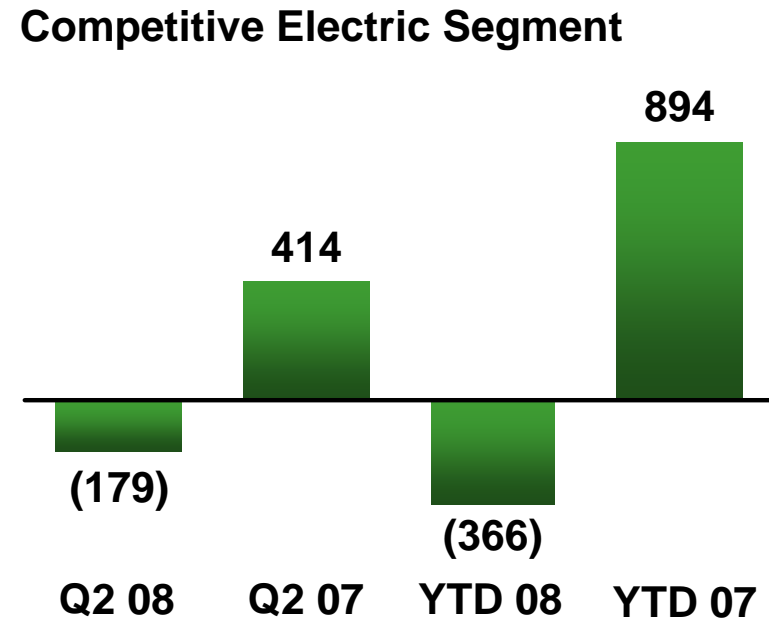
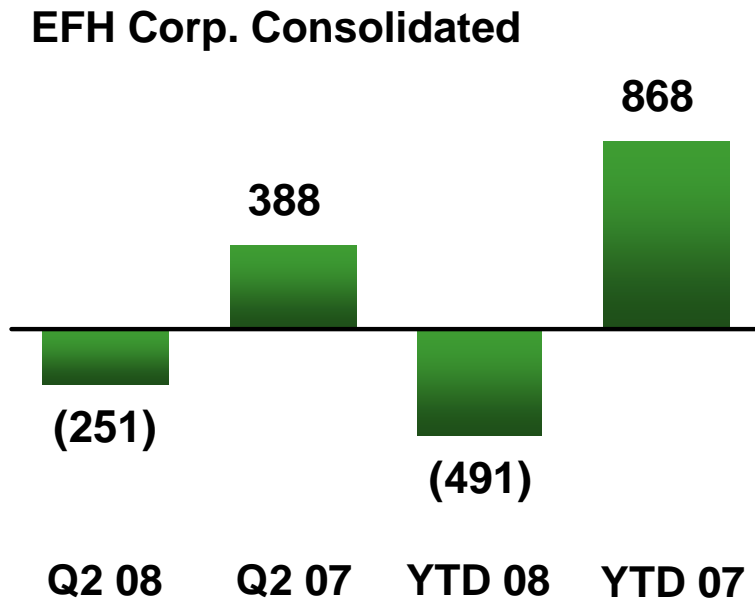
Consolidated: reconciliation of GAAP net income to adjusted (non-GAAP) operating earnings<sup>1</sup>  
 Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; \$ millions and after tax

	Q2 08	Q2 07	YTD 08	YTD 07
GAAP net income (loss)	(3,331)	121	(4,600)	(377)
Income from discontinued operations	-	(11)	-	(11)
Other items excluded from adjusted (non-GAAP) operating earnings (after tax):				
Unrealized mark-to-market net losses	3,071	269	4,098	761
Charges related to cancelled development of generation facilities	-	53	-	512
Deferred income tax benefit related to Texas margin tax	-	(51)	-	(51)
Other	9	7	11	34
Adjusted (non-GAAP) operating earnings (loss)	(251)	388	(491)	868

<sup>1</sup> See Appendix – Regulation G Reconciliations for definition and reconciliation.

