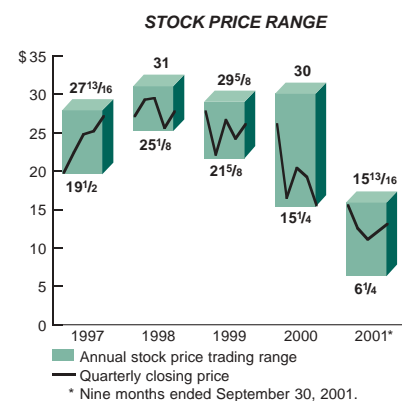
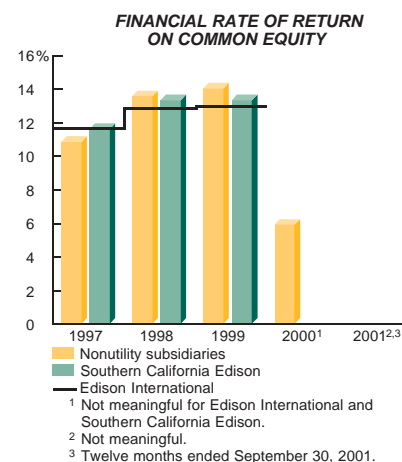
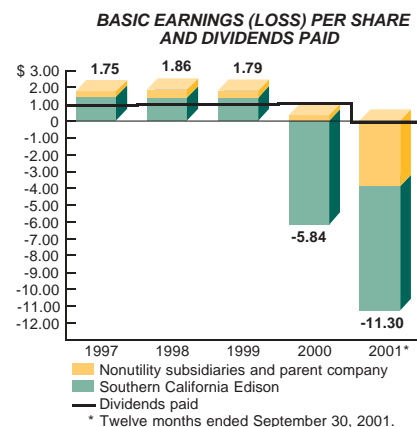


2001 Third Quarter Financial and Statistical Supplement



KEY FINANCIAL AND OPERATING DATA

	As of September 30, or Twelve Months Ended September 30,	
	2001	2000
Edison International		
Basic Earnings (Loss) Per Share	\$(11.30)	\$2.08
Rate of Return on Common Equity	NM	13.99%
Net Income (Loss) (millions)	\$(3,681)	\$703
Operating Cash Flow Per Common Share (a)	\$7.11	\$4.84
Annual Dividend Rate (b)	NM	\$1.12
Dividend Yield (paid) (b)	N/A	5.8%
Dividends Paid Per Share	\$0.28	\$1.10
Dividends Payout Ratio (paid) (b)	N/A	52.9%
Book Value Per Share	\$3.36	\$14.98
Price/Earnings Ratio	NM	9.3x
Market Price/Book Value Ratio	3.9x	1.3x
Market Price Per Share	\$13.16	\$19.3281
Stock Price Range	\$6.25-\$24.4375	\$15.25-\$30
Total Shareholder Return (appreciation and dividends paid)	(31.9)%	(15.7)%
Weighted-Average Common Shares Outstanding (thousands)	325,811	337,497
Recourse Financial Capital Structure (c):		
Common Equity	7.8%	31.2%
Preferred Securities	10.1	9.5
Debt	82.2	59.3
Total	100.0%	100.0%
Southern California Edison		
Basic Earnings (Loss) Per Edison International Common Share	\$(7.40)	\$1.72
Net Income (Loss) Available for Common Stock (millions)	\$(2,410)	\$582
Operating Cash Flow Per Edison International Common Share (a)	\$6.81	\$3.17
Financial Rate of Return on Common Equity	NM	18.25%
Ratemaking Rate of Return on Common Equity — Earned (d)	NM	10.94%
Ratemaking Rate of Return on Common Equity — Authorized (d)	11.6%	11.6%
AFUDC as a Percent of Utility Earnings	NM	3.9%
Ratemaking Capitalization Ratios:		
Common Equity	48.6%	46.4%
Preferred Stock	5.1	5.3
Long-Term Debt	46.3	48.3
Total	100.0%	100.0%
Kilowatt-hour Sales (millions)	79,613	83,672
Peak Demand (MW)	17,890	19,757
Customer (thousands)	4,460	4,244
Generating Capacity Resources (MW)	9,684	10,430
Employees	12,162	13,593
Edison Mission Energy and Edison Capital		
Basic Earnings (Loss) Per Edison International Common Share	\$(3.01)	\$0.85
Equity (millions)	\$2,389	\$3,571
Net Income (Loss) (millions)	\$(967)	\$288
Operating Cash Flow Per Edison International Common Share	\$1.05	\$2.30
Financial Rate of Return on Common Equity		
Edison Mission Energy	NM	5.6%
Edison Capital	10.6%	23.4%
Employees:		
Edison Mission Energy	3,485	3,297
Edison Capital	68	115



