

**EDISON INTERNATIONAL REPORTS 2007 FINANCIAL RESULTS**

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**Edison International  
Consolidated Statements of Income**

<b>In millions, except per-share amounts</b>	<b>Quarter Ended</b>		<b>Year Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Electric utility	\$ 2,581	\$ 2,494	\$ 10,476	\$ 10,312
Nonutility power generation	623	554	2,575	2,228
Financial services and other	7	19	62	82
<b>Total operating revenue</b>	<b>3,211</b>	<b>3,067</b>	<b>13,113</b>	<b>12,622</b>
Fuel	449	431	1,875	1,757
Purchased power	694	590	3,124	3,409
Provisions for regulatory adjustment clauses – net	82	281	271	25
Other operation and maintenance	1,176	1,034	4,067	3,762
Depreciation, decommissioning and amortization	327	258	1,264	1,181
Net loss (gain) on sale of utility property and plant	2	(1)	3	(2)
<b>Total operating expenses</b>	<b>2,730</b>	<b>2,593</b>	<b>10,604</b>	<b>10,132</b>
<b>Operating income</b>	<b>481</b>	<b>474</b>	<b>2,509</b>	<b>2,490</b>
Interest and dividend income	29	48	154	169
Equity in income from partnerships and unconsolidated subsidiaries – net	7	26	79	79
Other nonoperating income	21	43	95	133
Interest expense – net of amounts capitalized	(175)	(200)	(752)	(807)
Other nonoperating deductions	(13)	(28)	(45)	(63)
Loss on early extinguishment of debt	—	(3)	(241)	(146)
<b>Income from continuing operations before tax and minority interest</b>	<b>350</b>	<b>360</b>	<b>1,799</b>	<b>1,855</b>
Income tax expense	100	66	492	582
Dividends on preferred and preference stock of utility not subject to mandatory redemption	13	13	51	51
Minority interest	23	15	156	139
<b>Income from continuing operations</b>	<b>214</b>	<b>266</b>	<b>1,100</b>	<b>1,083</b>
Income (loss) from discontinued operations – net of tax	(3)	22	(2)	97
<b>Income before accounting change</b>	<b>211</b>	<b>288</b>	<b>1,098</b>	<b>1,180</b>
Cumulative effect of accounting change – net of tax	—	—	—	1
<b>Net income</b>	<b>\$ 211</b>	<b>\$ 288</b>	<b>\$ 1,098</b>	<b>\$ 1,181</b>
<b>Weighted-average shares of common stock outstanding</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>326</b>
<b>Basic earnings (loss) per share:</b>				
Continuing operations	\$ 0.65	\$ 0.80	\$ 3.34	\$ 3.28
Discontinued operations	(0.01)	0.07	(0.01)	0.30
<b>Total</b>	<b>\$ 0.64</b>	<b>\$ 0.87</b>	<b>\$ 3.33</b>	<b>\$ 3.58</b>
<b>Weighted-average shares, including effect of dilutive securities</b>	<b>330</b>	<b>330</b>	<b>331</b>	<b>330</b>
<b>Diluted earnings (loss) per share:</b>				
Continuing operations	\$ 0.65	\$ 0.80	\$ 3.32	\$ 3.27
Discontinued operations	(0.01)	0.07	(0.01)	0.30
<b>Total</b>	<b>\$ 0.64</b>	<b>\$ 0.87</b>	<b>\$ 3.31</b>	<b>\$ 3.57</b>
Dividends declared per common share	\$ 0.305	\$ 0.29	\$ 1.175	\$ 1.10

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**Edison International  
Consolidated Balance Sheets**