# Adjusted (Non-GAAP) Operating Earnings By Segment

Adjusted (non-GAAP) operating earnings (loss)<sup>1</sup>  
 Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; \$ millions

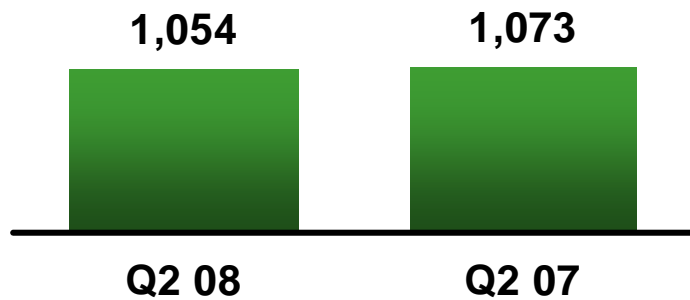


<sup>1</sup> See Appendix – Regulation G Reconciliations for definition and reconciliation.

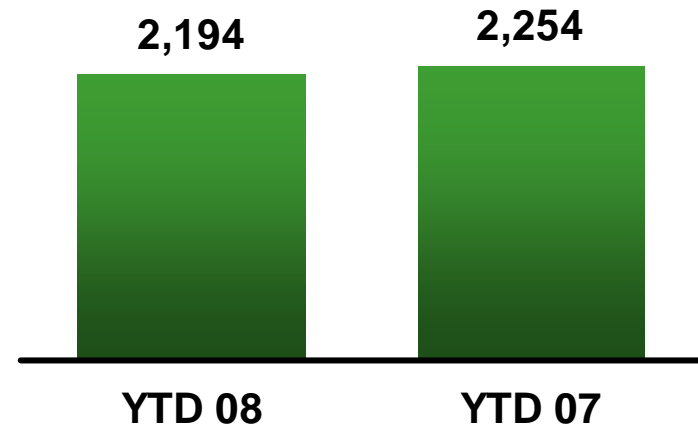
# EFH Corp. Adjusted EBITDA

## EFH Corp. Adjusted EBITDA<sup>1</sup>

Q2 08 vs. Q2 07; \$ millions



YTD 08 vs. YTD 07; \$ millions



<sup>1</sup> See Appendix – Regulation G Reconciliations for definition and reconciliation.

# TCEH Has Significantly Hedged Luminant's Natural Gas Position

## Natural gas forward hedges and impact of hedging program 2009 to 2014; Mixed measures

Factor	Measure	2009	2010	2011	2012	2013	2014
Natural gas hedging program	mm MMBtu	~342	~508	~503	~492	~400	~86
Average price <sup>1</sup>	\$/MMBtu	\$8.26	\$7.89	\$7.56	\$7.36	7.25	\$7.80
Overall estimated percent of total TCEH/Luminant NG position hedged <sup>2</sup>	Percent	~97%	~96%	~92%	~86%	~72%	~17%

## Cumulative unrealized mark-to-market net losses related to positions in the long-term hedging program and average forward prices

Date	\$ billions	\$/MMBtu
June 30, 2008	\$7.9	\$11.23
July 31, 2008	\$3.6	\$9.27

*TCEH has hedged approximately 80% of Luminant's estimated Henry Hub-based natural gas exposure from 2009-2014. More than 95% of the hedge positions are supported directly by a first lien or by the TCEH Commodity Collateral Posting Facility.*

<sup>1</sup> Weighted average prices are based on actual sales prices of short positions in the corporate natural gas hedge program based on NYMEX Henry Hub.

<sup>2</sup> Assumes natural gas conversion based on an 7.5 heat rate with natural gas being on the margin ~75-95% of the time (when coal is on the margin, no natural gas position is assumed to be generated). Overall hedge ratio based on TCEH/Luminant position estimate as of 7/31/08 and includes estimate of fixed price sold forward positions, including retail and non-hedge program wholesale effects.

