

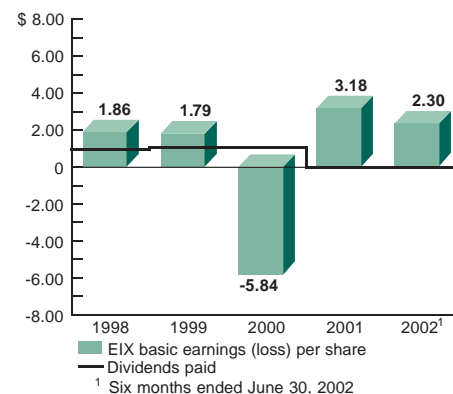
# 2002 Second Quarter Financial and Statistical Supplement



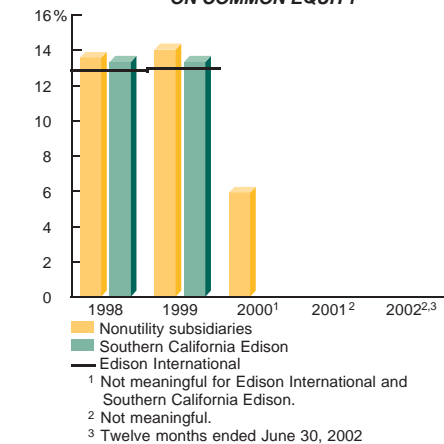
## KEY FINANCIAL AND OPERATING DATA

	As of June 30, or Three Months Ended June 30,	
	2002	2001
<b>Edison International</b>		
Basic Earnings (Loss) Per Share	\$2.04	\$(0.31)
Rate of Return on Common Equity	NM	NM
Income from continuing operations (millions)	\$662	\$59
Net Income (Loss) (millions)	\$665	\$(102)
Annual Dividend Rate <sup>1</sup>	NM	NM
Dividend Yield (paid) <sup>1</sup>	N/A	N/A
Dividends Paid Per Share <sup>1</sup>	—	—
Dividends Payout Ratio (paid) <sup>1</sup>	N/A	N/A
Book Value Per Share	\$12.69	\$4.45
Price/Earnings Ratio	NM	NM
Market Price/Book Value Ratio	1.3x	2.5x
Market Price Per Share	\$17.00	\$11.15
Stock Price Range	\$16.26–\$19.60	\$7.51–\$12.98
One-Year Total Shareholder Return (appreciation and dividends paid)	52.5%	(44.8)%
Weighted-Average Common Shares Outstanding (thousands)	325,811	325,811
Recourse Financial Capital Structure <sup>2</sup> :		
Common Equity	27.6%	10.0%
Preferred Securities	8.9	9.9
Debt	63.5	80.1
Total	100.0%	100.0%
<b>Southern California Edison</b>		
Basic Earnings Per Edison International Common Share	\$2.13	\$0.09
Net Income Available for Common Stock (millions)	\$695	\$28
Financial Rate of Return on Common Equity	NM	NM
Ratemaking Rate of Return on Common Equity — Earned <sup>3</sup>	NM	NM
Ratemaking Rate of Return on Common Equity — Annual Authorized <sup>3</sup>	11.6%	11.6%
AFUDC as a Percent of Utility Earnings	NM	NM
Ratemaking Capitalization Ratios:		
Common Equity	57.7%	47.8%
Preferred Stock	4.0	5.1
Long-Term Debt	38.3	47.1
Total	100.0%	100.0%
Kilowatt-hour Sales (millions)	18,906	18,813
Peak Demand (MW) <sup>4</sup>	16,419	16,108
Customers (thousands)	4,503	4,439
Generating Capacity Resources (MW)	9,767	10,120
Employees	11,858	11,758
<b>Edison Mission Energy</b>		
Basic Earnings Per Edison International Common Share	\$0.01	—
Equity (millions)	\$1,650	\$2,673
Income from continuing operations	—	\$41
Net Income (millions)	\$3	—
Financial Rate of Return on Common Equity	NM	5.9%
Employees	2,828	3,493
<b>Edison Capital</b>		
Basic Earnings Per Edison International Common Share	\$0.04	\$0.08
Equity (millions)	\$780	\$707
Net Income (millions)	\$12	\$24
Financial Rate of Return on Common Equity	10.7%	14.2%
Employees	67	76

