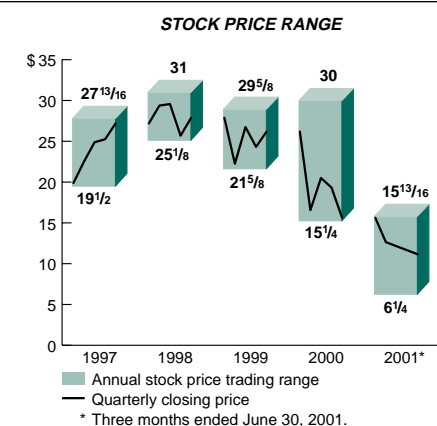
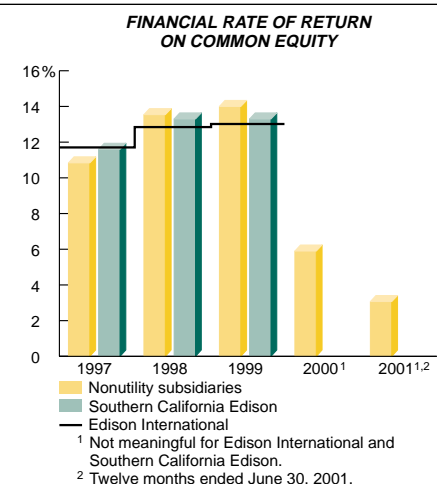
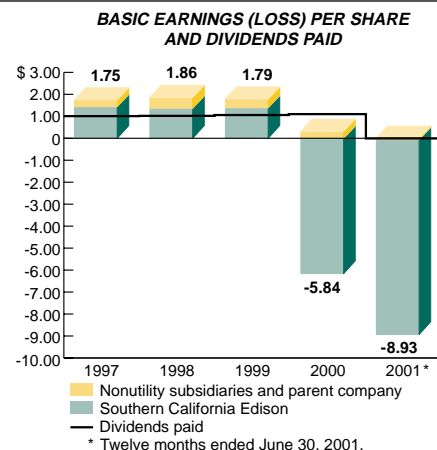


# 2001 Second Quarter Financial and Statistical Supplement



## KEY FINANCIAL AND OPERATING DATA

	As of June 30, or Twelve Months Ended June 30,	
	2001	2000
<b>Edison International</b>		
Basic Earnings (Loss) Per Share .....	\$(8.93)	\$1.75
Rate of Return on Common Equity .....	NM	11.76%
Net Income (Loss) (millions) .....	\$(2,908)	\$598
Operating Cash Flow Per Common Share (a) .....	\$3.99	\$6.47
Annual Dividend Rate (b) .....	NM	\$1.12
Dividend Yield (paid) (b) .....	N/A	5.5%
Dividends Paid Per Share .....	\$0.56	\$1.09
Dividends Payout Ratio (paid) (b) .....	N/A	62.3%
Book Value Per Share .....	\$4.45	\$14.45
Price/Earnings Ratio .....	NM	11.7x
Market Price/Book Value Ratio .....	2.5x	1.4x
Market Price Per Share .....	\$11.15	\$20.50
Stock Price Range .....	\$6.25-\$26.625	\$15.25-\$30
Total Shareholder Return (appreciation and dividends paid) .....	(44.8)%	(19.2)%
Weighted-Average Common Shares Outstanding (thousands) .....	325,811	342,435
Recourse Financial Capital Structure (c):		
Common Equity .....	10.0%	30.6%
Preferred Securities .....	9.9	9.3
Debt .....	80.1	60.1
Total .....	100.0%	100.0%
<b>Southern California Edison</b>		
Basic Earnings (Loss) Per Edison International Common Share .....	\$(8.87)	\$1.67
Net Income (Loss) Available for Common Stock (millions) .....	\$(2,889)	\$570
Operating Cash Flow Per Edison International Common Share (a) .....	\$3.86	\$4.75
Financial Rate of Return on Common Equity .....	NM	18.08%
Ratemaking Rate of Return on Common Equity — Earned (d) .....	NM	10.36%
Ratemaking Rate of Return on Common Equity — Authorized (d) .....	11.6%	11.6%
AFUDC as a Percent of Utility Earnings .....	NM	4.5%
Ratemaking Capitalization Ratios:		
Common Equity .....	47.8%	45.9%
Preferred Stock .....	5.1	5.3
Long-Term Debt .....	47.1	48.8
Total .....	100.0%	100.0%
Kilowatt-hour Sales (millions) .....	81,107	81,382
Peak Demand (MW) .....	19,757	19,122
Customer (thousands) .....	4,439	4,438
Generating Capacity Resources (MW) .....	9,950	10,473
Employees .....	12,250	13,804
<b>Edison Mission Energy and Edison Capital</b>		
Basic Earnings Per Edison International Common Share .....	\$0.79	\$0.53
Equity (millions) .....	\$3,380	\$3,460
Net Income (millions) .....	\$259	\$182
Operating Cash Flow Per Edison International Common Share .....	\$0.91	\$2.29
Financial Rate of Return on Common Equity		
Edison Mission Energy .....	5.9%	2.0%
Edison Capital .....	14.2%	24.4%
Employees:		
Edison Mission Energy .....	3,493	3,308
Edison Capital .....	76	112



(a) Excludes net gain and regulatory asset related to the sale of oil and gas plant.  
 (b) Edison International has not paid quarterly dividends since October 2000.  
 (c) Represents Edison International consolidated financial net recourse capitalization ratios including short-term debt.  
 (d) Transmission and distribution only.  
 NM = Not meaningful.

This document and other financial information is available on the Internet at <http://www.edisoninvestor.com>.

