

**Edison International**  
**Consolidated Statements of Income**

In millions, except per-share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
			(Unaudited)	
Electric utility	\$ 2,459	\$ 2,521	\$4,681	\$ 4,739
Nonutility power generation	569	460	1,241	970
Financial services and other	19	20	37	44
<b>Total operating revenue</b>	<b>3,047</b>	<b>3,001</b>	<b>5,959</b>	<b>5,753</b>
Fuel	438	380	924	840
Purchased power	829	769	1,146	1,783
Provisions for regulatory adjustment clauses - net	(33)	(10)	255	(371)
Other operation and maintenance	999	933	1,879	1,818
Depreciation, decommissioning and amortization	313	339	627	631
Net gain on sale of utility property and plant	—	(1)	(1)	(1)
<b>Total operating expenses</b>	<b>2,546</b>	<b>2,410</b>	<b>4,830</b>	<b>4,700</b>
<b>Operating income</b>	<b>501</b>	<b>591</b>	<b>1,129</b>	<b>1,053</b>
Interest and dividend income	45	43	85	80
Equity in income from partnerships and unconsolidated subsidiaries - net	20	10	37	14
Other nonoperating income	22	33	39	74
Interest expense - net of amounts capitalized	(188)	(209)	(386)	(409)
Loss on early extinguishment of debt	(241)	(143)	(241)	(143)
Other nonoperating deductions	(9)	(10)	(22)	(22)
<b>Income from continuing operations before tax and minority interest</b>	<b>150</b>	<b>315</b>	<b>641</b>	<b>647</b>
Income tax expense	—	95	129	206
Dividends on preferred and preference stock of utility not subject to mandatory redemption	13	13	26	25
Minority interest	46	34	65	59
<b>Income from continuing operations</b>	<b>91</b>	<b>173</b>	<b>421</b>	<b>357</b>
Income from discontinued operations - net of tax	2	4	5	77
<b>Income before accounting change</b>	<b>93</b>	<b>177</b>	<b>426</b>	<b>434</b>
Cumulative effect of accounting change - net of tax	—	—	—	1
<b>Net income</b>	<b>\$ 93</b>	<b>\$ 177</b>	<b>\$ 426</b>	<b>\$ 435</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 per common share:</b>				
Continuing operations	\$ 0.28	\$ 0.53	\$ 1.28	\$ 1.08
Discontinued operations	0.01	0.01	0.01	0.24
<b>Total</b>	<b>\$ 0.29</b>	<b>\$ 0.54</b>	<b>\$ 1.29</b>	<b>\$ 1.32</b>
<b>Weighted-average shares, including effect of dilutive securities</b>	<b>330</b>	<b>330</b>	<b>331</b>	<b>331</b>
<b>Diluted earnings per common share:</b>				
Continuing operations	\$ 0.28	\$ 0.53	\$ 1.28	\$ 1.09
Discontinued operations	—	0.01	0.01	0.23
<b>Total</b>	<b>\$ 0.28</b>	<b>\$ 0.54</b>	<b>\$ 1.29</b>	<b>\$ 1.32</b>
Dividends declared per common share	\$ 0.29	\$ 0.27	\$ 0.58	\$ 0.54

EDISON INTERNATIONAL REPORTS 2007 SECOND QUARTER FINANCIAL RESULTS

Edison International  
Consolidated Balance Sheets

In millions	June 30, 2007	December 31, 2006
	(Unaudited)	
<b>ASSETS</b>		
Cash and equivalents	\$ 1,219	\$ 1,795
Restricted cash	52	59
Margin and collateral deposits	232	124
Receivables, less allowances of \$26 and \$29 for uncollectible accounts at respective dates	1,050	1,014
Accrued unbilled revenue	480	303
Fuel inventory	133	122
Materials and supplies	282	270
Accumulated deferred income taxes - net	349	203
Derivative assets	277	328
Regulatory assets	385	554
Short-term investments	317	558
Other current assets	215	152
<b>Total current assets</b>	<b>4,991</b>	<b>5,482</b>
Nonutility property - less accumulated provision for depreciation of \$1,688 and \$1,627 at respective dates	4,534	4,356
Nuclear decommissioning trusts	3,304	3,184
Investments in partnerships and unconsolidated subsidiaries	271	308
Investments in leveraged leases	2,507	2,495
Other investments	108	91
<b>Total investments and other assets</b>	<b>10,724</b>	<b>10,434</b>
Utility plant, at original cost:		
Transmission and distribution	18,138	17,606
Generation	1,481	1,465
Accumulated provision for depreciation	(4,927)	(4,821)
Construction work in progress	1,684	1,486
Nuclear fuel, at amortized cost	168	177
<b>Total utility plant</b>	<b>16,544</b>	<b>15,913</b>
Regulatory assets	2,821	2,818
Restricted cash	62	91
Margin and collateral deposits	14	4
Derivative assets	107	131
Rent payments in excess of levelized rent expense under plant operating leases	668	556
Other long-term assets	1,052	832
<b>Total long-term assets</b>	<b>4,724</b>	<b>4,432</b>
<b>Total assets</b>	<b>\$ 36,983</b>	<b>\$ 36,261</b>