(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 September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Electric utility	\$2,725	\$2,432	\$ 7,582	\$ 7,942
Nonutility power generation	1,194	1,061	3,476	3,133
Financial services and other	124	160	666	567
Total operating revenue	4,043	3,653	11,724	11,642
Fuel	403	336	1,409	1,194
Purchased power	759	1,915	4,872	3,897
Provisions for regulatory adjustment clauses — net	(5)	(861)	3,033	(1,057)
Other operation and maintenance	837	736	3,403	3,143
Depreciation, decommissioning and amortization	267	535	1,212	1,971
Writedown of nonutility assets	1,923	—	2,107	—
Property and other taxes	28	30	116	126
Net gain on sale of utility plant	—	—	(25)	(7)
Total operating expenses	4,212	2,691	16,127	9,267
Operating income (loss)	(169)	962	(4,403)	2,375
Interest and dividend income	40	63	237	151
Interest expense — net of amounts capitalized	(467)	(345)	(1,624)	(1,276)
Other — net	25	(16)	33	6
Dividends on preferred securities	(23)	(25)	(94)	(98)
Dividends on utility preferred stock	(6)	(6)	(22)	(21)
Income (loss) before taxes	(600)	633	(5,873)	1,137
Income taxes	(187)	273	(2,192)	434
Net income (loss)	\$ (413)	\$ 360	\$ (3,681)	\$ 703
Weighted-average shares of common stock outstanding	326	326	326	337
Basic earnings (loss) per share	\$ (1.27)	\$ 1.11	\$ (11.30)	\$ 2.08
Diluted earnings (loss) per share	\$ (1.27)	\$ 1.10	\$ (11.30)	\$ 2.08
Dividends declared per common share	\$ —	\$ 0.28	\$ —	\$ 1.11

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

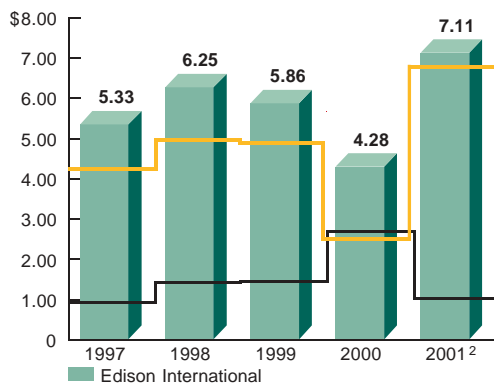
ASSETS	September 30,		LIABILITIES AND SHAREHOLDER'S EQUITY		
	2001	2000	2001	2000	
Cash and equivalents	\$ 4,094	\$ 1,076	Short-term debt	\$ 3,131	\$ 3,340
Receivables, less allowances of \$32 and \$41 for uncollectible accounts at respective dates	1,667	1,252	Long-term debt classified as due within one year	4,018	997
Accrued unbilled revenue	568	553	Preferred stock to be redeemed within one year	105	—
Fuel inventory	248	246	Accounts payable	3,566	958
Materials and supplies, at average cost	219	207	Accrued taxes	343	438
Accumulated deferred income taxes — net	1,399	548	Regulatory liabilities — net	136	1,005
Trading and price risk management assts	103	303	Trading and risk management liabilities	51	337
Prepayments and other current assets	258	222	Other current liabilities	2,619	2,560
Total current assets	8,556	4,407	Total current liabilities	13,969	9,635
Nonutility property — less accumulated provision for depreciation of \$961 and \$677 at respective dates	8,766	9,940	Long-term debt	12,262	12,488
Nuclear decommissioning trusts	2,268	2,542	Accumulated deferred income taxes — net	5,110	6,427
Investments in partnerships and unconsolidated subsidiaries	2,249	2,680	Accumulated deferred investment tax credits	174	194
Investments in leveraged leases	2,334	2,294	Customer advances and other deferred credits	1,755	1,644
Other investments	114	338	Power-purchase contracts	384	489
Total investments and other assets	15,731	17,794	Accumulated provision for pensions and benefits	535	430
Utility plant, at original cost:			Other long-term liabilities	98	101
Transmission and distribution	13,453	12,912	Total deferred credits and other liabilities	8,056	9,285
Generation	1,725	1,723	Minority interest	357	18
Accumulated provision for depreciation and decommissioning	(7,852)	(7,759)	Preferred stock of utility:		
Construction work in progress	592	675	Not subject to mandatory redemption	129	129
Nuclear fuel at amortized cost	129	127	Subject to mandatory redemption	151	256
Total utility plant	8,047	7,678	Company-obligated mandatorily redeemable securities of subsidiaries holding solely parent company debentures	950	948
Regulatory assets — net	2,874	6,669	Other preferred securities	93	280
Other deferred charges	1,854	1,371	Total preferred securities of subsidiaries	1,323	1,613
Total deferred charges	4,728	8,040	Common stock (325,811,206 shares outstanding at each date)	1,960	1,961
Total assets	\$37,062	\$37,919	Additional paid-in capital	4	—
			Accumulated other comprehensive loss	(336)	(230)
			Retained earnings (deficit)	(533)	3,149
			Total common shareholder's equity	1,095	4,880
			Total liabilities and shareholder's equity	\$37,062	\$37,919

