

EDISON INTERNATIONAL REPORTS 2007 THIRD QUARTER FINANCIAL RESULTS
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Edison International
Consolidated Statements of Income

In millions, except per-share amounts	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
			(Unaudited)	
Electric utility	\$ 3,213	\$ 3,079	\$ 7,895	\$ 7,818
Nonutility power generation	711	704	1,952	1,674
Financial services and other	18	19	55	63
Total operating revenue	3,942	3,802	9,902	9,555
Fuel	502	486	1,425	1,326
Purchased power	1,284	1,036	2,431	2,819
Provisions for regulatory adjustment clauses – net	(66)	115	189	(256)
Other operation and maintenance	1,013	909	2,893	2,727
Depreciation, decommissioning and amortization	310	293	937	924
Net loss (gain) on sale of utility property and plant	1	—	—	(1)
Total operating expenses	3,044	2,839	7,875	7,539
Operating income	898	963	2,027	2,016
Interest and dividend income	40	41	125	120
Equity in income from partnerships and unconsolidated subsidiaries – net	35	39	72	53
Other nonoperating income	35	16	75	91
Interest expense – net of amounts capitalized	(191)	(199)	(577)	(608)
Loss on early extinguishment of debt	—	—	(241)	(143)
Other nonoperating deductions	(7)	(13)	(31)	(35)
Income from continuing operations before tax and minority interest	810	847	1,450	1,494
Income tax expense	263	310	392	516
Dividends on preferred and preference stock of utility not subject to mandatory redemption	13	13	38	38
Minority interest	69	64	134	123
Income from continuing operations	465	460	886	817
Income (loss) from discontinued operations – net of tax	(4)	(2)	1	75
Income before accounting change	461	458	887	892
Cumulative effect of accounting change – net of tax	—	—	—	1
Net income	\$ 461	\$ 458	\$ 887	\$ 893
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings (loss) per common share:				
Continuing operations	\$ 1.41	\$ 1.39	\$ 2.69	\$ 2.48
Discontinued operations	(0.01)	(0.01)	—	0.23
Total	\$ 1.40	\$ 1.38	\$ 2.69	\$ 2.71
Weighted-average shares, including effect of dilutive securities	330	330	331	331
Diluted earnings (loss) per common share:				
Continuing operations	\$ 1.40	\$ 1.39	\$ 2.67	\$ 2.48
Discontinued operations	(0.01)	(0.01)	—	0.23
Total	\$ 1.39	\$ 1.38	\$ 2.67	\$ 2.71
Dividends declared per common share	\$ 0.29	\$ 0.27	\$ 0.87	\$ 0.81

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Edison International
Consolidated Balance Sheets

In millions	September 30,	December 31,
	2007	2006
	(Unaudited)	
ASSETS		
Cash and equivalents	\$ 1,458	\$ 1,795
Restricted cash	60	59
Margin and collateral deposits	137	124
Receivables, less allowances of \$30 and \$29 for uncollectible accounts at respective dates	1,282	1,014
Accrued unbilled revenue	506	303
Fuel inventory	119	122
Materials and supplies	307	270
Accumulated deferred income taxes – net	240	203
Derivative assets	201	328
Regulatory assets	295	554
Short-term investments	352	558
Other current assets	206	152
Total current assets	5,163	5,482
Nonutility property – less accumulated provision for depreciation of \$1,706 and \$1,627 at respective dates	4,703	4,356
Nuclear decommissioning trusts	3,398	3,184
Investments in partnerships and unconsolidated subsidiaries	293	308
Investments in leveraged leases	2,514	2,495
Other investments	112	91
Total investments and other assets	11,020	10,434
Utility plant, at original cost:		
Transmission and distribution	18,492	17,606
Generation	1,681	1,465
Accumulated provision for depreciation	(5,050)	(4,821)
Construction work in progress	1,584	1,486
Nuclear fuel, at amortized cost	224	177
Total utility plant	16,931	15,913
Regulatory assets	2,825	2,818
Restricted cash	58	91
Margin and collateral deposits	19	4
Derivative assets	129	131
Rent payments in excess of levelized rent expense under plant operating leases	717	556
Other long-term assets	958	832
Total long-term assets	4,706	4,432
Total assets	\$ 37,820	\$ 36,261

