

Edison International
Consolidated Statements of Income

In millions, except per-share amounts	Three Months Ended March 31,	
	2008	2007
	(Unaudited)	
Electric utility	\$ 2,349	\$ 2,222
Nonutility power generation	719	672
Financial services and other	15	18
Total operating revenue	3,083	2,912
Fuel	537	486
Purchased power	491	317
Provisions for regulatory adjustment clauses – net	172	289
Other operation and maintenance	974	880
Depreciation, decommissioning and amortization	298	313
Gain on buyout of contract and sale of assets	(17)	—
Total operating expenses	2,455	2,285
Operating income	628	627
Interest and dividend income	14	39
Equity in income from partnerships and unconsolidated subsidiaries – net	2	17
Other nonoperating income	25	17
Interest expense – net of amounts capitalized	(171)	(198)
Other nonoperating deductions	(12)	(11)
Income from continuing operations before tax and minority interest	486	491
Income tax expense	161	129
Dividends on preferred and preference stock of utility not subject to mandatory redemption	13	13
Minority interest	8	19
Income from continuing operations	304	330
Income (loss) from discontinued operations – net of tax	(5)	3
Net income	\$ 299	\$ 333
Weighted-average shares of common stock outstanding	326	326
Basic earnings (loss) per common share:		
Continuing operations	\$ 0.92	\$ 1.00
Discontinued operations	(0.01)	0.01
Total	\$ 0.91	\$ 1.01
Weighted-average shares, including effect of dilutive securities	329	330
Diluted earnings (loss) per common share:		
Continuing operations	\$ 0.92	\$ 0.99
Discontinued operations	(0.01)	0.01
Total	\$ 0.91	\$ 1.00
Dividends declared per common share	\$ 0.305	\$ 0.29

Edison International
Consolidated Balance Sheets

In millions	March 31, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Cash and equivalents	\$ 1,545	\$ 1,441
Short-term investments	35	81
Receivables, less allowance of \$34 for uncollectible accounts at each date	1,038	1,033
Accrued unbilled revenue	342	370
Fuel inventory	120	116
Materials and supplies	311	316
Derivative assets	192	109
Restricted cash	3	3
Margin and collateral deposits	147	121
Regulatory assets	128	197
Accumulated deferred income taxes – net	218	167
Other current assets	339	290
Total current assets	4,418	4,244
Nonutility property – less accumulated provision for depreciation of \$1,822 and \$1,765 at respective dates	4,951	4,906
Nuclear decommissioning trusts	3,195	3,378
Investments in partnerships and unconsolidated subsidiaries	260	272
Investments in leveraged leases	2,486	2,473
Other investments	108	96
Total investments and other assets	11,000	11,125
Utility plant, at original cost:		
Transmission and distribution	19,158	18,940
Generation	1,795	1,767
Accumulated provision for depreciation	(5,306)	(5,174)
Construction work in progress	1,820	1,693
Nuclear fuel, at amortized cost	231	177
Total utility plant	17,698	17,403
Derivative assets	135	122
Restricted cash	45	48
Rent payments in excess of levelized rent expense under plant operating leases	765	716
Regulatory assets	2,726	2,721
Other long-term assets	1,164	1,144
Total long-term assets	4,835	4,751
Total assets	\$ 37,951	\$ 37,523

Edison International
Consolidated Balance Sheets

In millions	March 31, 2008	December 31, 2007
	(Unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	\$ 400	\$ 500
Long-term debt due within one year	164	18
Accounts payable	807	979
Accrued taxes	119	49
Accrued interest	223	160
Counterparty collateral	48	42
Customer deposits	221	219
Book overdrafts	192	212
Derivative liabilities	203	125
Regulatory liabilities	1,201	1,019
Other current liabilities	814	933
Total current liabilities	4,392	4,256
Long-term debt	9,325	9,016
Accumulated deferred income taxes – net	5,201	5,196
Accumulated deferred investment tax credits	112	114
Customer advances	149	155
Derivative liabilities	111	101
Power-purchase contracts	22	22
Accumulated provision for pensions and benefits	1,133	1,089
Asset retirement obligations	2,925	2,892
Regulatory liabilities	3,256	3,433
Other deferred credits and other long-term liabilities	1,654	1,595
Total deferred credits and other liabilities	14,563	14,597
Total liabilities	28,280	27,869
Minority interest	282	295
Preferred and preference stock of utility not subject to mandatory redemption	907	915
Common stock, no par value (325,811,206 shares outstanding at each date)	2,238	2,225
Accumulated other comprehensive loss	(242)	(92)
Retained earnings	6,486	6,311
Total common shareholders' equity	8,482	8,444
Total liabilities and shareholders' equity	\$ 37,951	\$ 37,523

Edison International
Consolidated Statements of Cash Flows

In millions	Three Months Ended March 31,	
	2008	2007
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 299	\$ 333
Less: Income (loss) from discontinued operations	(5)	3
Income from continuing operations	304	330
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	298	313
Realized loss on impairment of nuclear decommissioning trusts	45	8
Other amortization	27	31
Gain on buyout of contract and sale of assets	(17)	—
Stock based compensation	6	6
Minority interest	8	19
Deferred income taxes and investment tax credits	31	(158)
Equity in income from partnerships and unconsolidated subsidiaries	(2)	(16)
Income from leveraged leases	(13)	(16)
Regulatory assets	77	173
Regulatory liabilities	186	152
Levelized rent expense	(48)	(49)
Derivative assets	(96)	(105)
Derivative liabilities	(162)	(201)
Other assets	(20)	(14)
Other liabilities	92	226
Margin and collateral deposits – net of collateral received	(21)	(7)
Receivables and accrued unbilled revenue	22	77
Inventory and other current assets	(35)	(90)
Book overdraft	(20)	24
Accrued interest and taxes	133	266
Accounts payable and other current liabilities	(215)	(238)
Distributions and dividends from unconsolidated entities	(2)	(1)
Operating cash flows from discontinued operations	(5)	3
Net cash provided by operating activities	573	733
Cash flows from financing activities:		
Long-term debt issued	677	30
Long-term debt issuance costs	(9)	(1)
Long-term debt repaid	(7)	(95)
Bonds repurchased	(212)	—
Preference stock redeemed	(7)	—
Rate reduction notes repaid	—	(62)
Short-term debt financing – net	(100)	120
Shares purchased for stock-based compensation	(24)	(106)
Proceeds from stock option exercises	7	39
Excess tax benefits related to stock option exercises	6	17
Dividends to minority shareholders	(17)	(24)
Dividends paid	(99)	(94)
Net cash provided (used) by financing activities	\$ 215	\$ (176)

-more-

Edison International
Consolidated Statements of Cash Flows

In millions	Three Months Ended March 31,	
	2008	2007
	(Unaudited)	
Cash flows from investing activities:		
Capital expenditures	\$ (705)	\$ (691)
Purchase of interest of acquired companies	—	(4)
Proceeds from sale of property and interests in projects	2	—
Proceeds from nuclear decommissioning trust sales	829	1,029
Purchases of nuclear decommissioning trust investments and other	(859)	(1,062)
Proceeds from partnerships and unconsolidated subsidiaries, net of investment	9	15
Maturities and sales of short-term investments	47	1,422
Purchase of short-term investments	(1)	(1,339)
Restricted cash	2	38
Customer advances for construction and other investments	(8)	(59)
Net cash used by investing activities	(684)	(651)
Net increase (decrease) in cash and equivalents	104	(94)
Cash and equivalents, beginning of period	1,441	1,795
Cash and equivalents, end of period	\$1,545	\$1,701