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## CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions, except per-share data)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
Electric utility	\$1,590	\$1,853	\$ 7,288	\$ 7,820
Nonutility power generation	815	755	3,343	2,610
Financial services and other	222	141	702	522
Total operating revenue	2,627	2,749	11,333	10,952
Fuel	329	259	1,342	1,035
Purchased power	807	687	6,029	3,120
Provisions for regulatory adjustment clauses — net	(90)	(97)	2,176	(397)
Other operation and maintenance	886	827	3,303	3,097
Depreciation, decommissioning and amortization	267	486	1,480	1,922
Writedown of nonutility assets	184	—	184	—
Property and other taxes	29	30	118	126
Net gain on sale of utility plant	(6)	—	(25)	(7)
Total operating expenses	2,406	2,192	14,607	8,896
Operating income (loss)	221	557	(3,274)	2,056
Interest and dividend income	47	38	260	116
Interest expense — net of amounts capitalized	(370)	(338)	(1,502)	(1,174)
Other nonoperating deductions	(33)	2	(6)	19
Dividends on preferred securities	(23)	(25)	(96)	(87)
Dividends on utility preferred stock	(6)	(5)	(22)	(24)
Income (loss) before taxes	(164)	229	(4,640)	906
Income taxes	(62)	92	(1,732)	308
Net income (loss)	\$ (102)	\$ 137	\$(2,908)	\$ 598
Weighted-average shares of common stock outstanding	326	332	326	342
Basic earnings (loss) per share	\$( 0.31)	\$0.41	\$(8.93)	\$1.75
Diluted earnings (loss) per share	\$( 0.31)	\$0.41	\$(8.93)	\$1.75
Dividends declared per common share	\$ —	\$0.28	\$ 0.28	\$1.10

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

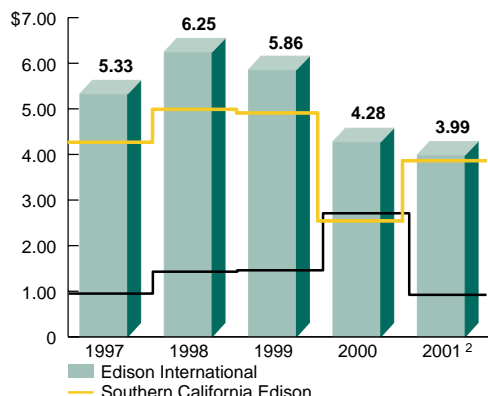
ASSETS	June 30,		LIABILITIES AND SHAREHOLDERS' EQUITY	
	2001	2000	2001	2000
Cash and equivalents	\$ 3,229	\$ 864	\$ 4,153	\$ 3,122
Receivables, less allowances of \$50 and \$36 for uncollectible accounts at respective dates	1,426	1,071	4,544	1,499
Accrued unbilled revenue	477	490	105	—
Fuel inventory	265	289	3,460	658
Materials and supplies, at average cost	217	207	60	516
Accumulated deferred income taxes — net	1,385	527	314	218
Trading and price risk management assets	166	—	38	98
Prepayments and other current assets	190	96	197	495
Total current assets	7,355	3,544	125	—
Nonutility property less accumulated provision for depreciation of \$865 and \$611 at respective dates	10,441	11,858	250	356
Nuclear decommissioning trusts	2,406	2,546	1,779	1,638
Investments in partnerships and unconsolidated subsidiaries	2,368	2,642	15,025	8,600
Investments in leveraged leases	2,321	1,981	10,717	12,889
Other investments	107	190	5,444	6,017
Total investments and other assets	17,643	19,217	177	204
Utility plant, at original cost:			1,807	1,717
Transmission and distribution	13,332	12,697	411	506
Generation	1,722	1,744	520	539
Accumulated provision for depreciation and decommissioning	(7,914)	(7,702)	98	100
Construction work in progress	623	684	8,457	9,083
Nuclear fuel at amortized cost	141	110	344	12
Total utility plant	7,904	7,533		
Regulatory assets — net	2,741	5,522		
Other deferred charges	1,755	1,113		
Total deferred charges	4,496	6,635		
Total assets	\$37,398	\$36,929		
			Short-term debt	129
			Long-term debt classified as due within one year	129
			Preferred stock to be redeemed within one year	256
			Accounts payable	948
			Accrued taxes	305
			Accrued interest	948
			Dividends payable	305
			Regulatory liabilities — net	1,638
			Trading and risk management liabilities	1,638
			Deferred unbilled revenue	1,961
			Other current liabilities	(135)
			Total current liabilities	2,881
			Long-term debt	4,707
			Accumulated deferred income taxes — net	1,450
			Accumulated deferred investment tax credits	4,707
			Customer advances and other deferred credits	1,450
			Power-purchase contracts	37,398
			Accumulated provision for pensions and benefits	36,929
			Other long-term liabilities	
			Total deferred credits and other liabilities	
			Minority interest	
			Preferred stock of utility:	
			Not subject to mandatory redemption	
			Subject to mandatory redemption	
			Company-obligated mandatorily redeemable securities of subsidiaries holding solely parent company debentures	
			Other preferred securities	
			Total preferred securities of subsidiaries	
			Common stock (325,811,206 shares outstanding at each date)	
			Accumulated other comprehensive (loss)	
			Retained earnings (deficit)	
			Total common shareholders' equity	
			Total liabilities and shareholders' equity	

