

**TXU Europe Group plc and certain subsidiaries  
(in administration/liquidation and subject to a company  
voluntary arrangement)**

Administrators' Progress Report to Creditors as at 28 July 2006

Supervisors' Progress Report pursuant to clause 13.3 of the CVA Terms dated 10  
January 2005 and Insolvency Rule 1.26(2)

9 August 2006

---

<b>Section</b>	<b>Page</b>
Abbreviations	
1 Introduction	1
2 Administration Progress Report	3
3 CVA Developments	6

---

<b>Appendices</b>	
1 Administrators' and Supervisors' receipts and payments for the period ended 27 July 2006	8
2 Administrators' and Supervisors' time costs	13
3 Update on the CVA distributions/proposed CVA distributions	15
4 TXU Group Companies subject to the CVA	17

**The following abbreviations are used in this report:**

‘BTL’	Below The Line ie. Group or one of its subsidiary companies	‘KPMG CVA Companies’	Those companies listed in Appendix 4 that are under the heading KPMG CVA Companies
‘BVAG’	Braunschweiger Versorgungs AG	‘KTH’	Kroll Talbot Hughes LLP
‘CVA’	Company Voluntary Arrangement	‘Nedalo’	Nedalo UK Limited
‘CVA Companies’	Those companies listed in Appendix 4 that are the subject of a CVA which came into effect on 28 January 2005	‘NE Oy’	TXU Nordic Energy Oy
‘CVA Proposal Documents’	The Introductory Letter, CVA document and the Explanatory Statement issued on 10 January 2005	‘Office Holders’	Administrators or Liquidators of each CVA Company
‘EDF’	EDF Energy plc	‘Partington’	TXU Europe (Partington) Limited
‘EEH’	Eastern Electricity Holdings Limited	‘the Administrators’	Alan Bloom and Roy Bailey of EY, together with John Milsom and James Tucker of KPMG in respect of Group; Alan Bloom, Gareth Hughes and Roy Bailey of EY, together with Christopher Hughes of KTH in respect of TXU UK; Alan Bloom, Gareth Hughes and Roy Bailey of EY in respect of EET; and Alan Bloom and Roy Bailey of EY in respect of TXU Power, EEH, EH6 and UKH.
‘EET’	TXU Europe Energy Trading Limited	‘the Companies’	Collectively: Group, TXU UK, EET, TXU Power, UKH, EEH and EH6
‘EET BV’	TXU Europe Energy Trading BV	‘the rules’	The Insolvency Rules 1986
‘EEP’	Eastern Electricity plc	‘the Supervisors’	The Joint Supervisors of the CVA Companies
‘EH6’	Energy Holdings (No. 6) Limited	‘TXU Power’	TXU Europe Power Limited
‘EY’	Ernst & Young LLP	‘TXU Stadtwerke’	TXU Stadtwerke Holdings GmbH & Co. KG
‘EY CVA Companies’	Those companies listed in Appendix 4 that are under the heading EY CVA Companies	‘TXU UK’	TXU UK Limited
‘Group’	TXU Europe Group plc	‘UKH’	TXU (UK) Holdings Limited
‘Holding Companies’	TXU Companies located above Group within the corporate structure	‘VAT’	Value Added Tax
‘HMRC’	HM Revenue & Customs		
‘KPMG’	KPMG LLP		

## Basis of preparation

- 1.1 This report has been prepared by the Administrators of the Companies to comply with their statutory duty to report to creditors under Rule 2.30 of the rules, as amended by the High Court Order of 24 May 2005. This report provides details of progress in the administrations during the six month period to 28 July 2006.
  - 1.2 This report also provides an update for CVA creditors on the progress and developments since 28 January 2006 and should be read in conjunction with our previous update report dated 8 February 2006.
  - 1.3 We draw your attention to the contents of the 'Important Notice' on page 1 of the Explanatory Statement dated 10 January 2005. There are numerous caveats and disclaimers in that document in particular in the area of estimated outcomes. The comments therein should be regarded as extending to this document also.
  - 1.4 Other than for any statutory duty owed by the Administrators to provide a progress report to creditors, none of the Administrators, EY, KPMG, KTH, their partners, members, employees, professional advisers or agents accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report, and any such party who receives a copy of this report, whether from EY, KPMG, KTH or any other source, shall have no right of recourse against EY, KPMG, KTH its partners, members, employees, professional advisers or agents.
- ## Background/Summary update
- 1.5 The High Court appointed the Administrators to Group, UK and EET on 19 November 2002, with the exception of Christopher Hughes of KTH who was appointed conflicts administrator of TXU UK on 11 March 2004. The High Court subsequently appointed Administrators to TXU Power and UKH on 17 February and 27 August 2003 respectively. The EEH and EH6 appointments were made on 18 September 2003.
  - 1.6 On 28 January 2005 the CVA creditors of the CVA Companies approved the voluntary arrangements for the 28 companies outlined in Appendix 4. The CVAs represent a 'package deal' for the resolution of all disputed claims between CVA Companies and between Holding Companies and the resolution of claims of creditors against CVA Companies. This process was implemented to enable the cash already realised, and the cash from any future realisations, to be distributed to the CVA creditors as quickly as possible, without the risk of protracted litigation to resolve the various disputed matters. Detailed information on this and other relevant matters is included in the Explanatory Statement which was forwarded to creditors on or around 10 January 2005.
  - 1.7 Copies of the CVA Proposal Documents and other important updates are available at [www.txuinfo.co.uk](http://www.txuinfo.co.uk). Further reference to the progress and major CVA developments are summarised in Section 3 of this report.
  - 1.8 In accordance with clause 21.8 of the CVA proposals, distributions are required to be made to the CVA creditors once £50 million or more becomes available across the BTL CVA Companies.
  - 1.9 However, when this threshold was reached in May 2006, there were a number of issues that were very close to being resolved, which, once resolved, would result in further assets being realised and in the release of certain provisions.
  - 1.10 Given the costs and time involved in preparing for a distribution, it was deemed beneficial to creditors generally if the fourth distribution was made in July 2006 once these issues were resolved, allowing considerably more funds to be distributed.
  - 1.11 Therefore, following appropriate approval from the Creditors' Committees, the CVA was modified accordingly and a fourth distribution to creditors of the BTL CVA Companies took place on 20 July 2006.