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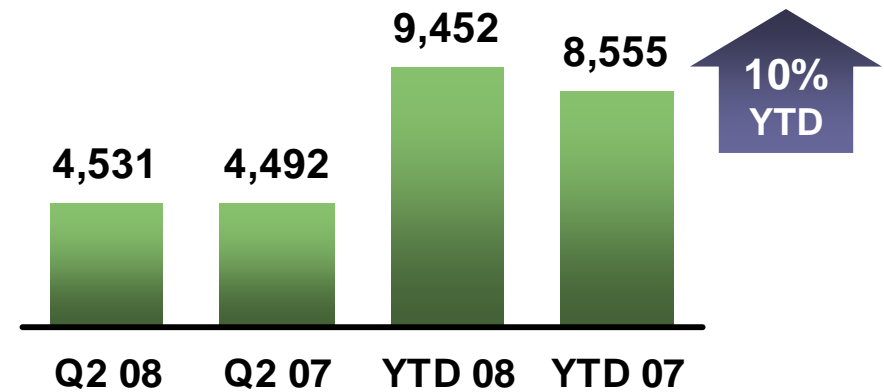
# Luminant Maintained Its Strong Execution Track Record

## Operational Results

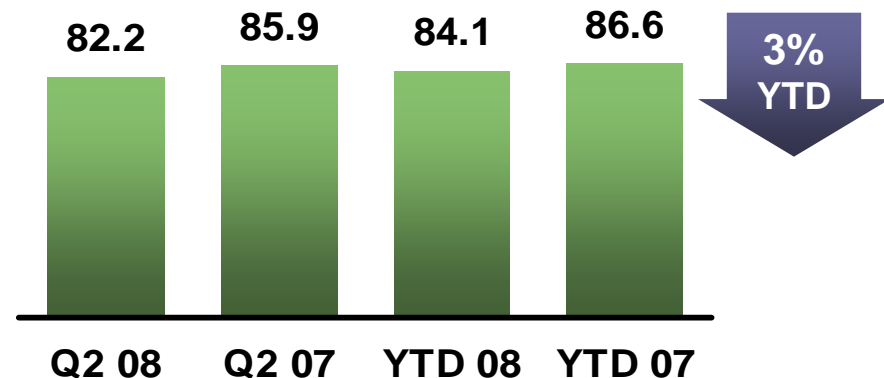
- Solid performance from nuclear fleet
- Lignite/coal capacity factors down due to unplanned outages
- Additional power replacement costs for Sandow 4 outages
- Other achievements:
  - Completed the 2nd shortest refueling outage in Comanche Peak history
  - Progressed on safe construction of the Oak Grove 1 & 2 and Sandow 5 generation units and related mining facilities
  - Progressed on safe construction of the \$1 billion Environmental Retrofit Program



Nuclear production  
Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; GWh



Lignite/coal capacity factors  
Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; Percent



# Progress Continued On Luminant's New Solid-Fuel Plants



## Sadow Unit 5 Rockdale, Texas



<b>Estimated net capacity</b>	<b>581 MW</b>
<b>Primary fuel</b>	<b>TX Lignite</b>
<b>Commercial operation date</b>	<b>2009</b>

## Oak Grove Steam Electric Station Robertson County, Texas



<b>Estimated net capacity</b>	<b>1,600 MW</b>
<b>Primary fuel</b>	<b>TX Lignite</b>
<b>Commercial operation date</b>	<b>Late 2009/Mid 2010</b>

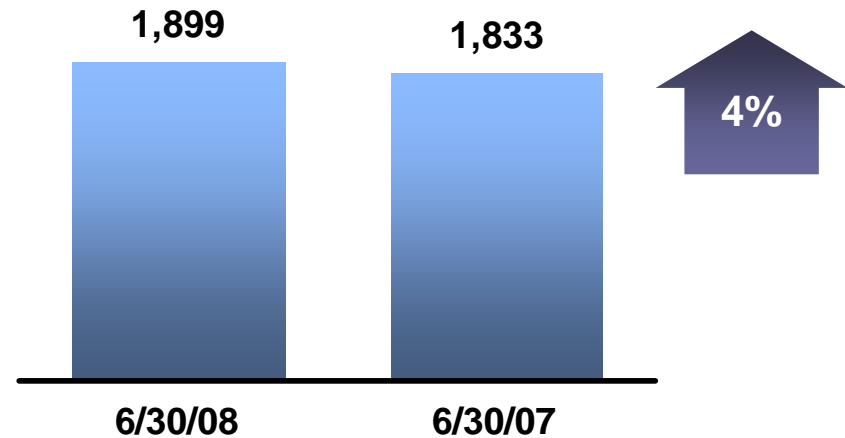
# TXU Energy Improved Its Overall Proposition for Customers, Resulting In Continuing Growth