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
<b>Cash flows from operating activities:</b>				
Net income (loss) .....	\$ (102)	\$ 137	\$ (2,908)	\$ 598
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, decommissioning and amortization .....	267	486	1,480	1,922
Other amortization .....	20	48	118	160
Deferred income taxes and investment tax credits .....	163	4	(1,161)	302
Equity in income from partnerships and unconsolidated subsidiaries .....	(115)	(58)	(372)	(234)
Income from leveraged leases .....	(30)	(47)	(158)	(199)
Regulatory assets — long-term — net .....	(114)	(452)	2,066	(1,433)
Write-down of non-utility assets .....	184	—	184	—
Net gain on sale of marketable securities .....	—	(41)	—	(80)
Other assets .....	(16)	(50)	47	(102)
Other liabilities .....	(13)	26	(113)	(2)
Changes in working capital:				
Receivables and accrued unbilled revenue .....	89	(222)	169	(325)
Regulatory liabilities — short-term — net .....	(49)	276	(292)	750
Fuel inventory, materials, and supplies .....	1	(1)	17	3
Prepayments and other current assets .....	112	3	256	(148)
Accrued interest and taxes .....	(318)	83	(396)	91
Accounts payable and other current liabilities .....	(61)	274	2,119	691
Distributions and dividends from unconsolidated entities .....	25	28	220	222
Net cash provided by operating activities .....	43	494	1,276	2,216
<b>Cash flows from financing activities:</b>				
Long-term debt issued .....	732	249	4,785	7,076
Long-term debt repaid .....	(79)	(91)	(3,713)	(2,848)
Bonds repurchased and funds held in trust .....	27	—	(569)	—
Issuance of preferred securities .....	14	—	14	922
Preferred securities redeemed .....	—	—	(125)	—
Common stock repurchased .....	—	(239)	—	(386)
Rate reduction notes repaid .....	(50)	(52)	(246)	(240)
Short-term debt financing — net .....	(222)	180	1,289	1,445
Dividends paid .....	—	(95)	(182)	(376)
Nuclear fuel financing — net .....	(1)	(7)	21	(50)
Net cash provided (used) by financing activities .....	421	(55)	1,274	5,543
<b>Cash flows from investing activities:</b>				
Additions to property and plant .....	(213)	(390)	(1,239)	(1,383)
Acquisition of nonutility property .....	—	—	(47)	(6,158)
Proceeds from sale of nonutility property .....	149	25	1,874	119
Funding of nuclear decommissioning trusts .....	21	(36)	10	(109)
Investments in partnerships and unconsolidated subsidiaries .....	(189)	(61)	(249)	(304)
Proceeds from sale of marketable securities .....	—	41	—	81
Investment in leveraged leases .....	69	—	(199)	(87)
Investments in other assets .....	7	(37)	(269)	43
Net cash used by investing activities .....	(156)	(458)	(119)	(7,798)
Effect of exchange rate changes on cash .....	(13)	(34)	(66)	(35)
Net increase (decrease) in cash and equivalents .....	295	(53)	2,365	(74)
Cash and equivalents, beginning of period .....	2,934	917	864	938
Cash and equivalents, end of period .....	\$ 3,229	\$ 864	\$ 3,229	\$ 864

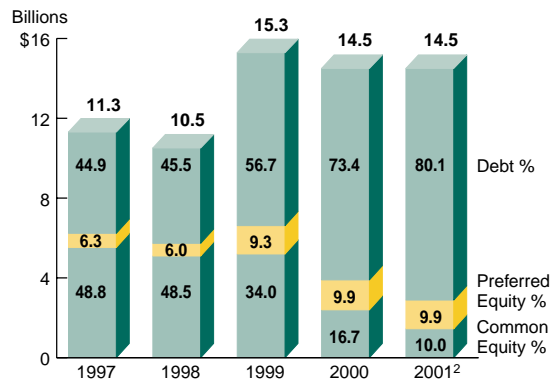
**OPERATING CASH FLOW  
PER EDISON INTERNATIONAL COMMON SHARE<sup>1</sup>**



<sup>1</sup> Excludes net gain and regulatory asset related to the 1998 sale of oil and gas plant.

<sup>2</sup> Twelve months ended June 30, 2001.

**EDISON INTERNATIONAL  
RECOURSE FINANCIAL CAPITAL STRUCTURE<sup>1</sup>**



<sup>1</sup> Represents EIX consolidated financial net recourse capitalization ratios including short-term debt.

<sup>2</sup> As of June 30, 2001.

## CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
Operating revenue .....	\$1,592	\$1,853	\$ 7,292	\$7,820
Fuel .....	51	22	213	201
Purchased power .....	807	687	6,029	3,120
Provisions for regulatory adjustment clauses — net .....	(90)	(97)	2,176	(397)
Other operation and maintenance .....	431	456	1,768	1,749
Depreciation, decommissioning and amortization .....	166	371	1,044	1,531
Property and other taxes .....	29	29	115	122
Net gain on sale of utility plant .....	(6)	—	(27)	(7)
Total operating expenses .....	1,388	1,468	11,318	6,319
Operating income (loss) .....	204	385	(4,026)	1,501
Interest and dividend income .....	25	24	179	82
Other nonoperating income .....	14	53	67	151
Interest expense — net of amounts capitalized .....	(153)	(128)	(676)	(498)
Other nonoperating deductions .....	(23)	(36)	(66)	(122)
Income (loss) before taxes .....	67	298	(4,522)	1,114
Income taxes .....	33	137	(1,655)	520
Net income (loss) .....	34	161	(2,867)	594
Dividends on preferred stock .....	6	5	22	24
Net income (loss) available for common stock .....	\$ 28	\$ 156	\$(2,889)	\$ 570