- 1.12 The updated timetable for distributions is now expected to be as follows:
- Actual first distribution – 30 March 2005
  - Actual second distribution – 2 August 2005
  - Actual third distribution – 19 January 2006
  - Actual fourth distribution – 20 July 2006
  - Anticipated fifth/sixth distributions – January 2007/Mid-late 2007
- 1.13 Appendix 3 of this report includes a schedule of the cumulative fourth distribution dividend percentages, together with an estimated end position outcome on a realistic and pessimistic basis for each CVA Company.
- 1.14 CVA distributions totalling approximately £1.9 billion have been made to date, of which £1.7 billion relates to the EY CVA Companies and £0.2 billion relates to KPMG CVA Companies. The distributions from the CVA Companies have generally increased since the Chairman's report to creditors, with the two exceptions being EET and Partington.
- 1.15 Please be aware that revisions to these estimates may be added, from time to time, to the TXU website referred to above.

## Update on matters since previous reports

- 2.1 The Office Holders of each CVA Company have continued to perform the functions required by them in accordance with their powers. These are principally implementing the terms of the CVAs, realising the remaining assets referred to in the Chairman's report dated 28 January 2005 and resolving issues with outstanding creditors' claims.
- 2.2 Attached as Appendix 1 are receipts and payments accounts for the seven administration companies for the six months to 27 July 2006. In addition, Appendix 1 also includes abstracts of receipts and payments for the CVA accounts of the seven administration companies, covering the period 28 January 2006 to 27 July 2006.
- 2.3 The pre appointment corporation tax position for a number of the Companies has been agreed (subject to finalisation of the overall group relief position), apart from EET where there are certain outstanding enquiries. Subject to being able to obtain the relevant documents, the Administrators expect to be able to respond to those outstanding enquiries by September 2006 and aim to finalise the overall pre-appointment corporation tax position prior to the fifth distribution.

## Overseas assets

### EET BV

- 2.4 As previously reported, the majority of the assets of EET BV have now been realised. The Trustees declared and paid a 100% distribution to all unsubordinated creditors in April 2005, including those guaranteed by Group.
- 2.5 As anticipated, Group and EET have received further payments totalling €5 million against their subordinated claims since our last report. These payments represent the majority of funds held by the Trustees at the present time.
- 2.6 This recent distribution brings the total realisations from EET BV to €2.3 million (£35.5 million) across all of Group, EET and TXU UK claims. A final distribution is expected but this largely depends on future realisations from EET BV's claim against Enron Corp together with various tax receipts in a number of European countries. Therefore, the amount and timing is uncertain at this stage.

### BVAG

- 2.7 Following the completion of the sale by TXU Stadtwerke of its 74.9% stake in BVAG to Veolia Environnement S.A. in January 2005, the administrators of EET have concentrated on restructuring the lower-half of the holding chain to expedite repatriation of the proceeds to EET.
- 2.8 As previously reported, this restructuring has involved the appointment of liquidators to two of the interim holding companies (in the Netherlands and Germany) in order to take control of TXU Stadtwerke and, therefore, control of the sale proceeds.
- 2.9 Since our last report, we have progressed the resolution of certain actual and contingent liabilities in the holding chain, allowing a further release of €32.5 million (£22 million), which was included in the distribution to creditors in July 2006. The remaining funds are required to be held at various levels of the holding chain to meet the remaining potential liabilities until such time as the liquidations can be concluded (see section 2.11).
- 2.10 The remainder of the work that needs to be undertaken is the agreement and settlement of tax and other liabilities of the companies in the BVAG holding chain of companies. This involves a coordinated review and discussions with the tax authorities in the Netherlands, Germany, Ireland and the United Kingdom.
- 2.11 As previously reported, in accordance with German legislation, conclusion of the liquidation of TXU Europe Energy Trading (Deutschland) GmbH was not possible until April 2006 at the earliest and the liquidation of TXU Europe Energy Trading (Nederland) BV cannot be concluded until tax clearances have been obtained. We are progressing the resolution of the tax issues but, due to the restrictions under German legislation in particular, we still anticipate that the remainder of the BVAG sale proceeds (after settlement of the tax and other liabilities) will be available at the final distribution to creditors.

**NE Oy**

- 2.12 As previously reported, we remain in dispute with the purchaser in respect of a €4.4 million additional payment, which we believe is due under the terms of the sale and purchase agreement. This amount relates to a tax repayment received by NE Oy which, contrary to previous representations made by the purchaser, remains subject to appeal by the Finnish tax authorities.
- 2.13 In order to minimise the ongoing costs, we therefore requested and were successful in obtaining a stay in the arbitration proceedings, pending resolution of the tax matter. The tax appeal remains outstanding and as yet no confirmation (indicative or otherwise) has been received.
- 2.14 Given both the tax appeal and arbitration process, any recovery in respect of this matter is not envisaged in the next 12 months.

**Other assets**

- 2.15 We were able to realise (or release provisions against) assets totalling £84.9 million prior to the payment of the fourth distribution. A summary of these assets, which were realised at a number of CVA companies, is shown below:

	Cash release for benefit of all creditors
Corporation tax refund at EEH	£27.0m
Barking Shares at Power	£23.5m
Release of BVAG provision at EET	£22.0m
VAT refund at Group	£3.9m
EET BV recoveries	£3.4m
Release of funds held in Escrow to TXU UK	£2.0m
Nedalo receipts at Group	£0.7m
Holding Company dividend payments	£0.5m
Other realisations	£1.9m
Total	<u>£84.9m</u>

- 2.16 The outstanding assets yet to be realised total approximately £89.6 million on a realistic basis and £31 million on a pessimistic basis.