## Operational Results

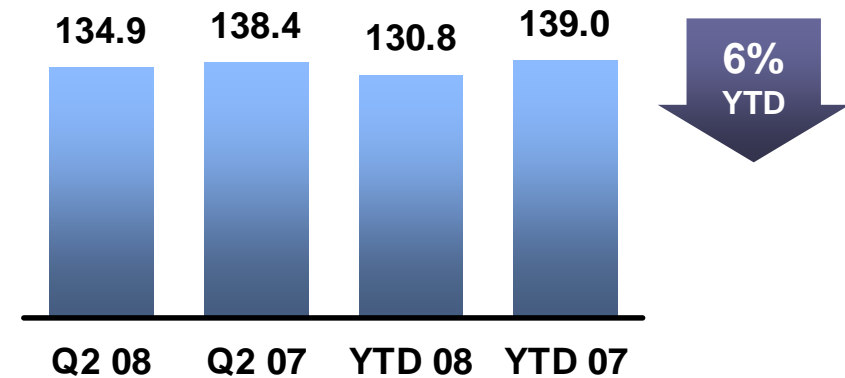
- Higher wholesale power costs pressuring retail margins
- Lower average residential revenues reflecting 15% price discount and price protections
- 4% year-over-year growth in residential customers and 12 consecutive months of residential customer growth
- Other achievements:
  - Continued additional 10% low income discount and summer disconnect protections
  - Improved customer satisfaction versus prior year
  - Unveiled new i-Thermostat pilot program for residential customers to better manage home energy usage



Total residential customers  
6/30/08 vs. 6/30/07; end of period, thousands



Average residential revenues  
\$ per MWh



# Today's Agenda


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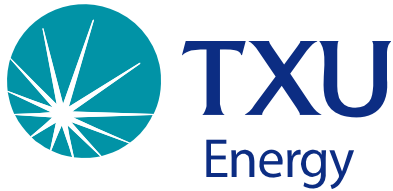
**John Young**  
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# Questions & Answers

Energy Future Holdings



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**Appendix –  
Regulation G Reconciliations**

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# Financial Definitions

Measure	Definition
Adjusted (non-GAAP) Operating Earnings	Net income (loss) adjusted for items representing income or losses that are not reflective of continuing operations. These items include unrealized mark-to-market gains and losses, results of discontinued operations and other charges, credits or gains that are unusual or nonrecurring. EFH Corp. uses adjusted (non-GAAP) operating earnings as a measure of performance and believes that analysis of the business by external users is enhanced by visibility to both Net Income prepared in accordance with GAAP and adjusted (non-GAAP) operating earnings.
Adjusted EBITDA (non-GAAP)	EBITDA adjusted to exclude non-cash items, unusual items and other adjustments allowable under the EFH Corp. Senior Notes bond indenture. Adjusted EBITDA is provided solely because of the important role that it plays in respect of certain covenants contained in the EFH Corp. Senior Notes. Adjusted EBITDA is not intended to be an alternative to net income as a measure of operating performance or an alternative to cash flows from operating activities as a measure of liquidity or an alternative to any other measure of financial performance presented in accordance with GAAP, nor is it intended to be used as a measure of free cash flow available for Management's discretionary use, as the measure excludes certain cash requirements such as interest payments, tax payments and other debt service requirements. Because not all companies use identical calculations, EFH Corp.'s presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. See EFH Corp.'s filings with the SEC for a detailed reconciliation of EFH Corp.'s Net Income prepared in accordance with GAAP to Adjusted EBITDA.
EBITDA (non-GAAP)	Income (loss) from continuing operations before interest income, interest expense and related charges, and income tax expense (benefit) plus depreciation and amortization and special items. EBITDA is a measure used by EFH Corp. to assess performance consistent with industry and peer group analytical measurements.
Purchase Accounting	The purchase method of accounting for a business combination as prescribed by Statement of Financial Accounting Standards No. 141, "Business Combinations," whereby the cost or "purchase price" of a business combination, representing the amount paid for the equity and direct transaction costs, are allocated to identifiable assets and liabilities (including intangible assets) based upon their fair values. The excess of the purchase price over the fair values of assets and liabilities is recorded as goodwill.
GAAP	Generally accepted accounting principles