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

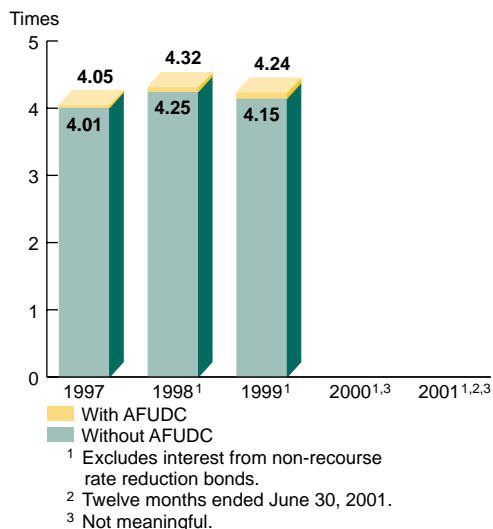
	June 30,		June 30,	
	2001	2000	2001	2000
<b>ASSETS</b>				
Cash and equivalents .....	\$2,043	\$106		
Receivables, less allowances of \$26 and \$22 for uncollectible accounts at respective dates .....	956	641		
Accrued unbilled revenue .....	477	490		
Fuel inventory .....	12	35		
Materials and supplies, at average cost .....	137	130		
Accumulated deferred income taxes — net .....	579	525		
Prepayments and other current assets .....	112	51		
Total current assets .....	4,316	1,978		
Nonutility property — less accumulated provision for depreciation of \$13 and \$8 at respective dates .....	125	105		
Nuclear decommissioning trusts .....	2,406	2,546		
Other investments .....	105	188		
Total investments and other assets .....	2,636	2,839		
Utility plant, at original cost:				
Transmission and distribution .....	13,332	12,697		
Generation .....	1,722	1,743		
Accumulated provision for depreciation and decommissioning .....	(7,914)	(7,702)		
Construction work in progress .....	623	684		
Nuclear fuel at amortized cost .....	141	111		
Total utility plant .....	7,904	7,533		
Regulatory assets — net .....	2,741	5,522		
Other deferred charges .....	505	373		
Total deferred charges .....	3,246	5,895		
Total assets .....	\$18,102	\$18,245		
<b>CAPITALIZATION AND LIABILITIES</b>				
Short-term debt .....	\$ 2,121	\$ 855		
Long-term debt classified as due within one year .....	2,797	648		
Preferred stock to be redeemed within one year .....	105	—		
Accounts payable .....	3,199	558		
Accrued taxes .....	270	608		
Regulatory liabilities — net .....	197	495		
Other current liabilities .....	1,746	1,652		
Total current liabilities .....	10,435	4,816		
Long-term debt .....	3,231	4,850		
Accumulated deferred income taxes — net .....	2,062	3,150		
Accumulated deferred investment tax credits .....	157	184		
Customer advances and other deferred credits .....	825	788		
Power-purchase contracts .....	411	506		
Accumulated provision for pensions and benefits .....	416	271		
Other long-term liabilities .....	98	101		
Total deferred credits and other liabilities .....	3,969	5,000		
Commitments and contingencies .....				
Preferred stock:				
Not subject to mandatory redemption .....	129	129		
Subject to mandatory redemption .....	151	256		
Total preferred stock .....	280	385		
Common stock (434,888,104 shares outstanding at each date) .....	2,168	2,168		
Additional paid-in capital .....	334	334		
Accumulated other comprehensive income (loss) .....	(24)	2		
Retained earnings (deficit) .....	(2,291)	690		
Total common shareholder's equity .....	187	3,194		
Total capitalization and liabilities .....	\$18,102	\$18,245		

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

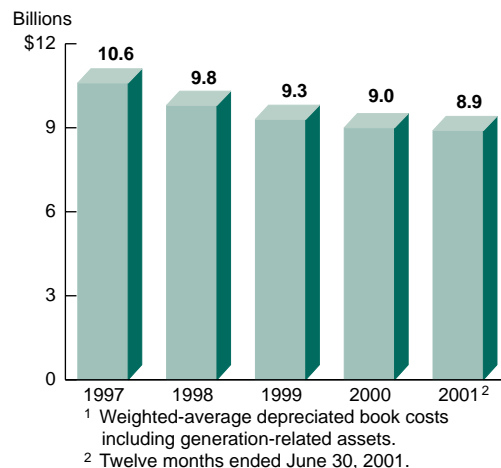
(In millions)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
<b>Cash flows from operating activities:</b>				
Net income (loss) .....	\$ 34	\$ 161	\$(2,867)	\$ 594
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, decommissioning and amortization .....	166	371	1,044	1,531
Other amortization .....	19	25	83	102
Deferred income taxes and investment tax credits .....	144	(69)	(979)	3
Regulatory assets — long-term — net .....	(114)	(452)	2,066	(1,433)
Net gain on sale of marketable securities .....	—	(41)	—	(64)
Other assets .....	(10)	(50)	17	(112)
Other liabilities .....	9	38	32	(36)
Changes in working capital:				
Receivables and accrued unbilled revenue .....	(149)	(140)	(298)	(68)
Regulatory liabilities — short-term — net .....	(49)	276	(292)	750
Fuel inventory, materials, and supplies .....	1	(1)	17	3
Prepayments and other current assets .....	(15)	5	(62)	(33)
Accrued interest and taxes .....	(184)	23	(277)	(117)
Accounts payable and other current liabilities .....	333	231	2,752	507
Net cash provided by operating activities .....	185	377	1,236	1,627
<b>Cash flows from financing activities:</b>				
Long-term debt issued .....	—	—	1,512	383
Long-term debt repaid .....	—	(1)	(200)	(470)
Bonds repurchased and funds held in trust .....	27	—	(569)	—
Rate reduction notes repaid .....	(50)	(52)	(246)	(240)
Nuclear fuel financing — net .....	(1)	(7)	21	(50)
Short-term debt financing — net .....	1	6	1,266	448
Dividends paid .....	—	(100)	(196)	(597)
Net cash provided (used) by financing activities .....	(23)	(154)	1,588	(526)
<b>Cash flows from investing activities:</b>				
Additions to property and plant .....	(174)	(269)	(926)	(1,032)
Funding of nuclear decommissioning trusts .....	21	(36)	10	(109)
Proceeds from sales of marketable securities .....	—	41	—	64
Sales of investments in other assets .....	7	16	29	10
Net cash used by investing activities .....	(146)	(248)	(887)	(1,067)
Net increase (decrease) in cash and equivalents .....	16	(25)	1,937	34
Cash and equivalents, beginning of period .....	2,027	131	106	72
Cash and equivalents, end of period .....	\$2,043	\$ 106	\$ 2,043	\$ 106