<b>In millions</b>	<b>December 31, December 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,441	\$ 1,795
Restricted cash	3	59
Margin and collateral deposits	141	124
Receivables, less allowances of \$34 and \$29 for uncollectible accounts at respective dates	1,033	1,014
Accrued unbilled revenue	370	303
Fuel inventory	116	122
Materials and supplies	316	270
Accumulated deferred income taxes – net	167	203
Derivative assets	110	328
Regulatory assets	197	554
Short-term investments	81	558
Other current assets	290	152
<b>Total current assets</b>	<b>4,265</b>	<b>5,482</b>
Nonutility property – less accumulated provision for depreciation of \$1,765 and \$1,627 at respective dates	4,906	4,356
Nuclear decommissioning trusts	3,378	3,184
Investments in partnerships and unconsolidated subsidiaries	272	308
Investments in leveraged leases	2,473	2,495
Other investments	96	91
<b>Total investments and other assets</b>	<b>11,125</b>	<b>10,434</b>
Utility plant, at original cost:		
Transmission and distribution	18,940	17,606
Generation	1,767	1,465
Accumulated provision for depreciation	(5,174)	(4,821)
Construction work in progress	1,693	1,486
Nuclear fuel, at amortized cost	177	177
<b>Total utility plant</b>	<b>17,403</b>	<b>15,913</b>
Regulatory assets	2,721	2,818
Restricted cash	48	91
Margin and collateral deposits	18	4
Derivative assets	122	131
Rent payments in excess of levelized rent expense under plant operating leases	716	556
Other long-term assets	1,144	832
<b>Total long-term assets</b>	<b>4,769</b>	<b>4,432</b>
<b>Total assets</b>	<b>\$ 37,562</b>	<b>\$ 36,261</b>

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**Edison International  
Consolidated Balance Sheets**

<b>In millions, except share amounts</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term debt	\$ 500	\$ —
Long-term debt due within one year	18	488
Accounts payable	979	926
Accrued taxes	49	155
Accrued interest	160	196
Counterparty collateral	42	36
Customer deposits	219	198
Book overdrafts	212	140
Derivative liabilities	149	181
Regulatory liabilities	1,019	1,000
Other current liabilities	933	983
<b>Total current liabilities</b>	<b>4,280</b>	<b>4,303</b>
<b>Long-term debt</b>	<b>9,016</b>	<b>9,101</b>
Accumulated deferred income taxes – net	5,196	5,297
Accumulated deferred investment tax credits	114	122
Customer advances	155	160
Derivative liabilities	116	86
Power-purchase contracts	22	32
Accumulated provision for pensions and benefits	1,089	1,099
Asset retirement obligations	2,892	2,759
Regulatory liabilities	3,433	3,140
Other deferred credits and other long-term liabilities	1,595	1,267
<b>Total deferred credits and other liabilities</b>	<b>14,612</b>	<b>13,962</b>
<b>Total liabilities</b>	<b>27,908</b>	<b>27,366</b>
<b>Minority interest</b>	<b>295</b>	<b>271</b>
<b>Preferred and preference stock of utility not subject to mandatory redemption</b>	<b>915</b>	<b>915</b>
Common stock, no par value (325,811,206 shares outstanding at each date)	2,225	2,080
Accumulated other comprehensive income (loss)	(92)	78
Retained earnings	6,311	5,551
<b>Total common shareholders' equity</b>	<b>8,444</b>	<b>7,709</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 37,562</b>	<b>\$ 36,261</b>

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**Edison International**  
**Consolidated Statements of Cash Flows**