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Cash flows from operating activities:				
Net income (loss)	\$ (413)	\$ 360	\$(3,681)	\$ 703
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, decommissioning and amortization	267	535	1,212	1,971
Other amortization	27	42	103	175
Deferred income taxes and investment tax credits	(389)	446	(1,996)	723
Equity in income from partnerships and unconsolidated subsidiaries	(132)	(102)	(402)	(243)
Income from leveraged leases	(26)	(44)	(139)	(191)
Regulatory assets — long-term — net	(135)	(1,451)	3,365	(2,459)
Write-down of nonutility assets	1,924	—	2,107	—
Net gain on sale of marketable securities	—	—	—	(57)
Other assets	(24)	(124)	164	(243)
Other liabilities	(82)	(69)	(124)	(115)
Changes in working capital:				
Receivables and accrued unbilled revenue	(312)	(188)	45	(225)
Regulatory liabilities — short-term — net	(61)	510	(869)	1,110
Fuel inventory, materials, and supplies	(4)	14	(1)	19
Prepayments and other current assets	(46)	(52)	262	(53)
Accrued interest and taxes	309	(160)	72	(346)
Accounts payable and other current liabilities	263	519	1,867	633
Distributions and dividends from unconsolidated entities	157	69	309	231
Net cash provided by operating activities	1,323	305	2,294	1,633
Cash flows from financing activities:				
Long-term debt issued	1,748	458	6,075	5,362
Long-term debt repaid	(463)	(1,149)	(3,028)	(3,597)
Bonds repurchased and funds held in trust	—	(219)	(350)	(219)
Issuance of preferred securities	81	—	95	363
Common stock repurchased	—	—	—	(386)
Redemption of preferred securities	(164)	—	(289)	—
Rate reduction notes repaid	(61)	(62)	(245)	(243)
Short-term debt financing — net	(1,322)	374	(406)	1,953
Dividends paid	—	(91)	(91)	(373)
Nuclear fuel financing — net	(4)	15	1	(21)
Net cash provided (used) by financing activities	(185)	(674)	1,762	2,839
Cash flows from investing activities:				
Additions to property and plant	(260)	(346)	(1,153)	(1,343)
Purchase of nonutility generating plant	—	(17)	(30)	(4,016)
Proceeds from sale of nonutility property	278	1,681	470	1,798
Funding of nuclear decommissioning trusts	(18)	(64)	57	(144)
Investments in partnerships and unconsolidated subsidiaries	28	(154)	(67)	(328)
Proceeds from sale of marketable securities	—	—	—	58
Investment in leveraged leases	—	(270)	71	(357)
Sales of investments in other assets	(330)	(243)	(356)	(230)
Net cash provided (used) by investing activities	(302)	587	(1,008)	(4,562)
Effect of exchange rate changes on cash	29	(6)	(30)	(53)
Net increase (decrease) in cash and equivalents	865	212	3,018	(143)
Cash and equivalents, beginning of period	3,229	864	1,076	1,219
Cash and equivalents, end of period	\$ 4,094	\$ 1,076	\$ 4,094	\$ 1,076

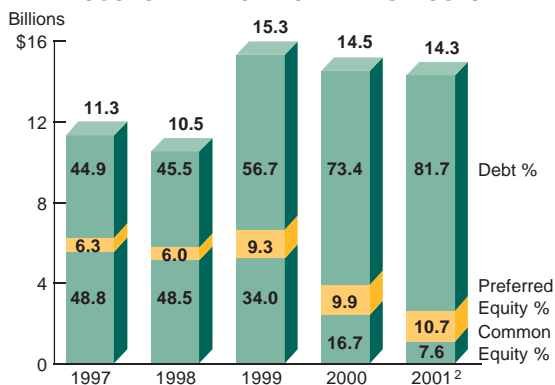
**OPERATING CASH FLOW
PER EDISON INTERNATIONAL COMMON SHARE¹**



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

² Twelve months ended September 30, 2001.

**EDISON INTERNATIONAL
RECOURSE FINANCIAL CAPITAL STRUCTURE¹**



¹ Represents EIX consolidated financial net recourse capitalization ratios including short-term debt.

² As of September 30, 2001.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Operating revenue	\$2,726	\$2,432	\$ 7,585	\$7,942
Fuel	57	57	212	198
Purchased power	759	1,915	4,872	3,897
Provisions for regulatory adjustment clauses — net	(5)	(861)	3,033	(1,057)
Other operation and maintenance	432	430	1,771	1,719
Depreciation, decommissioning and amortization	161	415	789	1,532
Property and other taxes	28	29	114	123
Net gain on sale of utility plant	—	—	(27)	(7)
Total operating expenses	1,432	1,985	10,764	6,405
Operating income (loss)	1,294	447	(3,179)	1,537
Interest and dividend income	25	45	159	107
Other nonoperating income	6	6	67	117
Interest expense — net of amounts capitalized	(221)	(136)	(761)	(512)
Other nonoperating deductions	(2)	(15)	(54)	(111)
Income (loss) before taxes	1,102	347	(3,768)	1,138
Income taxes	445	169	(1,380)	535
Net income (loss)	657	178	(2,388)	603
Dividends on preferred stock	6	6	22	21
Net income (loss) available for common stock	\$ 651	\$ 172	\$(2,410)	\$ 582