**SOUTHERN CALIFORNIA EDISON  
PRE-TAX INTEREST COVERAGE**



**SOUTHERN CALIFORNIA EDISON  
SYSTEM RATE BASE <sup>1</sup>**



## KILOWATT-HOUR SALES

(Millions of kWh)

Class of Service	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
Residential .....	5,516	5,953	25,775	25,351
Commercial .....	8,513	8,869	35,380	34,676
Industrial .....	2,967	3,269	12,600	13,364
Public Authorities .....	1,502	1,611	6,295	6,471
Agricultural and other .....	309	287	1,089	1,141
Resale .....	—	1	(32)	379
<b>Total kWh Sales .....</b>	<b>18,807</b>	<b>19,990</b>	<b>81,107</b>	<b>81,382</b>

## AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended June 30,		Twelve Months Ended June 30,		Cents Per kWh	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000		2001	2000	2001	2000
Oil .....	\$ 8.67	\$8.32	\$9.68	\$7.60	<b>Purchased Power:</b>				
Gas .....	8.69	4.10	7.51	4.19	Firm .....	8.40¢	5.50¢	7.27¢	4.73¢
Nuclear .....	0.39	0.44	0.40	0.43	Other power producers:				
Coal .....	1.24	1.24	1.17	1.15	Biomass .....	12.89	12.95	14.84	13.05
Average cost —					Cogeneration .....	14.96	5.89	13.69	7.01
all sources .....	0.76	0.77*	0.74	0.76*	Geothermal .....	10.52	5.79	12.14	8.47
					Small Hydro .....	7.90	4.64	7.46	7.52
					Solar .....	14.73	5.24	16.93	11.59
					Wind .....	10.07	7.08	11.28	8.92
					Average cost —				
					purchased power ...	12.48	6.27	12.70	7.69
					Average cost:				
					All sources .....	6.97	2.83	6.74	3.81
					PURPA .....	13.19	6.38	13.18	8.09

\* Excludes refund for a fuel-related settlement.

## TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended June 30,		% of Total		Twelve Months Ended June 30,		% of Total	
	2001	2000	2001	2000	2001	2000	2001	2000
<b>Edison Owned:</b>								
Nuclear .....	3,454	4,761	17.3	24.5	15,281	19,429	17.7	24.2
Coal .....	2,706	2,303	13.5	11.8	11,476	10,810	13.3	13.4
Hydro .....	1,423	1,951	7.1	10.0	3,607	4,674	4.2	5.8
Oil .....	7	7	—	—	30	29	—	—
Gas .....	—	—	—	—	19	—	—	—
<b>Purchased Power:</b>								
PX Purchases — Net <sup>1,2</sup> .....	(651)	2,088	(3.2)	10.7	15,995	15,162	18.5	18.9
Firm .....	827	540	4.1	2.8	2,917	2,731	3.4	3.4
Economy/Other <sup>3</sup> .....	437	1,466	2.2	7.5	202	1,410	0.2	1.8
<b>Other power producers:</b>								
Biomass .....	363	353	1.8	1.8	1,668	1,750	1.9	2.2
Cogeneration .....	3,089	3,426	15.5	17.6	14,185	14,679	16.4	18.3
Geothermal .....	985	1,460	4.9	7.5	6,265	6,189	7.3	7.7
Small Hydro .....	80	68	0.4	0.4	325	245	0.4	0.3
Solar .....	275	209	1.4	1.1	912	843	1.1	1.0
Wind .....	869	830	4.3	4.3	2,709	2,428	3.1	3.0
CDWR/ISO net short .....	6,134	—	30.7	—	10,809	—	12.5	—
<b>Total<sup>4</sup> .....</b>	<b>19,998</b>	<b>19,462</b>	<b>100.0%</b>	<b>100.0%</b>	<b>86,400</b>	<b>80,379</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> This amount is based on the accrual basis of accounting.

<sup>2</sup> Net purchases represent energy purchases from the PX in excess of energy sales to the PX.

<sup>3</sup> Includes generation losses (averaging 1.5% of total energy requirement), lagged PX/ISO settlement adjustments, and capacity payments.

<sup>4</sup> Excludes direct access and resale customer requirements starting April 1998.

**OPERATING REVENUE\***

(In millions)

Class of Service	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
Residential .....	\$ 531	\$ 689	\$2,765	\$2,905
Commercial .....	669	724	2,834	3,019
Industrial .....	159	163	598	731
Public authorities .....	114	121	486	535
Agricultural .....	25	26	95	103
Other .....	1	1	4	4
Resale .....	5	4	85	30
Sales of electric energy .....	1,504	1,728	6,867	7,327
Other electric revenue .....	88	125	425	493
<b>Total operating revenue .....</b>	<b>\$1,592</b>	<b>\$1,853</b>	<b>\$7,292</b>	<b>\$7,820</b>

\*Does not include energy revenue from direct access customers.