**Taxation****Assets**

- 2.17 The profit and group relief position of EEP for all periods up to and including the year ended 31 December 2001 has now been finalised and a refund of approximately £28.5 million plus interest on overpaid tax is due to EEP in respect of those periods. HMRC have recently paid approximately £27 million plus interest on overpaid tax to EEP in respect of this refund and the remaining £1.5 million plus interest on overpaid tax is expected to be paid shortly.
- 2.18 Under the tax deed for the sale of EEP to EDF any such refunds are for the account of EEH as additional consideration on the sale of the EEP shares. EDF have to date paid the initial £27million received from HMRC to EEH and it is expected that further payments will be made to EEH in the near future.
- 2.19 Certain of the Companies have surrendered group relief to a former TXU group company in respect of its year ended 31 December 2001 for payment of up to £5 million. Whether any payment is to be received, and if so, the ultimate quantum of that payment will depend on the losses finally available for surrender.

**Joint Administrators' Time Costs**

- 2.20 As at the date of this report, EY Administrators' fees of approximately £37.4 million plus VAT and disbursements across the seven administrations have been billed in accordance with the rates and approval mechanism agreed by the Creditors' Committees and subsequently amended by the CVA document. A detailed analysis of these time costs is provided at Appendix 2.

2.21 The KPMG Administrators' of Group have incurred fees of approximately £13.9 million plus VAT and disbursements, as at 30 June 2006, which, as with the EY Administrators' fees, have been billed in accordance with the rates and approval mechanism agreed by the Creditors' Committees and subsequently amended by the CVA document. However, following an agreement incorporated into the CVA between TXU Acquisitions Limited and Group regarding investigation costs, £3.5 million of these fees were reimbursed to Group from funds received as a result of investigation work undertaken. In addition, a further £3.3 million in legal fees relating to investigation costs was reimbursed to Group. This £6.8 million reimbursement effectively reduced the investigation costs paid out by the Group estate and was made by way of a reduction in the amount distributed to TXU Acquisitions Limited at the time of the first distribution.

#### **Creditors' Committee**

2.22 The Administrators continue to report to the Creditors' Committees on all matters of importance in relation to the Administrations of the Companies.

#### **Replacement of Joint Administrator**

2.23 On 24 July 2006, Mr Justice Warren approved the Order for the Applicant, Philip Wallace of KPMG, to be replaced by John Milsom of KPMG as Joint Administrator of Group. It should be noted that, each creditor is at liberty to apply to vary or discharge this Order within 21 days of receipt of this report.



## CVA progress

- 3.1 The fourth distribution to the creditors of the BTL CVAs was made on 20 July 2006 with approximately £141 million released to external creditors and £5.5 million paid to the claim's reserve in relation to disputed claims.
- 3.2 Detailed in Appendix 3 is a table showing the dividend outcome following the fourth distribution and the estimated end position on a realistic and pessimistic basis.

## Summary of assets, reserves and liabilities

### Assets and asset reserves

- 3.3 Work has continued since our previous report in respect of the disputed creditor claims and unrealised assets with a view to resolving/realising as many as possible prior to the payment of the fourth distribution.
- 3.4 This resulted in a total of £146.5m being available for distribution at the fourth distribution. This was made up of asset realisations of £84.9 million (see section 2.15), releases from the claims reserve totalling £32.0 million in respect of resolved creditor claims of £64.8 million and releases of general reserves of £29.6m.
- 3.5 The extent of realisations across the BTL CVA companies now stand at £2,090 million on an actual basis. This compares to estimations of £1,985 million and £1,892 million on realistic and pessimistic bases respectively, as per the CVA.

### Liabilities

- 3.6 Significant work has been completed since our last report in an attempt to resolve as many of the disputed creditor claims prior to the payment of dividend four.

- 3.7 Total claims against the BTL CVA estates currently stand at £2,154 million, with agreed claims of £2,075 million and disputed claims and general provisions against unsecured claims of £79 million. Current end position estimates stand at £2,115 million on a realistic basis and £2,154 million on a pessimistic basis, which compares to £2,197 million and £2,461 million respectively, as per the CVA.
- 3.8 Below is a table summarising the position of external unsecured creditors, at the time of the fourth distribution, in relation to allowed and disputed claims and a current estimate of the final end position on a realistic and pessimistic basis.

	Actual Position at Fourth Distribution			Current End Position Estimates	
	Allowed Claims £'m	Disputed Claims £'m	Total Claims £'m	Realistic £'m	Pessimistic £'m
TXU EG	465.0	10.1	475.1	475.1	475.1
TXU EET	1,144.6	30.1	1,174.7	1,160.3	1,174.7
TXU UK	50.7	13.3	64.0	62.4	64.0
TXU Power	94.0	-	94.0	94.0	94.0
Other EY Companies	123.9	20.9	144.8	126.5	144.8
Other KPMG Companies	197.1	4.2	201.3	197.1	201.3
	<b>2,075.3</b>	<b>78.6</b>	<b>2,153.9</b>	<b>2,115.4</b>	<b>2,153.9</b>

## Timings of future distributions

- 3.9 As mentioned in paragraph 1.12 above, we anticipate that a fifth distribution will take place in January 2007, with a sixth distribution to follow in mid to late 2007.

**Supervisors' fees**

- 3.10 In accordance with the CVA Terms, the Supervisors' fees in relation to Group, EET and TXU UK are approved by their respective Creditors' Committees. The Supervisors' fees in relation to the remainder of the EY CVA Companies are approved by the EET Creditors' Committee. Across the 24 EY CVA Companies, the total fees incurred to date are approximately £3.0 million, a breakdown of which is provided in Appendix 2.