EDISON INTERNATIONAL REPORTS 2007 SECOND QUARTER FINANCIAL RESULTS

Edison International  
Consolidated Balance Sheets

In millions, except share amounts	June 30, 2007	December 31, 2006
	(Unaudited)	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term debt	\$ 175	\$ —
Long-term debt due within one year	330	488
Accounts payable	853	926
Accrued taxes	163	155
Accrued interest	182	196
Counterparty collateral	40	36
Customer deposits	212	198
Book overdrafts	222	140
Derivative liabilities	123	181
Regulatory liabilities	1,120	1,000
Other current liabilities	859	983
<b>Total current liabilities</b>	<b>4,279</b>	<b>4,303</b>
<b>Long-term debt</b>	<b>9,091</b>	<b>9,101</b>
Accumulated deferred income taxes – net	5,309	5,297
Accumulated deferred investment tax credits	119	122
Customer advances	161	160
Derivative liabilities	65	86
Power-purchase contracts	27	32
Accumulated provision for pensions and benefits	1,152	1,099
Asset retirement obligations	2,810	2,759
Regulatory liabilities	3,234	3,140
Other deferred credits and other long-term liabilities	1,494	1,267
<b>Total deferred credits and other liabilities</b>	<b>14,371</b>	<b>13,962</b>
<b>Total liabilities</b>	<b>27,741</b>	<b>27,366</b>
<b>Minority interest</b>	<b>292</b>	<b>271</b>
Preferred and preference stock of utility not subject to mandatory redemption	915	915
Common stock, no par value (325,811,206 shares outstanding at each date)	2,106	2,080
Accumulated other comprehensive income (loss)	(18)	78
Retained earnings	5,947	5,551
<b>Total common shareholders' equity</b>	<b>8,035</b>	<b>7,709</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$36,983</b>	<b>\$ 36,261</b>

EDISON INTERNATIONAL REPORTS 2007 SECOND QUARTER FINANCIAL RESULTS

Edison International  
Consolidated Statements of Cash Flows

In millions	Six Months Ended June 30,	
	2007	2006
	(Unaudited)	
<b>Cash flows from operating activities:</b>		
Net income	\$ 426	\$ 435
Less: income from discontinued operations - net of tax	5	77
Income from continuing operations	421	358
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change - net of tax	-	(1)
Depreciation, decommissioning and amortization	627	631
Realized loss on nuclear decommissioning trusts	23	-
Other amortization	64	43
Minority interest	65	59
Deferred income taxes and investment tax credits	(193)	160
Equity in income from partnerships and unconsolidated subsidiaries	(37)	(14)
Income from leveraged leases	(31)	(36)
Levelized rent expense	(112)	(112)
Loss on early extinguishment of debt	241	143
Regulatory assets - long-term	76	112
Regulatory liabilities - long-term	(1)	(174)
Derivative assets - long-term	(4)	14
Derivative liabilities - long-term	(57)	38
Other assets	(22)	(96)
Other liabilities	251	(14)
Margin and collateral deposits - net of collateral received	(113)	263
Receivables and accrued unbilled revenue	(189)	(78)
Derivative assets - short-term	(40)	171
Derivative liabilities - short-term	(63)	42
Inventory and other current assets	(42)	(47)
Regulatory assets - short-term	169	(204)
Regulatory liabilities - short-term	121	29
Accrued interest and taxes	205	(4)
Accounts payable and other current liabilities	(151)	(333)
Distributions and dividends from unconsolidated entities	21	26
Operating cash flows from discontinued operations	5	82
<b>Net cash provided by operating activities</b>	<b>1,234</b>	<b>1,058</b>
<b>Cash flows from financing activities:</b>		
Long-term debt issued	2,905	1,815
Premium paid on extinguishment of debt and issuance costs	(240)	(26)
Long-term debt repaid	(2,965)	(1,818)
Issuance of preference stock	-	196
Rate reduction notes repaid	(116)	(116)
Short-term debt financing - net	175	518
Change in book overdrafts	82	(64)
Shares purchased for stock-based compensation	(180)	(101)
Proceeds from stock option exercises	72	33
Excess tax benefits related to stock option exercises	35	14
Dividends to minority shareholders	(32)	(63)
Dividends paid	(189)	(176)
<b>Net cash provided (used) by financing activities</b>	<b>\$ (453)</b>	<b>\$ 212</b>

# EDISON INTERNATIONAL REPORTS 2007 SECOND QUARTER FINANCIAL RESULTS

## Edison International Consolidated Statements of Cash Flows

<b>In millions</b>	<b>Six Months Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
<b>Cash flows from investing activities:</b>		
Capital expenditures	\$ (1,335)	\$ (1,207)
Purchase of interest of acquired companies	(23)	(18)
Proceeds from sale of property and interests in projects	—	44
Proceeds from nuclear decommissioning trust sales	2,017	1,461
Purchases of nuclear decommissioning trust investments	(2,084)	(1,544)
Proceeds from partnerships and unconsolidated subsidiaries, net of investment	31	13
Maturities and sales of short-term investments	270	97
Purchase of short-term investments	(30)	(173)
Restricted cash	30	(15)
Turbine deposits	(241)	(17)
Customer advances for construction and other investments	8	54
<b>Net cash used by investing activities</b>	<b>(1,357)</b>	<b>(1,305)</b>
<b>Net decrease in cash and equivalents</b>	<b>(576)</b>	<b>(35)</b>
Cash and equivalents, beginning of period	1,795	1,893
<b>Cash and equivalents, end of period</b>	<b>\$ 1,219</b>	<b>\$ 1,858</b>