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

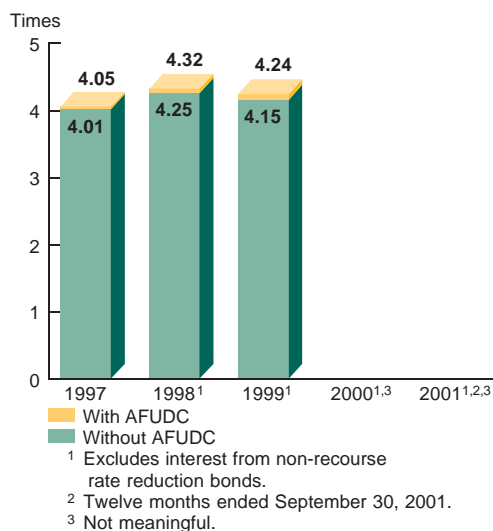
ASSETS	September 30,		LIABILITIES AND SHAREHOLDER'S EQUITY	September 30,	
	2001	2000		2001	2000
Cash and equivalents	\$2,775	\$ 50	Short-term debt	\$ 2,131	\$ 1,276
Receivables, less allowances of \$30 and \$23 for uncollectible accounts at respective dates	1,353	682	Long-term debt classified as due within one year	2,797	647
Accrued unbilled revenue	568	553	Preferred stock to be redeemed within one year	105	—
Fuel inventory	12	21	Accounts payable	3,315	885
Materials and supplies, at average cost	140	131	Accrued taxes	713	574
Accumulated deferred income taxes — net	593	546	Regulatory liabilities — net	136	1,005
Prepayments and other current assets	196	160	Other current liabilities	2,000	1,800
Total current assets	5,637	2,143	Total current liabilities	11,197	6,187
Nonutility property — less accumulated provision for depreciation of \$15 and \$8 at respective dates	142	102	Long-term debt	3,166	4,807
Nuclear decommissioning trusts	2,268	2,542	Accumulated deferred income taxes — net	2,234	3,360
Other investments	112	336	Accumulated deferred investment tax credits	155	175
Total investments and other assets	2,522	2,980	Customer advances and other deferred credits	801	771
Utility plant, at original cost:			Power-purchase contracts	384	490
Transmission and distribution	13,453	12,912	Accumulated provision for pensions and benefits	439	293
Generation	1,725	1,723	Other long-term liabilities	97	101
Accumulated provision for depreciation and decommissioning	(7,852)	(7,759)	Total deferred credits and other liabilities	4,110	5,190
Construction work in progress	592	675	Commitments and contingencies		
Nuclear fuel at amortized cost	129	127	Preferred stock:		
Total utility plant	8,047	7,678	Not subject to mandatory redemption	129	129
Regulatory assets — net	2,874	6,669	Subject to mandatory redemption	151	256
Other deferred charges	513	371	Total preferred stock	280	385
Total deferred charges	3,387	7,040	Common stock (434,888,104 shares outstanding at each date)	2,168	2,168
Total assets	\$19,593	\$19,841	Additional paid-in capital	335	334
			Accumulated other comprehensive loss	(23)	—
			Retained earnings (deficit)	(1,640)	770
			Total common shareholder's equity	840	3,272
			Total liabilities and shareholder's equity	\$19,593	\$19,841

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

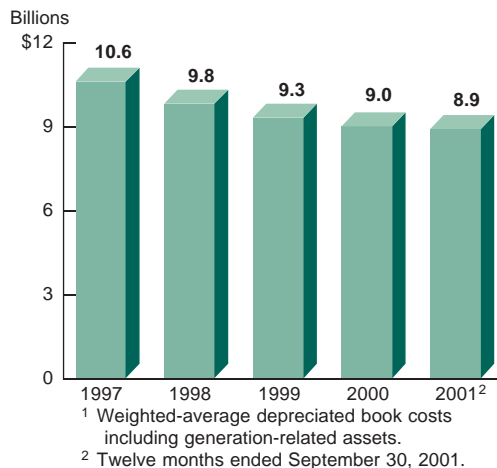
(In millions)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Cash flows from operating activities:				
Net income (loss)	\$ 657	\$ 178	\$(2,388)	\$ 603
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, decommissioning and amortization	161	415	789	1,532
Other amortization	24	25	82	101
Deferred income taxes and investment tax credits	123	233	(1,087)	317
Regulatory assets — long-term — net	(135)	(1,451)	3,365	(2,459)
Net gain on sale of marketable securities	—	—	—	(41)
Other assets	(8)	(132)	158	(233)
Other liabilities	(15)	(1)	17	(52)
Changes in working capital:				
Receivables and accrued unbilled revenue	(488)	(105)	(681)	64
Regulatory liabilities — short-term — net	(61)	510	(869)	1,110
Fuel inventory, materials, and supplies	(4)	14	(1)	19
Prepayments and other current assets	(84)	(110)	(35)	(31)
Accrued interest and taxes	470	(55)	248	(432)
Accounts payable and other current liabilities	337	496	2,598	572
Net cash provided by operating activities	977	17	2,196	1,070
Cash flows from financing activities:				
Long-term debt issued	—	218	1,293	466
Long-term debt repaid	—	—	(200)	(325)
Bonds repurchased and funds held in trust	—	(219)	(350)	(219)
Rate reduction notes repaid	(61)	(62)	(245)	(243)
Nuclear fuel financing — net	(4)	15	1	(21)
Short-term debt financing — net	10	421	855	671
Dividends paid	—	(97)	(98)	(420)
Net cash provided (used) by financing activities	(55)	276	1,256	(91)
Cash flows from investing activities:				
Additions to property and plant	(172)	(285)	(814)	(1,074)
Funding of nuclear decommissioning trusts	(18)	(64)	57	(144)
Proceeds from sales of marketable securities	—	—	—	41
Sales of investments in other assets	—	—	30	20
Net cash used by investing activities	(190)	(349)	(727)	(1,157)
Net increase (decrease) in cash and equivalents	732	(56)	2,725	(178)
Cash and equivalents, beginning of period	2,043	106	50	228
Cash and equivalents, end of period	\$2,775	\$ 50	\$ 2,775	\$ 50