**Replacement of Joint Supervisor**

- 3.11 On 24 July 2006, Mr Justice Warren approved the Order for the Applicant, Philip Wallace of KPMG, to be replaced by John Milsom of KPMG as Joint Supervisor of Group. Although the CVA is not within the jurisdiction of the Court, the Order stated that the proceedings be transferred to the High Court in London, Chancery Division solely for the purpose of considering, and if thought fit, making the Orders contained therein. Agreement for the replacement of Philip Wallace by John Milsom, was, however, received from the Creditors' Committee prior to the Order being made in accordance with clause 15.3 of the CVA Proposals.

### TXU Europe Group plc Joint Administrators' receipts and payments account for the period 28 January 2006 to 27 July 2006

RECEIPTS	£
Brought forward from previous abstract	1,372,616,653
Cash at appointment	112,764
Distribution from Nedalo BV	548,415
Call receipts*	68,028,650
Inter-company recourse loan repayment in relation to EET BV	325,117
Inter-company realisations in relation to subrogated claims	20,039,177
Interest	1,487,286
Pre-appointment VAT refund	3,869,156
Prepayments & other debtors	680,711
Property - rent receipts	13,755
Realisations from inter-company group relief	1,859,414
Receipts in relation to EET BV	834,612
Receipts in relation to Nedalo UK Limited	730,000
Sundry income	77,120
Transfer from Joint Supervisors' in relation to unclaimed dividends	9,586
<b>Carried forward to next abstract</b>	<b><u>1,471,232,414</u></b>
PAYMENTS	£
Brought forward from previous abstract	1,321,046,036
Joint Administrators' fees - Ernst & Young	397,118
Joint Administrators' disbursements - Ernst & Young	3,559
Joint Supervisors' fees - Ernst & Young	240,025
Joint Supervisors' disbursements - Ernst & Young	904
Employees & consultants costs	53,248
Call payments*	43,512
Inter-company loan - TXU Europe Leasing (No.5) Limited	1,510
Inter-company loan - TXU Europe Overseas Finance Limited	16,455
ISAAS fees	159,889
Legal & professional fees	331,774
Sundry expenses	30,049
Transfer to Joint Supervisors' for ENS & ENK dividends	2,061,792
Transfer to Joint Supervisors' for unsecured creditors (including interest)	105,801,685
Transfer to Joint Supervisors' to reimburse bank charges	465
VAT Position	46,024
<b>Carried forward to next abstract</b>	<b><u>1,430,234,046</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>40,998,369</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Main Account	29,914,207
The Royal Bank of Scotland Plc - Claims Reserve Account	11,084,161
	<b><u>40,998,369</u></b>
Note: In addition to the above funds, \$58,256 is being held in a US Dollar account to cover potential liabilities requiring payment in dollars.	

### TXU Europe Energy Trading Limited Joint Administrators' receipts and payments account for the period 28 January 2006 to 27 July 2006

RECEIPTS	£
Brought forward from previous abstract	1,552,031,705
Call receipts*	70,723,180
Dividends from Enron Capital & Trade Resources Limited	518,551
Dividends from inter-company debtors	30,709
Interest	3,043,694
Recoveries in relation to TXU Europe Energy Trading BV	2,569,296
VAT recoveries in relation to un-invoiced trading	4,120,915
VAT Position	155,155
<b>Carried forward to next abstract</b>	<b><u>1,633,193,204</u></b>
PAYMENTS	£
Brought forward from previous abstract	1,432,876,497
Joint Administrators' fees - Ernst & Young	512,784
Joint Administrators' disbursements - Ernst & Young	2,171
Joint Supervisors' fees - Ernst & Young	270,215
Joint Supervisors' disbursements - Ernst & Young	215
Liquidators fees - Ernst & Young	1,223
Call payments*	53,129,859
Legal & professional fees	531,810
Payments relating to German Investments	13,200
Payments relating to inter-company group relief	14,897
Payments to Energy Holdings (No.3) Ltd in relation to ACT	1,173,687
Sundry Expenses	18,683
Transfer to Joint Supervisors' for ENS & ENK dividends	1,091,185
Transfer to Joint Supervisors' for Nedalo dividend	548,415
Transfer to Joint Supervisors' for subrogated claims	5,591,899
Transfer to Joint Supervisors' for unsecured creditors (including interest)	32,237,332
Transfer to Joint Supervisors' to reimburse bank charges	285
<b>Carried forward to next abstract</b>	<b><u>1,528,014,357</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>105,178,847</u></b>
<b>Represented by:</b>	
Bank of Ireland - Main Investment Account	13,557,885
The Royal Bank of Scotland Plc - Main Account	1,551,552
Goldman Sachs - Main Investment Account	80,003,832
The Royal Bank of Scotland Plc - Claims Reserve Account	10,065,578
	<b><u>105,178,847</u></b>

**TXU UK Limited**  
**Joint Administrators' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	1,419,177,601
Interest	1,704,552
Prepayments & other debtors	234,774
Realisations from inter-company group relief	2,777,420
Realisations from inter-company share subscriptions	24,042,505
Release of Escrow monies	2,003,287
Sundry income	444,566
<b>Carried forward to next abstract</b>	<b>1,450,384,705</b>
PAYMENTS	£
Brought forward from previous abstract	1,345,409,250
Administrators' fees - Ernst & Young	188,439
Administrators' disbursements - Ernst & Young	5,569
Supervisors' fees - Ernst & Young	39,528
Supervisors' disbursements - Ernst & Young	7
Call payments*	75,712,265
Inter-company subrogated claim payments	129,489
Legal & professional fees	87,167
Sundry Expenses	241
Transfer to Joint Supervisors' for unsecured creditors (including interest)	1,993,665
VAT Position	212,947
<b>Carried forward to next abstract</b>	<b>1,423,778,567</b>
<b>Balance of funds held as at 27 July 2006</b>	<b>26,606,138</b>
<b>Represented by:</b>	
Bank of Ireland - Main Investment Account	8,925,402
The Royal Bank of Scotland Plc - Main Account	1,939,288
The Royal Bank of Scotland Plc - Claims Reserve Account	15,741,448
	<b>26,606,138</b>