## Table 1: EFH Corp. Description of Items Excluded from Adjusted (non-GAAP) Operating Earnings Q2 08, Q2 07, YTD 08 and YTD 07

Description of items excluded from adjusted (non-GAAP) operating earnings  
Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; \$ millions and after tax

	Q2 08	Q2 07	YTD 08	YTD 07
Unrealized mark-to-market net losses <sup>1</sup>	3,071	269	4,098	761
Charges related to cancelled development of generation facilities	-	53	-	512
Deferred income tax benefit related to Texas margin tax	-	(51)	-	(51)
Income from discontinued operations	-	(11)	-	(11)
Projects expenses <sup>2</sup>	-	7	-	27
Professional fees related to the merger	1	4	2	13
Amortization of gain on sale eliminated under purchase accounting	-	(7)	-	(15)
Other, including litigation/regulatory settlements	8	3	9	9
<b>Total</b>	<b>3,080</b>	<b>267</b>	<b>4,109</b>	<b>1,245</b>

<sup>1</sup> Amounts include all unrealized mark-to-market gains and losses.

<sup>2</sup> Includes previously deferred costs associated with certain strategic transactions that were no longer expected to be consummated as a result of the merger that occurred in October 2007.

## Table 2: Competitive Electric Segment Adjusted (non-GAAP) Operating Earnings Reconciliation

### Q2 08, Q2 07, YTD 08 and YTD 07

Competitive Electric segment: reconciliation of GAAP net income to adjusted (non-GAAP) operating earnings

Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; \$ millions and after tax

	Q2 08	Q2 07	YTD 08	YTD 07
GAAP net income (loss)	(3,257)	131	(4,474)	(340)
Other items excluded from adjusted (non-GAAP) operating earnings (after tax):				
Unrealized mark-to-market net losses	3,071	269	4,098	761
Charges related to cancelled development of generation facilities	-	53	-	512
Deferred income tax benefit related to Texas margin tax	-	(42)	-	(42)
Other	7	3	10	3
Adjusted (non-GAAP) operating earnings (loss)	(179)	414	(366)	894

**Table 3: Regulated Delivery Segment Adjusted (non-GAAP) Operating Earnings Reconciliation**  
**Q2 08, Q2 07, YTD 08 and YTD 07**

**Regulated Delivery segment: reconciliation of GAAP net income to adjusted (non-GAAP) operating earnings**

**Q2 08 vs. Q2 07 and YTD 08 vs. YTD 07; \$ millions and after tax**

	Q2 08	Q2 07	YTD 08	YTD 07
GAAP net income (loss)	85	54	170	140
Other	-	2	-	2
Adjusted (non-GAAP) operating earnings (loss)	85	56	170	142