SOUTHERN CALIFORNIA EDISON PRE-TAX INTEREST COVERAGE



SOUTHERN CALIFORNIA EDISON SYSTEM RATE BASE¹



KILOWATT-HOUR SALES

(Millions of kWh)

Class of Service	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Residential	6,966	7,925	24,816	26,219
Commercial	9,378	9,901	34,857	35,547
Industrial	3,062	3,334	12,329	13,350
Public Authorities	1,669	1,800	6,164	6,531
Agricultural and other	420	400	1,108	1,130
Resale	—	412	339	895
Total kWh Sales	21,495	23,772	79,613	83,672

AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended September 30,		Twelve Months Ended September 30,		Cents Per kWh	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000		2001	2000	2001	2000
Oil	\$ 8.27	\$10.17	\$9.16	\$8.45					
Gas	5.52	6.33	8.47	5.49					
Nuclear	0.43	0.43	0.40	0.42					
Coal	1.12	1.16	1.16	1.16					
Average cost	0.70	0.74*	0.74	0.76*					
Cents Per kWh									
Oil	9.67¢	11.70¢	10.58¢	10.15¢					
Gas	—	9.70	7.80	9.70					
Nuclear	0.44	0.46	0.45	0.44					
Coal	1.13	1.19	1.17	1.17					
					Purchased Power:				
					Firm	9.14¢	5.12¢	8.24¢	5.02¢
					Other power producers:				
					Biomass	12.98	16.27	14.04	13.32
					Cogeneration	11.09	11.73	13.57	7.54
					Geothermal	8.52	11.31	11.43	8.42
					Small Hydro	6.24	9.52	6.27	6.84
					Solar	17.03	18.60	16.27	12.66
					Wind	7.66	10.90	10.47	8.81
					Average cost —				
					purchased power	10.67	11.51	12.52	7.98
					Average cost:				
					All sources	5.08	5.62	6.47	3.99
					PURPA	10.47	12.13	12.77	8.40
					CDWR	10.82	—	9.21	—
					ISO	10.82	—	8.48	—

* Excludes refund for a fuel-related settlement.

TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended September 30,		% of Total		Twelve Months Ended September 30,		% of Total	
	2001	2000	2001	2000	2001	2000	2001	2000
Edison Owned:								
Nuclear	4,932	4,927	22.1	20.7	15,287	19,376	18.0	24.0
Coal	2,982	3,081	13.4	13.0	11,376	10,893	13.4	13.5
Hydro	850	1,127	3.8	4.7	3,329	4,441	3.9	5.5
Oil	8	8	—	—	30	29	—	—
Gas	—	14	—	0.1	5	14	—	—
Purchased Power:								
PX Purchases — Net ^{1,2}	0	7,433	—	31.3	8,562	17,584	10.1	21.8
Firm	946	628	4.3	2.7	3,235	2,467	3.9	3.0
Economy/Other ³	(465)	(353)	(2.1)	(1.5)	(193)	215	(0.2)	0.3
Other power producers:								
Biomass	394	406	1.8	1.7	1,656	1,630	2.0	2.0
Cogeneration	3,395	3,609	15.2	15.2	13,970	14,342	16.5	17.8
Geothermal	1,593	1,601	7.1	6.7	6,258	6,155	7.4	7.6
Small Hydro	77	118	0.3	0.5	284	283	0.3	0.4
Solar	338	367	1.5	1.6	883	853	1.0	1.1
Wind	665	778	3.0	3.3	2,595	2,453	3.1	3.0
CDWR/ISO net short	6,614	—	29.6	—	17,425	—	20.6	—
Total⁴	22,329	23,744	100.0 %	100.0 %	84,702	80,735	100.0 %	100.0 %

¹ This amount is based on the accrual basis of accounting.

² Net purchases represent energy purchases from the PX in excess of energy sales to the PX.

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

⁴ Excludes direct access and resale customer requirements starting April 1998.

OPERATING REVENUE *

(In millions)

Class of Service	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Residential	\$ 783	\$ 890	\$2,657	\$2,991
Commercial	1,248	939	3,145	3,034
Industrial	347	216	730	710
Public authorities	208	168	526	531
Agricultural	40	35	99	101
Other	2	1	4	4
Resale	1	20	66	43
Sales of electric energy	2,629	2,269	7,227	7,414
Other electric revenue	97	163	358	528
Total operating revenue	\$2,726	\$2,432	\$7,585	\$7,942

*Does not include energy revenue from direct access customers.

BALANCING ACCOUNTS

(In millions)

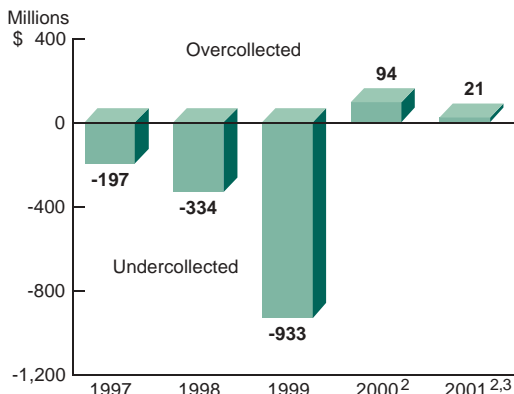
	Cumulative Over/(Under) Collections ¹ As of September 30,	
	2001	2000
Demand-side management	\$ 117	\$ 140
Other — net	(96)	(32)
Subtotal current portion	21	108
Rate reduction notes — cost deferral	(1,366)	(1,001)
Transition revenue account ^{2,3}	—	(2,358)
Subtotal long-term portion	(1,366)	(3,359)
	\$(1,345)	\$(3,251)

¹ Includes interest.

