

Edison International
Consolidated Statements of Income

In millions, except per-share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(Unaudited)			
Electric utility	\$ 2,754	\$ 2,459	\$ 5,105	\$ 4,681
Nonutility power generation	612	569	1,330	1,241
Financial services and other	16	19	31	37
Total operating revenue	3,382	3,047	6,466	5,959
Fuel	554	438	1,090	924
Purchased power	656	829	1,149	1,146
Provisions for regulatory adjustment clauses – net	279	(33)	452	255
Other operation and maintenance	1,110	999	2,085	1,879
Depreciation, decommissioning and amortization	333	313	631	627
Gain on buyout of contract and sale of assets	(56)	—	(73)	(1)
Total operating expenses	2,876	2,546	5,334	4,830
Operating income	506	501	1,132	1,129
Interest and dividend income	22	45	36	85
Equity in income from partnerships and unconsolidated subsidiaries – net	9	20	9	37
Other nonoperating income	23	22	49	39
Interest expense – net of amounts capitalized	(165)	(188)	(336)	(386)
Loss on early extinguishment of debt	—	(241)	—	(241)
Other nonoperating deductions	(14)	(9)	(26)	(22)
Income from continuing operations before tax and minority interest	381	150	864	641
Income tax expense	83	—	244	129
Dividends on preferred and preference stock of utility not subject to mandatory redemption	13	13	25	26
Minority interest	23	46	30	65
Income from continuing operations	262	91	565	421
Income (loss) from discontinued operations – net of tax	(1)	2	(6)	5
Net income	\$ 261	\$ 93	\$ 559	\$ 426
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings (loss) per common share:				
Continuing operations	\$ 0.79	\$ 0.28	\$ 1.72	\$ 1.28
Discontinued operations	—	0.01	(0.02)	0.01
Total	\$ 0.79	\$ 0.29	\$ 1.70	\$ 1.29
Weighted-average shares, including effect of dilutive securities	329	330	330	331
Diluted earnings (loss) per common share:				
Continuing operations	\$ 0.79	\$ 0.28	\$ 1.71	\$ 1.27
Discontinued operations	—	—	(0.02)	0.02
Total	\$ 0.79	\$ 0.28	\$ 1.69	\$ 1.29
Dividends declared per common share	\$ 0.305	\$ 0.29	\$ 0.61	\$ 0.58

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Consolidated Balance Sheets

In millions	June 30, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Cash and equivalents	\$ 1,070	\$ 1,441
Short-term investments	13	81
Receivables, less allowance of \$32 and \$34 for uncollectible accounts at respective dates	1,176	1,033
Accrued unbilled revenue	528	370
Fuel inventory	154	116
Materials and supplies	335	316
Derivative assets	428	109
Restricted cash	3	3
Margin and collateral deposits	185	121
Regulatory assets	203	197
Accumulated deferred income taxes – net	262	167
Other current assets	324	290
Total current assets	4,681	4,244
Nonutility property – less accumulated provision for depreciation of \$1,882 and \$1,765 at respective dates	5,115	4,906
Nuclear decommissioning trusts	3,152	3,378
Investments in partnerships and unconsolidated subsidiaries	239	272
Investments in leveraged leases	2,454	2,473
Other investments	109	96
Total investments and other assets	11,069	11,125
Utility plant, at original cost:		
Transmission and distribution	19,279	18,940
Generation	1,818	1,767
Accumulated provision for depreciation	(5,344)	(5,174)
Construction work in progress	2,048	1,693
Nuclear fuel, at amortized cost	251	177
Total utility plant	18,052	17,403
Derivative assets	295	122
Restricted cash	47	48
Rent payments in excess of levelized rent expense under plant operating leases	829	716
Regulatory assets	2,723	2,721
Other long-term assets	1,309	1,144
Total long-term assets	5,203	4,751
Total assets	\$ 39,005	\$ 37,523