**Table 4: EFH Corp. Adjusted EBITDA Reconciliation**  
**Q2 08, Q2 07, YTD 08 and YTD 07**  
**\$ millions**

<b>Factor</b>	<b>Q2 08</b>	<b>Q2 07</b>	<b>YTD 08</b>	<b>YTD 07</b>
<b>Net income (loss)</b>	<b>(3,331)</b>	<b>120</b>	<b>(4,600)</b>	<b>(377)</b>
<b>Income tax expense (benefit)</b>	<b>(1,803)</b>	<b>(21)</b>	<b>(2,463)</b>	<b>(294)</b>
<b>Interest expense and related charges</b>	<b>831</b>	<b>221</b>	<b>1,674</b>	<b>418</b>
<b>Depreciation and amortization</b>	<b>390</b>	<b>199</b>	<b>785</b>	<b>403</b>
<b>EBITDA</b>	<b>(3,913)</b>	<b>519</b>	<b>(4,604)</b>	<b>150</b>
<b>Adjustments to EBITDA (pre-tax):</b>				
<b>Oncor EBITDA</b>	<b>(330)</b>	<b>(276)</b>	<b>(659)</b>	<b>(602)</b>
<b>Oncor distributions/dividends</b>	<b>78</b>	<b>88</b>	<b>135</b>	<b>176</b>
<b>Interest income</b>	<b>(8)</b>	<b>(18)</b>	<b>(13)</b>	<b>(35)</b>
<b>Amortization of nuclear fuel</b>	<b>17</b>	<b>16</b>	<b>35</b>	<b>30</b>
<b>Unrealized net (gain) or loss resulting from hedging transactions</b>	<b>4,769</b>	<b>418</b>	<b>6,363</b>	<b>1,182</b>
<b>Impairment of assets and inventory write-down<sup>1</sup></b>	<b>4</b>	<b>82</b>	<b>9</b>	<b>795</b>
<b>Purchase accounting adjustments<sup>2</sup></b>	<b>107</b>	<b>-</b>	<b>245</b>	<b>-</b>
<b>Expenses incurred to upgrade or expand a generation station<sup>3</sup></b>	<b>48</b>	<b>4</b>	<b>100</b>	<b>4</b>
<b>Transaction and merger expenses<sup>4</sup></b>	<b>12</b>	<b>25</b>	<b>26</b>	<b>77</b>
<b>Transition and business optimization costs<sup>5</sup></b>	<b>12</b>	<b>9</b>	<b>24</b>	<b>12</b>
<b>Losses on sales of receivables</b>	<b>5</b>	<b>9</b>	<b>13</b>	<b>18</b>
<b>Non-cash compensation expenses (FAS 123R)<sup>6</sup></b>	<b>8</b>	<b>6</b>	<b>10</b>	<b>13</b>

Note: Table and footnotes to this table continue on following page

**Table 4: EFH Corp. Adjusted EBITDA Reconciliation (continued from previous page)**  
**Q2 08, Q2 07, YTD 08 and YTD 07**  
**\$ millions**

<b>Factor</b>	<b>Q2 08</b>	<b>Q2 07</b>	<b>YTD 08</b>	<b>YTD 07</b>
<b>Restructuring and other<sup>7</sup></b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>5</b>
<b>Equity losses of unconsolidated affiliate engaged in broadband over power lines</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Income from discontinued operations, net of tax effect</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>(11)</b>
<b>Adjusted EBITDA per Incurrence Covenant</b>	<b>813</b>	<b>876</b>	<b>1,691</b>	<b>1,815</b>
<b>Add back Oncor adjustments</b>	<b>241</b>	<b>197</b>	<b>503</b>	<b>439</b>
<b>Adjusted EBITDA per Restricted Payments Covenants</b>	<b>1,054</b>	<b>1,073</b>	<b>2,194</b>	<b>2,254</b>

<sup>1</sup> Impairment of assets includes charges related to the canceled development of coal-fueled generation facilities.

<sup>2</sup> Purchase accounting adjustments include amortization of the intangible net asset value of retail and wholesale power sales agreements, environmental credits, coal purchase contracts and power purchase agreements and the stepped up value of nuclear fuel. Also include certain credits not recognized in net income due to purchase accounting.

<sup>3</sup> Expenses incurred to upgrade or expand a generation station reflect non-capital outage costs.

<sup>4</sup> Transaction and merger expenses include costs related to the Merger, abandoned strategic transactions and a terminated joint venture. Also include administrative costs related to the canceled program to develop coal-fueled generation facilities, the Sponsor management fee and costs related to certain growth initiatives

<sup>5</sup> Transition and business optimization costs for the 2008 periods include professional fees primarily for retail billing and customer care systems enhancements and incentive compensation. Transition and business optimization costs for the 2007 periods represent professional fees primarily for retail billing and customer care systems enhancements and incentive compensation.

<sup>6</sup> Non-cash compensation expenses exclude capitalized amounts.

<sup>7</sup> Restructuring and other includes credits related to impaired combustion turbine leases and other restructuring initiatives and nonrecurring activities.