**BALANCING ACCOUNTS**

(In millions)

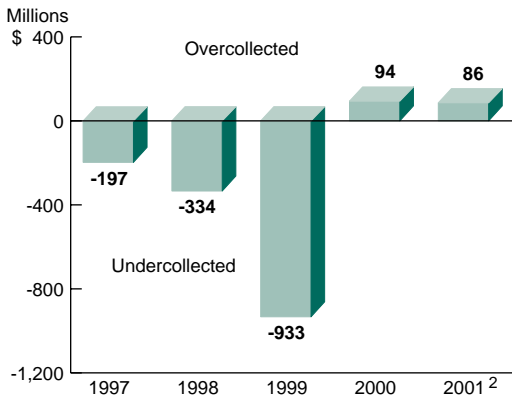
	Cumulative Over/(Under) Collections <sup>1</sup> As of June 30,	
	2001	2000
Demand-side management .....	\$ 140	\$ 134
Other — net .....	(54)	(49)
Subtotal current portion .....	86	85
Rate reduction notes — cost deferral .....	(1,265)	(887)
Transition-related balancing accounts <sup>2,3</sup> .....	—	(424)
Transition revenue account <sup>2,3</sup> .....	—	(644)
Subtotal long-term portion .....	(1,265)	(1,955)
	<b>\$(1,179)</b>	<b>\$(1,870)</b>

<sup>1</sup> Includes interest.

<sup>2</sup> Reflects a write-off of the TCBA undercollection (as recalculated) as of December 31, 2000.

<sup>3</sup> Charged to earnings as of December 31, 2000.

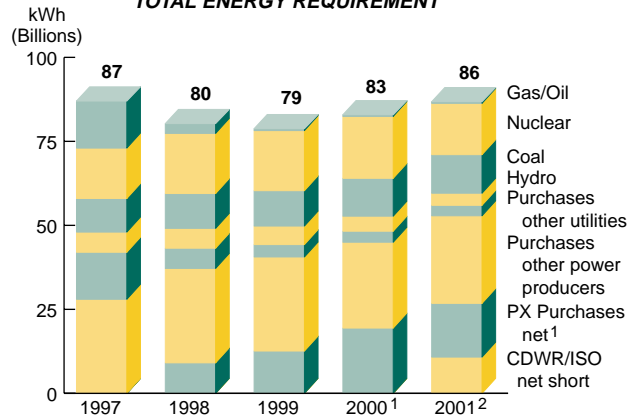
**SOUTHERN CALIFORNIA EDISON  
NET BALANCING ACCOUNTS<sup>1</sup>**



<sup>1</sup> Excludes non-recourse rate reduction notes — cost deferral

<sup>2</sup> As of June 30, 2001.

**SOUTHERN CALIFORNIA EDISON  
TOTAL ENERGY REQUIREMENT**



<sup>1</sup> Power exchange purchases began April 1998. Net purchases represent energy purchases from the PX in excess of energy sales to the PX.

<sup>2</sup> Twelve months ended June 30, 2001.

## CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
Electric revenue .....	\$677	\$687	\$2,915	\$2,323
Equity in income from energy projects .....	105	47	315	199
Equity in income from oil and gas .....	10	11	57	35
Net gains (losses) from energy trading and price risk management .....	11	(32)	36	(42)
Operation and maintenance services .....	13	10	44	40
Total operating revenue .....	816	723	3,367	2,555
Fuel .....	278	236	1,129	834
Plant operations .....	247	214	870	613
Operation and maintenance services .....	6	8	26	29
Depreciation and amortization .....	89	100	354	333
Phantom stock option .....	1	—	(59)	117
Administrative and general .....	38	40	163	139
Total operating expenses .....	659	598	2,483	2,065
Operating income .....	157	125	884	490
Interest and other income .....	16	16	54	53
Gain on sale of assets .....	4	17	12	25
Interest expense .....	(163)	(181)	(652)	(584)
Dividends on preferred securities .....	(6)	(8)	(28)	(32)
Minority interest .....	(7)	(1)	(9)	(2)
Total other deductions — net .....	(156)	(157)	(623)	(540)
Income (loss) before income taxes .....	1	(32)	261	(50)
Income tax expense (benefit) .....	1	(13)	102	(82)
Income (loss) before change in accounting principle .....	0	(19)	159	32
Cumulative effect on prior years of change in accounting for derivatives, net of tax .....	—	—	6	—
Cumulative effect on prior years of change in accounting for major maintenance costs, net of tax .....	—	—	—	18
Net income (loss) .....	\$ —	\$ (19)	\$ 165	\$ 50

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

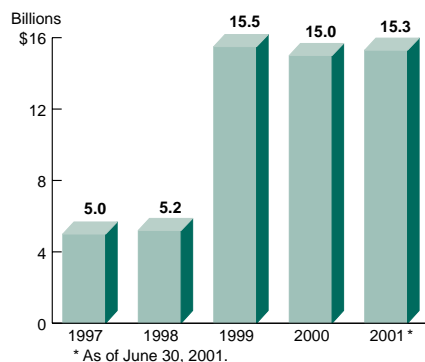
ASSETS	June 30,		LIABILITIES AND SHAREHOLDERS' EQUITY		
	2001	2000	2001	2000	
Cash and cash equivalents .....	\$ 573	\$ 651	Accounts payable and accrued liabilities .....	\$ 530	\$ 525
Receivables, net .....	737	381	Liabilities under energy trading and price risk management .....	125	—
Assets under energy trading and price risk management .....	166	—	Interest payable .....	131	112
Inventory .....	327	324	Short-term obligations .....	820	1,234
Prepaid expenses and other .....	67	31	Current position of long-term incentive compensation .....	11	—
Total current assets .....	1,870	1,387	Current maturities of long-term obligations .....	1,414	686
Investments in energy projects .....	1,921	1,985	Total current liabilities .....	3,031	2,557
Investments in oil and gas .....	33	52	Long-term obligations net of current maturities .....	6,349	7,247
Total investments .....	1,954	2,037	Deferred taxes and tax credits .....	1,581	1,382
Property, plant and equipment, net .....	10,288	11,626	Deferred revenue .....	423	488
Long-term receivables .....	268	12	Long-term incentive compensation .....	41	206
Goodwill .....	642	269	Long-term liabilities under energy trading and price risk management .....	185	—
Deferred financing costs .....	116	127	Other .....	305	330
Long-term assets under energy trading and price risk management .....	1	—	Total long-term deferred liabilities .....	2,535	2,406
Restricted cash and other .....	118	74	Total liabilities .....	11,915	12,210
Total other assets .....	1,145	482	Minority Interest .....	344	11
Total assets .....	\$15,257	\$15,532	Preferred securities of subsidiaries .....	325	456
			Common stock and additional paid-in capital .....	2,694	2,694
			Retained earnings .....	345	289
			Accumulated other comprehensive income .....	(366)	(128)
			Total shareholder's equity .....	2,673	2,855
			Total liabilities and shareholder's equity .....	\$15,257	\$15,532