Edison International
Consolidated Balance Sheets

In millions, except share amounts	June 30, 2008	December 31, 2007
	(Unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	\$ 800	\$ 500
Long-term debt due within one year	177	18
Accounts payable	1,066	979
Accrued taxes	116	49
Accrued interest	192	160
Counterparty collateral	24	42
Customer deposits	224	219
Book overdrafts	324	212
Derivative liabilities	319	125
Regulatory liabilities	1,223	1,019
Other current liabilities	809	933
Total current liabilities	5,274	4,256
Long-term debt	9,292	9,016
Accumulated deferred income taxes – net	5,147	5,196
Accumulated deferred investment tax credits	110	114
Customer advances	145	155
Derivative liabilities	243	101
Power-purchase contracts	22	22
Accumulated provision for pensions and benefits	1,165	1,089
Asset retirement obligations	2,962	2,892
Regulatory liabilities	3,356	3,433
Other deferred credits and other long-term liabilities	1,601	1,595
Total deferred credits and other liabilities	14,751	14,597
Total liabilities	29,317	27,869
Commitments and contingencies		
Minority interest	314	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)	2,253	2,225
Accumulated other comprehensive loss	(415)	(92)
Retained earnings	6,629	6,311
Total common shareholders' equity	8,467	8,444
Total liabilities and shareholders' equity	\$ 39,005	\$ 37,523

Edison International
Consolidated Statements of Cash Flows

In millions	Six Months Ended June 30,	
	2008	2007
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 559	\$ 426
Less: Income (loss) from discontinued operations	(6)	5
Income from continuing operations	565	421
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	631	627
Realized loss on impairment of nuclear decommissioning trusts	72	23
Other amortization	51	64
Stock-based compensation	16	19
Minority interest	30	65
Deferred income taxes and investment tax credits	26	(193)
Equity in income from partnerships and unconsolidated subsidiaries	(9)	(37)
Gain on buyout of contract and sale of assets	(73)	(1)
Income from leveraged leases	(27)	(31)
Levelized rent expense	(113)	(112)
Loss on early extinguishment of debt	—	241
Regulatory assets	8	245
Regulatory liabilities	374	120
Derivative assets	(476)	(140)
Derivative liabilities	(221)	(123)
Other assets	(52)	(22)
Other liabilities	51	236
Margin and collateral deposits – net of collateral received	(83)	(29)
Receivables and accrued unbilled revenue	(237)	(189)
Inventory and other current assets	(36)	(49)
Book overdrafts	112	65
Accrued interest and taxes	99	205
Accounts payable and other current liabilities	(2)	(119)
Distributions and dividends from unconsolidated entities	8	21
Operating cash flows from discontinued operations	(6)	5
Net cash provided by operating activities	708	1,312
Cash flows from financing activities:		
Long-term debt issued	784	2,905
Premium paid on extinguishment of debt and long-term debt issuance costs	(10)	(240)
Long-term debt repaid	(134)	(2,965)
Bonds repurchased	(212)	—
Redemption of preference stock, net	(7)	—
Rate reduction notes repaid	—	(116)
Short-term debt financing – net	300	175
Shares purchased for stock-based compensation	(51)	(183)
Proceeds from stock option exercises	20	72
Excess tax benefits related to stock-based awards	11	35
Dividends to minority shareholders	(33)	(32)
Dividends paid	(199)	(189)
Net cash provided (used) by financing activities	\$ 469	\$ (538)

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Consolidated Statements of Cash Flows

In millions	Six Months Ended June 30,	
	2008	2007
	(Unaudited)	
Cash flows from investing activities:		
Capital expenditures	\$ (1,460)	\$ (1,335)
Purchase of interest of acquired companies	(7)	(23)
Proceeds from sale of property and interests in projects	112	—
Proceeds from nuclear decommissioning trust sales	1,501	2,017
Purchases of nuclear decommissioning trust investments and other	(1,560)	(2,084)
Proceeds from partnerships and unconsolidated subsidiaries, net of investment	30	31
Maturities and sales of short-term investments	70	3,192
Purchase of short-term investments	(2)	(2,952)
Restricted cash	—	37
Customer advances for construction and other investments	(232)	(233)
Net cash used by investing activities	(1,548)	(1,350)
Net decrease in cash and equivalents	(371)	(576)
Cash and equivalents, beginning of period	1,441	1,795
Cash and equivalents, end of period	\$ 1,070	\$ 1,219