**TXU Europe Power Limited**  
**Joint Administrators' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	103,957,099
Book debts & other income	16,713
Call receipts*	898,231
Interest	587,396
Realisations from inter-company group relief	18,734
VAT Position	1,487
<b>Carried forward to next abstract</b>	<b>105,479,660</b>
PAYMENTS	£
Brought forward from previous abstract	75,622,255
Capital losses in relation to Barking Power realisation	3,248,919
Consultancy fees	29,328
Call payments*	12,793,407
Irrecoverable VAT	5,261
Joint Administrators' fees	91,738
Joint Supervisors' fees	3,674
Legal fees	27,387
Payments relating to inter-company group relief	54,255
Sundry expenses	485
Transfers to Joint Supervisors' for Group subrogated claim	7,723,530
Transfers to Joint Supervisors' for unsecured creditors (including interest)	536,128
<b>Carried forward to next abstract</b>	<b>100,136,368</b>
<b>Balance of funds held as at 27 January 2006</b>	<b>5,343,292</b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Main Account	856,792
The Royal Bank of Scotland Plc - Claims Reserve Account	4,486,500
	<b>5,343,292</b>

**TXU (UK) Holdings Limited**  
**Joint Administrators' receipts and payments**  
**account for the period 28 January 2006 to**  
**27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	3,034,363
Call receipts*	41,202
Dividends from inter-company debtors	56,547
Interest	7,897
Sundry income	146
<b>Carried forward to next abstract</b>	<b><u>3,140,154</u></b>
PAYMENTS	£
Brought forward from previous abstract	2,933,866
Joint Administrators' fees	22,695
Joint Administrators' disbursements	700
Legal & professional fees	6,220
Sundry expenses	45
VAT position	3,709
<b>Carried forward to next abstract</b>	<b><u>2,967,236</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>172,919</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Main Account	172,899
The Royal Bank of Scotland Plc - Claims Reserve Account	20
	<b><u>172,919</u></b>

**Energy Holdings (No. 6) Limited**  
**Joint Administrators' receipts and payments**  
**account for the period 28 January 2006 to**  
**27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	32,998,823
Dividends - ENS & ENK	2,613,244
Interest	12,869
<b>Carried forward to next abstract</b>	<b><u>35,624,935</u></b>
PAYMENTS	£
Brought forward from previous abstract	32,881,143
Joint Administrators' fees	2,859
Joint Administrators' disbursements	259
Share subscriptions	2,635,483
VAT Position	546
<b>Carried forward to next abstract</b>	<b><u>35,520,289</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>104,647</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Main Account	103,599
The Royal Bank of Scotland Plc - Claims Reserve Account	1,048
	<b><u>104,647</u></b>

**Eastern Electricity Holdings Limited**  
**Joint Administrators' receipts and payments**  
**account for the period 28 January 2006 to**  
**27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	52,460,313
Corporation tax refund	27,000,103
Distribution relating to Nedalo Debt (including interest)	548,415
Interest	304,101
<b>Carried forward to next abstract</b>	<b><u>80,312,932</u></b>
PAYMENTS	£
Brought forward from previous abstract	41,073,747
Joint Administrators' fees	21,770
Joint Supervisors' fees	6,885
Joint Supervisors' disbursements	1,005
Legal & professional fees	578
Share subscriptions	21,407,022
Payments relating to inter-company group relief	6,756,751
Payments relating to inter-company recourse loans	873,531
VAT position	5,292
<b>Carried forward to next abstract</b>	<b><u>70,146,582</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>10,166,350</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Main Account	2,625,157
The Royal Bank of Scotland Plc - Claims Reserve Account	7,541,192
	<b><u>10,166,350</u></b>

**TXU Europe Group plc**  
**Joint Supervisors' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	1,206,879,418
Call receipts*	43,512
Transfer from Joint Administrators' to reimburse bank charges	465
Transfer from Joint Administrators' for unsecured creditors (including interest)	105,801,685
<b>Carried forward to next abstract</b>	<b><u>1,312,725,080</u></b>
Brought forward from previous abstract	£
Brought forward from previous abstract	1,204,552,219
Escrow top-up payments	132,608
Call payments*	43,512
Transfer to Joint Administrators' in relation to unclaimed dividends	9,586
Unsecured creditors	107,916,357
<b>Carried forward to next abstract</b>	<b><u>1,312,654,282</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>70,798</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Supervisors' Account	70,798
	<b><u>70,798</u></b>

**TXU Europe Energy Trading Limited**  
**Joint Supervisors' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	1,362,643,699
ENS & ENK Receipts	1,091,185
Call receipts*	53,129,859
Transfer from Claims Reserve for interim payments (including interest)	151,185
Transfer from Joint Administrators' for Nedalo dividend	548,415
Transfer from Joint Administrators' for subrogated claims	5,591,899
Transfer from Joint Administrators' for unsecured creditors	32,090,998
Transfer from Joint Administrators' to reimburse bank charges	285
<b>Carried forward to next abstract</b>	<b><u>1,455,247,525</u></b>
<b>PAYMENTS</b>	<b>£</b>
Brought forward from previous abstract	1,362,618,482
ENS & ENK payments	1,091,185
Escrow top-up payments	126,314
Group subrogated claim	5,591,899
Call payments*	53,129,859
Interest paid on interim payments to unsecured creditors	5,408
Nedalo dividend payment	422,100
Preferential creditors	987
Transfer to Joint Administrators' in relation to unclaimed dividends	4,851
Unsecured creditors	32,231,447
<b>Carried forward to next abstract</b>	<b><u>1,455,222,533</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>24,992</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Supervisors' Account	24,992
	<b><u>24,992</u></b>