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

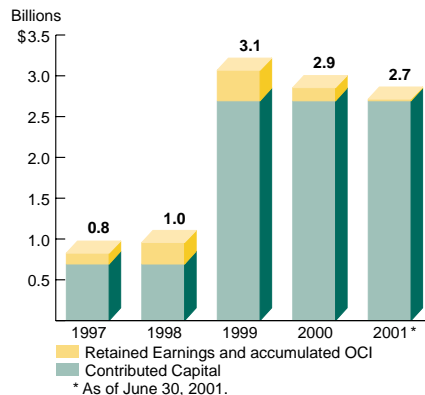
(In millions)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2001	2000	2001	2000
<b>Cash Flow From Operating Activities:</b>				
Net income (loss) .....	\$ —	\$ (19)	\$ 165	\$ 50
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:				
Equity in income from energy projects .....	(105)	(47)	(314)	(198)
Equity in income from oil and gas .....	(10)	(11)	(57)	(35)
Distributions from energy projects .....	14	22	154	185
Dividends from oil and gas .....	11	5	66	36
Gain on sale of assets .....	(4)	(17)	(12)	(25)
Depreciation and amortization .....	89	100	354	333
Cumulative effect on prior years of change in accounting principle .....	—	—	(6)	(18)
Changes in working capital components .....	(205)	(5)	(415)	(6)
Other — net .....	(24)	8	290	65
Net cash provided (used) by operating activities .....	<u>(234)</u>	<u>36</u>	<u>225</u>	<u>387</u>
<b>Cash Flow From Financing Activities:</b>				
Borrowings on long-term obligations .....	859	250	2,640	5,808
Payments on long-term obligations .....	(164)	(91)	(2,904)	(1,959)
Short-term financing, net .....	(187)	24	(442)	487
Capital contribution from parent .....	—	—	—	1,700
Cash dividend to parent .....	(32)	(22)	(109)	(44)
Issuance of preferred securities .....	14	—	14	124
Redemption of preferred securities .....	—	—	(125)	—
Acquisition financing costs .....	—	—	—	(89)
Net cash provided (used) by financing activities .....	<u>490</u>	<u>161</u>	<u>(926)</u>	<u>6,027</u>
<b>Cash Flow From Investing Activities:</b>				
Investments .....	(206)	(67)	(566)	(6,310)
Proceeds from sale of assets .....	111	22	124	57
Proceeds from sale and leaseback .....	—	—	1,667	—
Capital expenditures .....	(35)	(113)	(287)	(325)
Increase (decrease) in restricted cash .....	5	(29)	(51)	9
Other — net .....	7	(19)	(243)	25
Net cash provided (used) by investing activities .....	<u>(118)</u>	<u>(206)</u>	<u>644</u>	<u>(6,544)</u>
Effect of exchange rate changes on cash .....	<u>(15)</u>	<u>(24)</u>	<u>(54)</u>	<u>(27)</u>
Net increase (decrease) in cash and equivalents .....	<u>123</u>	<u>(33)</u>	<u>(111)</u>	<u>(157)</u>
Cash and equivalents at beginning of period .....	<u>450</u>	<u>684</u>	<u>684</u>	<u>808</u>
Cash and equivalents at end of period .....	<u>\$ 573</u>	<u>\$ 651</u>	<u>\$ 573</u>	<u>\$ 651</u>

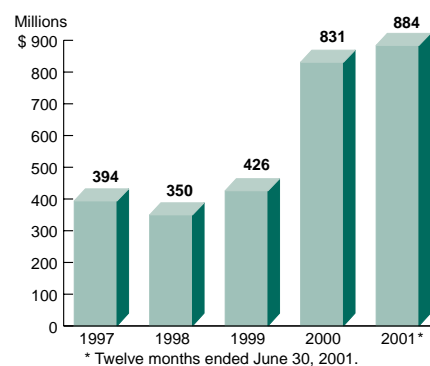
**EDISON MISSION ENERGY  
TOTAL ASSETS**