<b>In millions</b>	<b>Year Ended December 31,</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>			
Net income	\$ 1,098	\$ 1,181	\$ 1,137
Less: income (loss) from discontinued operations	(2)	97	30
<b>Income from continuing operations</b>	<b>1,100</b>	1,084	1,107
Adjustments to reconcile to net cash provided by operating activities:			
Cumulative effect of accounting change – net of tax	—	(1)	1
Depreciation, decommissioning and amortization	1,264	1,181	1,061
Loss on impairment of nuclear decommissioning trusts	58	54	—
Other amortization	111	99	107
Stock-based compensation	37	47	48
Minority interest	156	139	167
Deferred income taxes and investment tax credits	(39)	(136)	160
Equity in income from partnerships and unconsolidated subsidiaries	(75)	(76)	(136)
Income from leveraged leases	(49)	(67)	(71)
Regulatory assets – long-term	148	92	387
Regulatory liabilities – long-term	157	18	(168)
Loss on early extinguishment of debt	241	146	25
Impairment losses	—	—	67
Levelized rent expense	(160)	(161)	(117)
Derivative assets – long-term	(14)	(8)	(42)
Derivative liabilities – long-term	(67)	50	97
Other assets	(180)	(231)	75
Other liabilities	197	307	1
Margin and collateral deposits – net of collateral received	(24)	601	(586)
Receivables and accrued unbilled revenue	(59)	208	(321)
Derivative assets – short-term	111	182	(233)
Derivative liabilities – short-term	(108)	(103)	137
Inventory and other current assets	(121)	(68)	(47)
Regulatory assets – short-term	357	(18)	17
Regulatory liabilities – short-term	19	318	192
Book overdrafts	72	—	—
Accrued interest and taxes	12	(123)	36
Accounts payable and other current liabilities	18	(121)	203
Distributions and dividends from unconsolidated entities	33	61	58
Operating cash flows from discontinued operations	(2)	94	22
<b>Net cash provided by operating activities</b>	<b>3,193</b>	3,568	2,247
<b>Cash flows from financing activities:</b>			
Long-term debt issued	2,930	2,350	1,325
Premiums paid on extinguishment of debt and issuance costs	(241)	(181)	(25)
Long-term debt repaid	(3,215)	(2,110)	(2,071)
Bonds repurchased	(37)	—	—
Issuance of preference stock	—	196	591
Redemption of preferred stock	—	—	(148)
Rate reduction notes repaid	(246)	(246)	(246)
Book overdrafts	—	(118)	25
Short-term debt financing – net	500	—	(88)
Shares purchased for stock-based compensation	(215)	(173)	(192)
Proceeds from stock option exercises	86	66	85
Excess tax benefits related to stock option exercises	45	27	—
Dividends to minority shareholders	(106)	(162)	(174)
Dividends paid	(378)	(352)	(326)
<b>Net cash used by financing activities</b>	<b>\$ (877)</b>	<b>\$ (703)</b>	<b>\$ (1,244)</b>

**Edison International**  
**Consolidated Statements of Cash Flows**

<b>In millions</b>	<b>Year Ended December 31,</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	\$ (2,826)	\$ (2,536)	\$ (1,868)
Purchase of interest of acquired companies	(33)	(18)	(154)
Proceeds from sale of property and interest in projects	2	89	10
Proceeds from sale of discontinued operations	—	—	124
Proceeds from nuclear decommissioning trust sales	3,697	3,010	2,067
Purchases of nuclear decommissioning trusts investments	(3,830)	(3,150)	(2,159)
Proceeds from partnerships and unconsolidated subsidiaries, net of investment	42	25	132
Maturities and sales of short-term investments	9,953	7,128	2,928
Purchases of short-term investments	(9,476)	(7,474)	(2,999)
Restricted cash	99	13	53
Customer advances for construction and other investments	(298)	(50)	62
Investing cash flows from discontinued operations	—	—	5
<b>Net cash used by investing activities</b>	<b>(2,670)</b>	<b>(2,963)</b>	<b>(1,799)</b>
<b>Effect of consolidation of variable interest entities on cash</b>	<b>—</b>	<b>—</b>	<b>3</b>
<b>Effect of exchange rate changes on cash</b>	<b>—</b>	<b>—</b>	<b>(1)</b>
<b>Net decrease in cash and equivalents</b>	<b>(354)</b>	<b>(98)</b>	<b>(794)</b>
Cash and equivalents, beginning of year	1,795	1,893	2,689
Cash and equivalents, end of year	1,441	1,795	1,895
Cash and equivalents – discontinued operations	—	—	(2)
<b>Cash and equivalents – continuing operations</b>	<b>\$ 1,441</b>	<b>\$ 1,795</b>	<b>\$ 1,893</b>