**TXU UK Limited**  
**Joint Supervisors' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	1,220,464,475
Call receipts*	75,712,265
Transfers from Claims Reserve for interim payments (including interest)	10,686
Transfers from Joint Administrators' for subrogated claim	129,489
Transfers from Joint Administrators' for unsecured creditors	1,982,856
<b>Carried forward to next abstract</b>	<b><u>1,298,299,771</u></b>
<b>PAYMENTS</b>	<b>£</b>
Brought forward from previous abstract	1,220,464,475
Call payments*	75,712,265
Interest paid on interim payments to unsecured creditors	10,684
Subrogated claim	129,489
Unsecured Creditors	1,982,857
<b>Carried forward to next abstract</b>	<b><u>1,298,299,771</u></b>
<b>Balance of funds held as at 27 July 2006</b>	<b><u>0</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Supervisors' Account	0
	<b><u>0</u></b>

**TXU Europe Power Limited**  
**Joint Supervisors' receipts and payments account**  
**for the period 28 January 2006 to 27 July 2006**

RECEIPTS	£
Brought forward from previous abstract	72,812,481
Call receipts*	12,793,407
Transfers from Joint Administrators' for Group subrogated claim	7,723,530
Transfers from Joint Administrators' for unsecured creditors (including interest)	536,128
<b>Carried forward to next abstract</b>	<b><u>93,865,546</u></b>
<b>PAYMENTS</b>	<b>£</b>
Brought forward from previous abstract	72,812,481
Group subrogated claim	7,723,530
Call payments*	12,793,407
Unsecured creditors	536,128
<b>Carried forward to next abstract</b>	<b><u>93,865,546</u></b>
<b>Balance of funds held as at 27 January 2006</b>	<b><u>0</u></b>
<b>Represented by:</b>	
The Royal Bank of Scotland Plc - Supervisors' Account	0
	<b><u>0</u></b>

Note: There were no receipts or payments made by the Supervisors of TXU (UK) Holdings Limited, Energy Holdings (No. 6) Limited and Eastern Electricity Holdings Limited during the period 28 January 2006 to 27 July 2006.

\*Please refer to Clause 3.5 in Part E of the Explanatory Statement for a detailed definition of a call payment or receipt.

## Administrators' Time Costs for the Period from the Respective Dates of Appointment to 30 June 2006

Classification of work function	Total Fees Incurred 19 November 02 to 30 June 06		
	Group (EY) £	EET £	TXU UK £
Buildings/Property	470,656	3,456	26,471
Cash flow/Treasury	408,469	308,162	267,421
Communications/Meetings	75,765	32,859	14,431
Cost Control/Analysis	781,515	529,220	296,073
Creditors' Committees	336,684	572,949	234,217
Creditors	599,639	279,385	461,391
Creditors/Undertakings	178,872	24,053	41,809
Deferred Liabilities	316,768	1,474	10,415
Distribution Model	1,099,148	726,951	44,644
EET BV	41,403	591,180	-
Employees/Pensions/Trust	1,347,671	245,651	71,939
Exit Strategy	878,574	625,074	516,259
Forensics/Investigations	707,424	971,495	282,012
Germany	358,611	1,919,175	372
Liaison with Joint Administrators	373,171	85,604	28,207
LILOs	34,841	2,502	-
Litigation	100,610	125,385	236,904
Nordic	2,072,816	12,671	-
Other Assets	539,234	52,666	104,930
Other Assets - Nedalo	275,270	-	-
Other Assets - Windfarms	163,290	1,627	-
Office logistics	188,720	134,426	66,405
Powergen	48,263	178,138	551,779
PPAs	630,438	2,824,958	4,486
Statutory	985,108	342,335	255,869
Corporation Tax	2,302,365	1,518,845	764,755
VAT	646,707	649,883	122,247
Tax Liaison	152,116	506,710	58,467
Trading Book	181,018	627,513	-
New Issues / Other	542,835	284,168	394,178
Adjustments	(156,286)	21,051	(48,235)
<b>Total</b>	<b>16,681,715</b>	<b>14,199,569</b>	<b>4,807,448</b>

Classification of work function	Total Fees Incurred			
	17 Feb 03 to 30 June 06 TXU Power £	26 Aug 03 to 30 June 06 UKH £	18 Sep to 30 June 06 EH6 £	18 Sep to 30 June 06 EEH £
Job Acceptance and Strategy	1,689	8,029	3,124	2,969
Immediate Tasks	1,568	550	-	-
Reporting	14,679	11,431	2,645	4,263
Debtors	17,837	900	297	33,065
Other Assets	382,969	3,898	371	20,334
Trading	5,281	201	-	-
Creditors	52,713	1,043	78	510
Investigations and CDDA	32,747	4,600	-	-
Employee Matters	4,150	-	-	-
Accounting and Administration	109,871	27,213	28,319	32,370
Environmental Issues	540	-	-	-
Statutory Duties	163,451	54,254	23,955	20,736
VAT and Taxation	164,424	62,960	47,548	243,975
Property	1,925	-	-	-
Other Matters	66,046	5,746	1,350	5,929
Legal issues	1,376	-	410	490
<b>Total</b>	<b>1,021,266</b>	<b>180,825</b>	<b>108,096</b>	<b>364,641</b>

Classification of work function	Total Fees Incurred 19 Nov 02 to 30 June 06 Group (KPMG) £
Project management and statutory matters	995,593
Creditors reporting and liaison	766,746
Distribution model	282,769
Holding companies	24,740
Intercompany debt	990,794
Investigations	6,051,453
LILo	68,628
PPA	1,462,039
Critical issues and exit strategy	1,437,229
Tax	986,572
Other (including CVA, CVA challenge)	880,489
<b>Total</b>	<b>13,947,052</b>