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

³ Charged to earnings as of December 31, 2000.

**SOUTHERN CALIFORNIA EDISON
NET BALANCING ACCOUNTS¹**

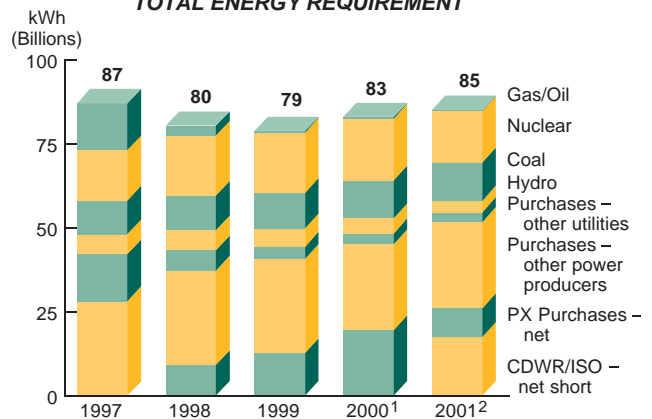


¹ Excludes non-recourse rate reduction notes — cost deferral

² Reflects the TRA being charged to earnings and a write-off of the TCBA undercollection (as recalculated) as of December 31, 2000.

³ As of September 30, 2001.

**SOUTHERN CALIFORNIA EDISON
TOTAL ENERGY REQUIREMENT**



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

² Twelve months ended September 30, 2001.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Electric revenue	\$ 1,017	\$ 949	\$2,982	\$2,838
Equity in income from energy projects	120	89	345	204
Equity in income from oil and gas	12	13	56	39
Net gains (losses) from energy trading and price risk management	9	(11)	57	(48)
Operation and maintenance services	14	10	49	40
Total operating revenue	1,172	1,050	3,489	3,073
Fuel	346	278	1,196	996
Plant operations	241	198	913	716
Operation and maintenance services	7	6	27	28
Depreciation and amortization	102	93	363	368
Long-term incentive compensation	5	(54)	1	55
Asset impairment charges	1,924	—	1,924	—
Administrative and general	43	40	166	148
Total operating expenses	2,668	561	4,590	2,311
Operating income (loss)	(1,496)	489	(1,101)	762
Interest and other income	6	18	42	69
Gain on sale of assets	42	8	46	31
Interest expense	(171)	(177)	(646)	(654)
Dividends on preferred securities	(5)	(8)	(25)	(32)
Minority interest	(11)	(1)	(20)	(2)
Total other deductions — net	(139)	(160)	(603)	(588)
Income (loss) before income taxes	(1,635)	329	(1,704)	174
Income tax expense (benefit)	(594)	138	(630)	37
Income (loss) before change in accounting principle	(1,041)	191	(1,074)	137
Cumulative effect of change in accounting for derivatives, net of tax	15	—	21	—
Cumulative effect of change in accounting for major maintenance costs, net of tax	—	—	—	18
Net income (loss)	<u>\$(1,026)</u>	<u>\$ 191</u>	<u>\$(1,053)</u>	<u>\$ 155</u>

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

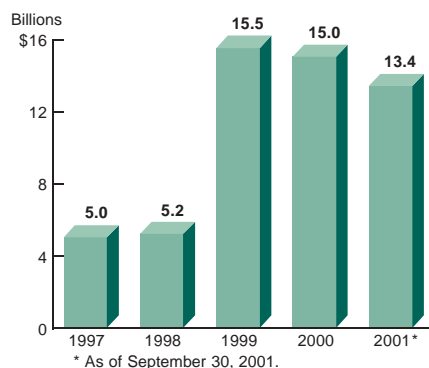
ASSETS	September 30,		LIABILITIES AND SHAREHOLDER'S EQUITY	September 30,	
	2001	2000		2001	2000
Cash and cash equivalents	\$ 736	\$ 833	Accounts payable and accrued liabilities	\$ 534	\$ 527
Receivables, net	597	494	Liabilities under energy trading and price risk management	51	337
Assets under energy trading and price risk management	103	303	Interest payable	132	104
Inventory	308	294	Short-term obligations	506	721
Prepaid expenses and other	60	53	Current portion of long-term incentive compensation	2	75
Total current assets	1,804	1,977	Current maturities of long-term obligations	1,188	165
Investments in energy projects	1,787	1,991	Total current liabilities	2,413	1,929
Investments in oil and gas	29	53	Long-term obligations net of current maturities	6,830	6,833
Total investments	1,816	2,044	Deferred taxes and tax credits	942	1,506
Property, plant and equipment, net	8,607	9,715	Deferred revenue	409	447
Long-term receivables	270	267	Long-term incentive compensation	41	73
Goodwill	627	286	Long-term liabilities under energy trading and price risk management	169	—
Deferred financing costs	132	119	Other	297	306
Long-term assets under energy trading and price risk management	4	—	Total long-term deferred liabilities	1,858	2,332
Restricted cash and other	119	71	Total liabilities	11,101	11,094
Total other assets	1,152	743	Minority Interest	357	18
Total assets	<u>\$13,379</u>	<u>\$14,479</u>	Preferred securities of subsidiaries	243	430
			Common stock and additional paid-in capital	2,695	2,689
			Retained earnings (deficit)	(714)	463
			Accumulated other comprehensive income	(303)	(215)
			Total shareholder's equity	1,678	2,937
			Total liabilities and shareholder's equity	<u>\$13,379</u>	<u>\$14,479</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