**EDISON MISSION ENERGY  
TOTAL EQUITY**



**EDISON MISSION ENERGY  
OPERATING INCOME**



## OPERATING PROJECTS

No.	Project Name	Fuel Source	Commercial Operation/ Acquisition Date	Ownership Interest	Megawatts		Location	
					Total	EME Share		
<b>Americas</b>								
1	American Bituminous	Q	Coal	4/93	50%	80	40	West Virginia
2	Brooklyn Navy Yard	Q/E	Natural Gas	11/96	50%	286	143	New York
3	Coalinga	Q	Natural Gas	11/91	50%	38	19	California
4	Commonwealth Atlantic	E	Natural Gas	6/92	50%	340	170	Virginia
5	EcoElectrica		Liquified Natural Gas	3/00	50%	540	270	Puerto Rico
6	Gordonsville	Q/E	Natural Gas	6/94	50%	240	120	Virginia
7	Harbor	E	Natural Gas	4/89	30%	80	24	California
8	Homer City	E	Coal	3/99	100%	1,884	1,884	Pennsylvania
9	James River	Q	Coal	12/87	50%	110	55	Virginia
10	Kern River	Q	Natural Gas	8/85	50%	300	150	California
11	March Point 1	Q	Natural Gas	11/91	50%	80	40	Washington
12	March Point 2	Q	Natural Gas	1/93	50%	60	30	Washington
13	Mid-Set	Q	Natural Gas	5/89	50%	38	19	California
14	Midway-Sunset	Q	Natural Gas	5/89	50%	225	112	California
15	Midwest Generation (12 projects)		Coal, Natural Gas	12/99	100%	9,539	9,539	Illinois
27	Nevada Sun-Peak	E	Natural Gas	6/91	50%	210	105	Nevada
28	Saguaro	Q	Natural Gas	10/91	50%	90	45	Nevada
29	Salinas River	Q	Natural Gas	11/91	50%	38	19	California
30	Sargent Canyon	Q	Natural Gas	11/91	50%	38	19	California
31	Sunrise Phase I	E	Natural Gas	6/01	50%	320	160	California
32	Sycamore	Q	Natural Gas	1/88	50%	300	150	California
33	Watson	Q	Natural Gas	4/88	49%	385	189	California
Total Americas Operating Projects						15,221	13,302	
<b>Asia Pacific</b>								
1	Contact (9 projects)		Hydro, Natural Gas, 5/99, 1/00, 4/00 Geothermal		51.2%	2,247	1,033	New Zealand <sup>1</sup>
10	Kwinana		Natural Gas	12/96	70%	116	81	Australia
11	Loy Yang B		Coal	10/93, 10/96, 5/97	100%	1,000	1,000	Australia
12	Paiton		Coal	7/99	40%	1,230	492	Indonesia
13	Tri Energy		Natural Gas	7/00	25%	700	175	Thailand
<b>Europe, Central Asia, Middle East and Africa</b>								
14	Derwent		Natural Gas	5/95	33%	214	71	U.K.
15	Dinorwig		Hydro	12/95	100%	1,728	1,728	U.K.
16	Doga		Natural Gas	5/99	80%	180	144	Turkey
17	Ffestiniog		Hydro	12/95	100%	360	360	U.K.
18	FFF (2 projects)		Coal	7/99	100%	3,984	3,984	U.K.
20	Iberian Hy-Power I (5 projects)		Hydro	12/92, 1/96	100% <sup>2</sup>	43	39	Spain
	Iberian Hy-Power II (13 projects)		Hydro	8/93, 1/96	100%	43	43	Spain
38	ISAB		Oil	4/00	49%	512	251	Italy
39	Roosecote		Natural Gas	12/92	100%	220	220	U.K.
Total International Operating Projects						12,577	9,621	
Total Operating Projects						27,798	22,923	

<sup>1</sup> Minority interest in one project in Australia.

<sup>2</sup> Minority interests are owned by third parties in three of the projects.

Q = Qualifying Facility

E = Exempt Wholesale Generation

## PROJECTS UNDER CONSTRUCTION

1	Caliraya		Hydro	2002	50%	23	12	Philippines
2	Botocan		Hydro	2002	50%	21	10	Philippines
3	IVPC		Wind	2002	50%	283	142	Italy
4	Kalayaan		Hydro	2003	50%	684	342	Philippines
5	Valley Power		Gas	2002	100%	300	300	Australia
6	Sunrise Phase II		Gas	2001	50%	240	120	California
Total Projects Under Construction						1,551	926	



## ENERGY/INFRASTRUCTURE PROJECTS

<i>Infrastructure Project Name</i>	<i>Country/Region</i>	<i>Project Type</i>	<i>Gen. Capacity (MW)</i>	<i>Transaction Size (\$ Millions)</i>	<i>Lessor Interest or Equity</i>
ESKOM/Majuba	South Africa	Coal Power	4,110	\$3,000	50%
Swisscom AG	Switzerland	Telecommunications	—	2,356	9%
Midland Cogeneration Plant	U.S.	Gas Power	1,370	2,292	9%
EPON/Eems Power Station	Netherlands	Gas/Coal Power	1,675	1,950	60%
AIG — Asia II Fund	Asia	Infrastructure	—	1,671	6%
Beaver Valley Unit #2	U.S.	Nuclear Power	836	1,565	26%
EPZ/Amercentrale 9	Netherlands	Coal Power	580	1,270	26%
AIG/GE Latin American Fund	Latin America	Infrastructure	—	1,013	8%
ETSA	Australia	Transmission System	—	754	100%
Vidalia Hydroelectric	U.S.	Hydro Power	192	633	24%
AIG Emerging Europe Fund	Europe	Infrastructure	—	550	24%
Trinidad & Tobago Methanol Co.	Trinidad & Tobago	Methanol	—	252	3%
Huntington Waste-to-Energy	U.S.	Biomass Power	26	220	38%
Storm Lake I	U.S.	Wind Power	113	183	99%
Nederlandse Spoorwegen	Netherlands	Electric Rail	—	144	100%
Mandeville	Latin America	Cable Television	—	98	20%
Electropaz	Bolivia	Distribution System	—	70	11%
Buffalo Ridge	U.S.	Wind Power	33	43	75%
Cade / Edeser / Elfeo	Bolivia	Distribution System	—	7	33%
<b>Total</b>			<b>8,935</b>	<b>\$18,071</b>	

**EDISON SELECT** — On August 1, 2001, Edison Enterprises sold Edison Select to ADT Security Services, Inc., a unit of Tyco International Ltd. Edison Select is principally engaged in the businesses of providing residential security services and residential electrical warranty repair services.

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