## Supervisors' Time Costs for the Period from the Respective Dates of Appointment to 30 June 2006

Company Name	Total Fees Incurred 28 January 2005 to 30 June 2006 £
TXUEurope Group plc	1,533,062
TXU Direct Sales Ltd	17,373
TXU Europe Renewable Generation Ltd	17,560
TXU Europe Energy Trading Ltd	865,470
TXU Europe Power Ltd	22,201
TXU UK Ltd	302,831
TXU Eastern Electricity Holdings Ltd	12,691
TXU Europe Merchant Properties Ltd	17,897
TXU Europe Merchant Generation Ltd	43,760
TXU Europe Power Development Ltd	10,506
TXU(UK) Holdings Ltd - CVA	5,562
TXU Europe Trading Ltd	7,813
TXU Europe Leasing (4) Ltd	8,257
TXU Europe (Partington) Ltd	18,730
TXU Europe Leasing (5) Ltd	5,813
TXU Europe Power Production Services Ltd	11,129
TXU Germany Ltd	8,703
TXU Europe Overseas Finance Ltd	7,493
TXU Finland Holdings Ltd	6,271
TXU Europe Natural Gas (Trading) Ltd	4,812
Energy Holdings (No. 6) Ltd	2,889
TXU Europe (Blade) Ltd	7,904
TXU Europe (Blade No. 2) Ltd	5,409
Precis (2264) Ltd	6,467
<b>Total</b>	<b>2,950,601</b>

## Table of Fourth Distribution Dividend Outcomes

	Cumulative First, Second & Third Distribution			Fourth Distribution			Total Distribution		
	Gross %	Net %	50:50 %	Gross %	Net %	50:50 %	Gross %	Net %	50:50 %
TXU Europe Group plc	47.54%	80.52%	<b>64.02%</b>	21.32%	12.33%	<b>16.82%</b>	68.86%	92.85%	<b>80.85%</b>
TXU Europe Energy Trading Limited	57.65%	16.14%	<b>36.89%</b>	4.75%	1.86%	<b>3.30%</b>	62.40%	18.00%	<b>40.20%</b>
TXU Europe Power Limited	51.44%	100.00%	<b>75.72%</b>	18.14%	0.00%	<b>9.07%</b>	69.58%	100.00%	<b>84.79%</b>
TXU UK Limited	92.81%	100.00%	<b>96.40%</b>	7.19%	0.00%	<b>3.59%</b>	100.00%	100.00%	<b>100.00%</b>
Eastern Electricity Holdings Limited	36.47%	100.00%	<b>68.23%</b>	42.05%	0.00%	<b>21.02%</b>	78.52%	100.00%	<b>89.25%</b>
TXU Europe Merchant Properties Limited	54.07%	100.00%	<b>77.03%</b>	21.63%	0.00%	<b>10.81%</b>	75.70%	100.00%	<b>87.85%</b>
TXU Europe Merchant Generation Limited	21.82%	5.55%	<b>13.68%</b>	2.05%	0.06%	<b>1.05%</b>	23.87%	5.61%	<b>14.74%</b>
TXU Europe Power Development Limited	15.37%	0.00%	<b>7.68%</b>	-	-	-	-	-	-
TXU Europe (Partington) Limited	6.38%	10.40%	<b>8.38%</b>	0.03%	0.05%	<b>0.03%</b>	6.40%	10.45%	<b>8.42%</b>
TXU Europe Power Production Services Limited	36.26%	36.38%	<b>36.32%</b>	0.60%	0.59%	<b>0.59%</b>	36.86%	36.97%	<b>36.91%</b>
TXU (UK) Holdings Limited	100.00%	100.00%	<b>100.00%</b>	0.00%	0.00%	<b>0.00%</b>	100.00%	100.00%	<b>100.00%</b>
Energy Holdings (No.6) Limited	-	-	-	-	-	-	-	-	-
TXU Europe Leasing (4) Limited	-	-	-	-	-	-	-	-	-
TXU Europe (Blade) Limited	100.00%	100.00%	<b>100.00%</b>	0.00%	0.00%	<b>0.00%</b>	100.00%	100.00%	<b>100.00%</b>
TXU Europe (Blade No.2) Limited	-	-	-	-	-	-	-	-	-
TXU Europe Trading Limited	-	-	-	-	-	-	-	-	-
TXU Europe Natural Gas (Trading) Limited	-	-	-	-	-	-	-	-	-
TXU Finland Holdings Limited	37.37%	37.37%	<b>37.36%</b>	0.28%	0.28%	<b>0.27%</b>	37.65%	37.65%	<b>37.64%</b>
TXU Germany Limited	56.13%	56.13%	<b>56.13%</b>	-	-	-	-	-	-
TXU Europe Overseas Finance Limited	-	-	-	-	-	-	-	-	-
TXU Europe Leasing (5) Limited	-	-	-	-	-	-	-	-	-
Precis (2264) Limited	100.00%	100.00%	<b>100.00%</b>	0.00%	0.00%	<b>0.00%</b>	100.00%	100.00%	<b>100.00%</b>
TXU Europe Renewable Generation Limited	58.29%	59.61%	<b>58.94%</b>	2.27%	0.00%	<b>1.13%</b>	60.56%	59.61%	<b>60.08%</b>
Eastern Group Finance Limited	100.00%	100.00%	<b>100.00%</b>	0.00%	0.00%	<b>0.00%</b>	100.00%	100.00%	<b>100.00%</b>
Anglian Power Generators Limited	2.24%	1.93%	<b>2.08%</b>	0.13%	0.01%	<b>0.06%</b>	2.37%	1.94%	<b>2.15%</b>
Peterborough Power Limited	45.09%	0.00%	<b>22.54%</b>	15.97%	0.00%	<b>7.98%</b>	61.06%	0.00%	<b>30.52%</b>
TXU Europe Power Services Limited	0.50%	2.85%	<b>1.67%</b>	0.88%	0.75%	<b>0.81%</b>	1.38%	3.60%	<b>2.48%</b>
TXU Direct Sales Limited	89.55%	100.00%	<b>94.77%</b>	10.45%	0.00%	<b>5.22%</b>	100.00%	100.00%	<b>100.00%</b>

### NOTES:

- Dividends shown exclude any payments to top up creditors.
- Where a dividend is shown as '-' it indicates that there are no known external creditors. Where a dividend % is shown at the first, second and third distribution but not at the total distribution, it means that any disputed claim reserved for at the first distribution has now gone away.