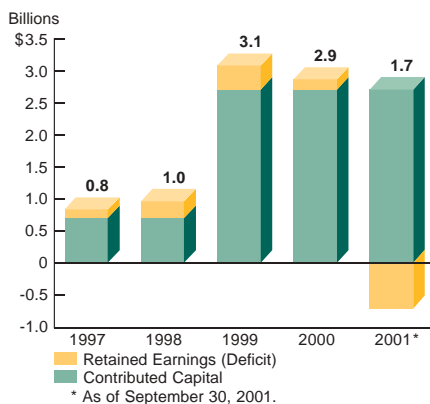
(In millions)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Cash Flow From Operating Activities:				
Net income (loss)	\$(1,026)	\$ 191	\$(1,053)	\$ 155
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Equity in income from energy projects	(120)	(89)	(345)	(204)
Equity in income from oil and gas	(12)	(13)	(56)	(39)
Distributions from energy projects	141	60	235	193
Dividends from oil and gas	16	8	73	36
Gain on sale of assets	(42)	(8)	(46)	(31)
Depreciation and amortization	102	93	363	368
Asset impairment charges	1,924	—	1,924	—
Cumulative effect of change in accounting principle, net of tax	(15)	—	(21)	(18)
Changes in working capital components	123	(46)	(207)	(175)
Other — net	(685)	84	(516)	112
Net cash provided by operating activities	406	280	351	397
Cash Flow From Financing Activities:				
Borrowings on long-term obligations	624	86	3,177	4,682
Payments on long-term obligations	(448)	(893)	(2,458)	(2,635)
Short-term financing, net	(314)	(529)	(227)	176
Capital contribution from parent	—	—	—	934
Cash dividend to parent	(32)	(22)	(120)	(66)
Issuance of preferred securities	81	—	95	48
Redemption of preferred securities	(165)	—	(289)	—
Acquisition financing costs	—	—	—	(89)
Net cash provided (used) by financing activities	(254)	(1,358)	178	3,050
Cash Flow From Investing Activities:				
Investments	40	(151)	(375)	(4,264)
Proceeds from sale of assets	63	12	176	68
Proceeds from sale and leaseback	—	1,667	—	1,667
Capital expenditures	(87)	(43)	(331)	(241)
Increase (decrease) in restricted cash	(1)	10	(62)	(18)
Other — net	(30)	(256)	(17)	(225)
Net cash provided (used) by investing activities	(15)	1,239	(609)	(3,013)
Effect of exchange rate changes on cash	25	(12)	(17)	(52)
Net increase (decrease) in cash and equivalents	162	149	(97)	382
Cash and equivalents at beginning of period	574	684	833	451
Cash and equivalents at end of period	\$ 736	\$ 833	\$ 736	\$ 833

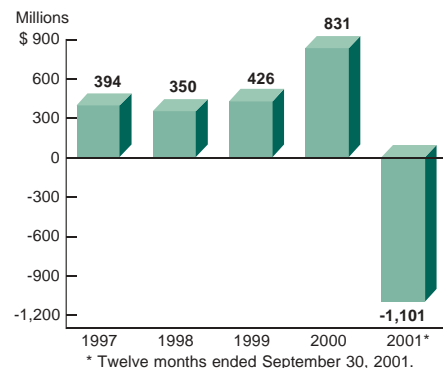
**EDISON MISSION ENERGY
TOTAL ASSETS**



**EDISON MISSION ENERGY
TOTAL EQUITY**



**EDISON MISSION ENERGY
OPERATING INCOME (LOSS)**



OPERATING PROJECTS

No.	Project Name	Fuel Source	Commercial Operation/ Acquisition Date	Ownership Interest	Megawatts		Location	
					Total	EME Share		
Americas								
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	Salinas River	Q	Natural Gas	11/91	50%	38	19	California
29	Sargent Canyon	Q	Natural Gas	11/91	50%	38	19	California
30	Sunrise Phase I	E	Natural Gas	6/01	50%	320	160	California
31	Sycamore	Q	Natural Gas	1/88	50%	300	150	California
32	Watson	Q	Natural Gas	4/88	49%	385	189	California
Total Americas Operating Projects						15,131	13,257	
Asia Pacific								
1	Contact (10 projects)		Hydro, Natural Gas, 5/99, 1/00, 4/00 Geothermal		51.2%	2,302	1,064	New Zealand ¹
11	Kwinana		Natural Gas	12/96	70%	116	81	Australia
12	Loy Yang B		Coal	10/93, 10/96, 5/97	100%	1,000	1,000	Australia
13	Paiton		Coal	7/99	40%	1,230	492	Indonesia
14	Tri Energy		Natural Gas	7/00	25%	700	175	Thailand
15	Kalayaan I Unit 2		Hydro	10/00	50%	168	84	Philippines
Europe, Central Asia, Middle East and Africa								
16	Derwent		Natural Gas	5/95	33%	214	71	U.K.
17	Dinorwig		Hydro	12/95	100%	1,728	1,728	U.K.
18	Doga		Natural Gas	5/99	80%	180	144	Turkey
19	Ffestiniog		Hydro	12/95	100%	360	360	U.K.
20	FFF (2 projects)		Coal	7/99	100%	3,984	3,984	U.K.
21	Iberian Hy-Power I (5 projects)		Hydro	12/92, 1/96	100% ²	43	39	Spain
	Iberian Hy-Power II (13 projects)		Hydro	8/93, 1/96	100%	43	43	Spain
40	ISAB		Oil	4/00	49%	512	251	Italy
41	Roosecote		Natural Gas	12/92	100%	220	220	U.K.
Total International Operating Projects						12,800	9,736	
Total Operating Projects						27,931	22,993	