Edison International
Consolidated Balance Sheets

In millions, except share amounts	September 30, 2007	December 31, 2006
	(Unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Long-term debt due within one year	\$ 236	\$ 488
Accounts payable	850	926
Accrued taxes	313	155
Accrued interest	204	196
Counterparty collateral	42	36
Customer deposits	217	198
Book overdrafts	254	140
Derivative liabilities	200	181
Regulatory liabilities	1,316	1,000
Other current liabilities	986	983
Total current liabilities	4,618	4,303
Long-term debt	9,056	9,101
Accumulated deferred income taxes – net	5,291	5,297
Accumulated deferred investment tax credits	117	122
Customer advances	158	160
Derivative liabilities	86	86
Power-purchase contracts	25	32
Accumulated provision for pensions and benefits	1,164	1,099
Asset retirement obligations	2,831	2,759
Regulatory liabilities	3,315	3,140
Other deferred credits and other long-term liabilities	1,546	1,267
Total deferred credits and other liabilities	14,533	13,962
Total liabilities	28,207	27,366
Minority interest	309	271
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)	2,116	2,080
Accumulated other comprehensive income (loss)	(33)	78
Retained earnings	6,306	5,551
Total common shareholders' equity	8,389	7,709
Total liabilities and shareholders' equity	\$ 37,820	\$ 36,261

Edison International
Consolidated Statements of Cash Flows

In millions	Nine Months Ended September 30,	
	2007	2006
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 887	\$ 893
Less: income from discontinued operations – net of tax	1	75
Income from continuing operations	886	818
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change – net of tax	—	(1)
Depreciation, decommissioning and amortization	937	924
Realized loss on nuclear decommissioning trusts	42	—
Other amortization	94	71
Minority interest	134	123
Deferred income taxes and investment tax credits	(83)	(154)
Equity in income from partnerships and unconsolidated subsidiaries	(72)	(53)
Income from leveraged leases	(46)	(52)
Levelized rent expense	(161)	(160)
Loss on early extinguishment of debt	241	143
Regulatory assets – long-term	53	117
Regulatory liabilities – long-term	(4)	(151)
Derivative assets – long-term	8	(73)
Derivative liabilities – long-term	(40)	139
Other assets	(25)	(90)
Other liabilities	276	5
Margin and collateral deposits – net of collateral received	(20)	462
Receivables and accrued unbilled revenue	(467)	(286)
Derivative assets – short-term	72	204
Derivative liabilities – short-term	(80)	5
Inventory and other current assets	(56)	(63)
Regulatory assets – short-term	259	(20)
Regulatory liabilities – short-term	316	606
Accrued interest and taxes	366	562
Accounts payable and other current liabilities	(77)	(235)
Distributions and dividends from unconsolidated entities	43	19
Operating cash flows from discontinued operations	1	82
Net cash provided by operating activities	2,597	2,942
Cash flows from financing activities:		
Long-term debt issued	2,930	1,877
Premium paid on extinguishment of debt and issuance costs	(240)	(145)
Long-term debt repaid	(3,061)	(1,954)
Issuance of preference stock	—	196
Rate reduction notes repaid	(178)	(177)
Change in book overdrafts	131	(31)
Shares purchased for stock-based compensation	(192)	(124)
Proceeds from stock option exercises	77	45
Excess tax benefits related to stock option exercises	39	18
Dividends to minority shareholders	(76)	(114)
Dividends paid	(283)	(264)
Net cash used by financing activities	\$ (853)	\$ (673)

Edison International
Consolidated Statements of Cash Flows

In millions	Nine Months Ended	
	September 30,	
	2007	2006
	(Unaudited)	
Cash flows from investing activities:		
Capital expenditures	\$ (1,979)	\$ (1,757)
Purchase of interest of acquired companies	(28)	(18)
Proceeds from sale of property and interests in projects	—	43
Proceeds from nuclear decommissioning trust sales	2,866	2,145
Purchases of nuclear decommissioning trust investments	(2,967)	(2,253)
Proceeds from partnerships and unconsolidated subsidiaries, net of investment	17	53
Maturities and sales of short-term investments	7,380	4,608
Purchase of short-term investments	(7,174)	(4,764)
Restricted cash	36	(10)
Customer advances for construction and other investments	(232)	(5)
Net cash used by investing activities	(2,081)	(1,958)
Net Increase (decrease) in cash and equivalents	(337)	311
Cash and equivalents, beginning of period	1,795	1,893
Cash and equivalents, end of period	\$ 1,458	\$ 2,204