## Table of End Position Dividend Outcomes and Comparison to Previous Estimated CVA Outcomes

	Realistic					Pessimistic				
	CVA Estimated End Position	Previous Estimated End Position	Estimated End Position at 10 Aug 2006 - Realistic			CVA Estimated End Position	Previous Estimated End Position	Estimated End Position at 10 Aug 2006 - Pessimistic		
	50:50 %	50:50 %	Gross %	Net %	50:50 %	50:50 %	50:50 %	Gross %	Net %	50:50 %
TXU Europe Group plc	83.8%	97.1%	100.0%	100.0%	100.0%	56.4%	75.5%	84.4%	99.6%	92.0%
TXU Europe Energy Trading Limited	43.8%	43.3%	64.8%	22.2%	43.5%	35.9%	43.2%	64.0%	21.0%	43.0%
TXU Europe Power Limited	86.8%	94.5%	94.1%	100.0%	97.0%	74.0%	83.2%	81.2%	100.0%	90.6%
TXU UK Limited	100.0%	100.0%	100.0%	100.0%	100.0%	94.3%	100.0%	100.0%	100.0%	100.0%
Eastern Electricity Holdings Limited	94.0%	100.0%	100.0%	100.0%	100.0%	65.5%	100.0%	100.0%	100.0%	100.0%
TXU Europe Merchant Properties Limited	90.8%	100.0%	100.0%	100.0%	100.0%	73.9%	85.1%	91.5%	100.0%	95.7%
TXU Europe Merchant Generation Limited	16.0%	16.8%	26.3%	7.5%	16.9%	13.7%	15.9%	25.6%	7.0%	16.3%
TXU Europe Power Development Limited	11.7%	-	-	-	-	9.9%	-	-	-	-
TXU Europe (Partington) Limited	16.0%	16.8%	13.1%	13.1%	13.1%	13.6%	10.3%	10.4%	10.4%	10.4%
TXU Europe Power Production Services Limited	91.5%	66.4%	66.2%	66.5%	66.3%	68.9%	36.9%	38.7%	38.8%	38.8%
TXU (UK) Holdings Limited	-	-	-	-	-	-	-	-	-	-
Energy Holdings (No.6) Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe Leasing (4) Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe (Blade) Limited	100.0%	-	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	100.0%
TXU Europe (Blade No.2) Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe Trading Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe Natural Gas (Trading) Limited	-	-	-	-	-	-	-	-	-	-
TXU Finland Holdings Limited	-	39.6%	39.7%	39.7%	39.7%	-	39.2%	39.6%	39.6%	39.6%
TXU Germany Limited	58.0%	-	-	-	-	58.0%	-	-	-	-
TXU Europe Overseas Finance Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe Leasing (5) Limited	-	-	-	-	-	-	-	-	-	-
Precis (2264) Limited	-	-	-	-	-	-	-	-	-	-
TXU Europe Renewable Generation Limited	-	62.2%	64.6%	60.3%	62.4%	-	60.2%	62.7%	60.0%	61.3%
Eastern Group Finance Limited	100.0%	100.0%	100.0%	100.0%	100.0%	97.3%	100.0%	100.0%	100.0%	100.0%
Anglian Power Generators Limited	3.0%	2.1%	2.5%	1.9%	2.2%	2.9%	2.1%	2.4%	1.9%	2.1%
Peterborough Power Limited	-	39.1%	85.6%	0.0%	42.8%	-	29.1%	73.8%	0.0%	36.9%
TXU Europe Power Services Limited	7.3%	3.7%	2.5%	4.0%	3.2%	6.6%	2.7%	1.9%	4.0%	2.9%
TXU Direct Sales Limited	100.0%	100.0%	100.0%	100.0%	100.0%	91.5%	100.0%	100.0%	100.0%	100.0%

### NOTES:

- Dividends shown exclude any payments to top up creditors.
- Where a dividend is shown as '-' it indicates there are no external creditors.
- The TXU EET dividend percentage has reduced slightly on a realistic basis. This is primarily due to TXU EET having to make a payment under clause 2.3.5 of Annex 5 where there is insufficient cash available in the Adjustment Top-Up Escrow Account to pay to TXU Acquisitions Limited. This dividend percentage excludes any top-up payments which are currently anticipated to total 5p in the £.

**EY CVA companies**

TXU Europe Group plc (In Administration)

TXU Europe Energy Trading Limited (In Administration)

TXU Europe Power Limited (In Administration)

TXU UK Limited (In Administration)

Eastern Electricity Holdings Limited (In Administration)

TXU Europe Merchant Properties Limited (In Liquidation)

TXU Europe Merchant Generation Limited (In Liquidation)

TXU Europe Power Development Limited (In Liquidation)

TXU Europe (Partington) Limited (In Liquidation)

TXU Europe Power Production Services Limited (In Liquidation)

TXU (UK) Holdings Limited (In Administration)

Energy Holdings (No.6) Limited (In Administration)

TXU Europe Leasing (4) Limited (In Liquidation)

TXU Europe (Blade) Limited (In Liquidation)

TXU Europe (Blade No.2) Limited (In Liquidation)

TXU Europe Trading Limited (In Liquidation)

TXU Europe Natural Gas (Trading) Limited (In Liquidation)

TXU Finland Holdings Limited (In Liquidation)

TXU Germany Limited (In Liquidation)

TXU Europe Overseas Finance Limited (In Liquidation)

TXU Europe Leasing (5) Limited (In Liquidation)

Precis (2264) Limited (In Liquidation)

TXU Europe Renewable Generation Limited (In Liquidation)

TXU Direct Sales Limited (In Liquidation)

**KPMG CVA companies**

TXU Europe Power Services Limited (In Administration)

Eastern Group Finance Limited (In Liquidation)

Peterborough Power Limited (In Administration)

Anglian Power Generators Limited (In Administration)

**Note:** KPMG will be reporting separately on the CVA developments for the KPMG CVA Companies listed above.