¹ Minority interest in one project in Australia.

² 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%	516	258	Philippines
5	Valley Power		Gas	2002	100%	300	300	Australia
6	Sunrise Phase II		Gas	2003	50%	240	120	California
Total Projects Under Construction						1,383	842	

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)	September 30,		September 30,		
	2001	2000	2001	2000	
Current assets	\$1,088	\$ 265	\$ 547	\$ 556	
Lease investments	2,334	2,293	2,624	2,254	
Partnership investments	412	844	3,171	2,810	
Property, plant and equipment — net, and other	48	42	81	81	
Total assets	<u>\$3,882</u>	<u>\$3,444</u>	(10)	(15)	
			640	568	
			Total shareholder's equity	711	634
			Total liabilities and shareholder's equity	<u>\$3,882</u>	<u>\$3,444</u>

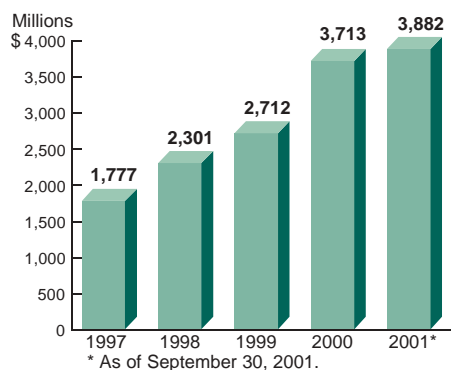
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Lease revenue	\$ 31	\$ 44	\$158	\$195
Other	43	22	98	65
Total operating revenue	74	66	256	260
Operating expenses	18	25	93	94
Operating income	56	41	163	166
Interest expense	20	14	67	49
Equity in income from unconsolidated entities	(21)	(4)	(33)	(21)
Other income	4	4	19	9
Income before income taxes	19	27	82	105
Income tax benefit (expense)	5	9	12	29
Net income	<u>\$ 24</u>	<u>\$ 36</u>	<u>\$ 94</u>	<u>\$134</u>

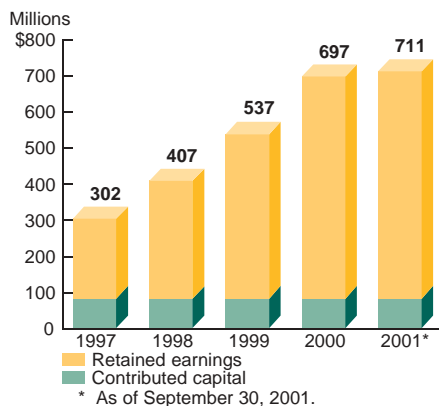
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2001	2000	2001	2000
Cash flows from operating activities:				
Net income	\$ 14	\$ 36	\$ 72	\$ 134
Adjustments for non-cash items	53	71	187	185
Changes in working capital components	(73)	(37)	(267)	58
Distributions from unconsolidated entities	—	—	—	1
Net cash provided (used) by operating activities	(6)	70	(8)	378
Cash flows from financing activities:				
Net proceeds from issuances of debt	—	219	254	797
Repayment of debt	(150)	(100)	(404)	(526)
Net cash provided (used) by financing activities	(150)	119	(150)	271
Cash flows from investing activities:				
Investments	(14)	(191)	(50)	(661)
Proceeds from sale of assets	—	2	394	57
Other	8	4	(39)	(65)
Net cash provided (used) by investing activities	(6)	(185)	305	(669)
Net increase (decrease) in cash and equivalents	(162)	4	147	(20)
Cash and equivalents, beginning of period	337	24	28	48
Cash and equivalents, end of period	<u>\$ 175</u>	<u>\$ 28</u>	<u>\$ 175</u>	<u>\$ 28</u>

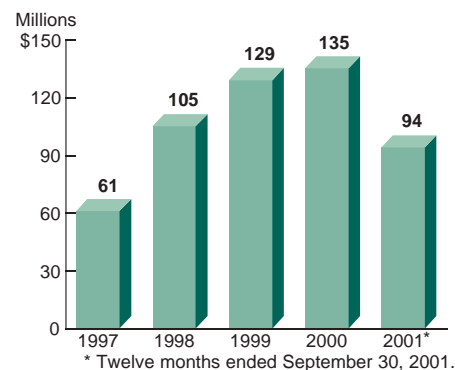
**EDISON CAPITAL
TOTAL ASSETS**



**EDISON CAPITAL
TOTAL EQUITY**



**EDISON CAPITAL
NET INCOME**



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	—	1,668	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	—	1,014	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%
Total			8,935	\$18,069	

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