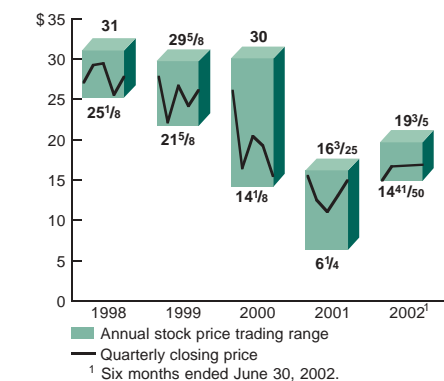
## BASIC EARNINGS (LOSS) PER SHARE AND DIVIDENDS PAID



## FINANCIAL RATE OF RETURN ON COMMON EQUITY



## STOCK PRICE RANGE



<sup>1</sup> Edison International has not paid quarterly dividends since October 2000.  
<sup>2</sup> Represents Edison International consolidated financial net recourse capitalization ratios including short-term debt.  
<sup>3</sup> Transmission and distribution only.  
<sup>4</sup> Includes all of the load on transmission and distribution systems.  
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,		Six Months Ended June 30,	
	2002	2001	2002	2001
Electric utility .....	\$ 2,161	\$ 1,590	\$ 4,093	\$3,101
Nonutility power generation .....	747	723	1,357	1,312
Financial services and other .....	18	133	63	229
Total operating revenue .....	2,926	2,446	5,513	4,642
Fuel .....	285	269	550	511
Purchased power .....	581	807	835	2,531
Provisions for regulatory adjustment clauses — net .....	(331)	(90)	366	(119)
Other operation and maintenance .....	826	754	1,546	1,472
Depreciation, decommissioning and amortization .....	263	230	508	453
Property and other taxes .....	36	29	75	59
Net gain on sale of utility plant .....	—	(6)	—	(7)
Total operating expenses .....	1,660	1,993	3,880	4,900
Operating income (loss) .....	1,266	453	1,633	(258)
Interest and dividend income .....	62	45	178	91
Other nonoperating income .....	7	19	23	31
Interest expense - net of amounts capitalized .....	(317)	(347)	(677)	(729)
Other nonoperating deductions .....	(37)	(51)	(48)	(54)
Dividends on preferred securities .....	(24)	(23)	(47)	(46)
Dividends on utility preferred stock .....	(6)	(6)	(11)	(11)
Income (loss) from continuing operations before taxes .....	951	90	1,051	(976)
Income tax (benefit) .....	289	31	305	(405)
Income (loss) from continuing operations .....	662	59	746	(571)
Income (loss) from discontinued operations — net of tax .....	3	(161)	3	(148)
Net income (loss) .....	\$ 665	\$ (102)	\$ 749	\$ (719)
Weighted-average shares of common stock outstanding .....	326	326	326	326
Basic earnings (loss) per share:				
Continuing operations .....	\$ 2.03	\$ 0.18	\$ 2.29	\$ (1.75)
Discontinued operations .....	0.01	(0.49)	0.01	(0.46)
Total .....	\$ 2.04	\$ (0.31)	\$ 2.30	\$ (2.21)
Weighted-average shares, including effect of dilutive securities .....	329	326	329	326
Basic earnings (loss) per share:				
Continuing operations .....	\$ 2.01	\$ 0.18	\$ 2.27	\$ (1.75)
Discontinued operations .....	\$ 0.01	\$ (0.49)	\$ 0.01	\$ (0.46)
Total .....	\$ 2.02	\$ (0.31)	\$ 2.28	\$ (2.21)
Dividends declared per common share .....	\$ —	\$ —	\$ —	\$ —

## CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

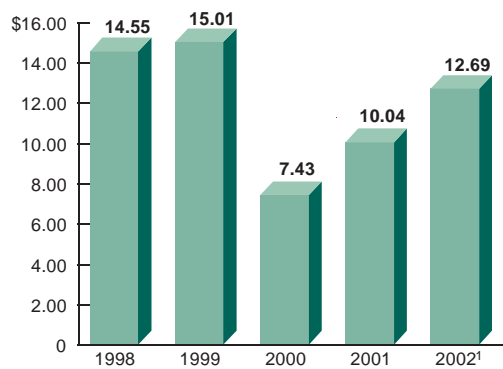
ASSETS	June 30,	December 31,	LIABILITIES AND SHAREHOLDERS' EQUITY	June 30,	December 31,
	2002 (Unaudited)	2001		2002 (Unaudited)	2001
Cash and equivalents .....	\$ 1,593	\$ 3,991	Short-term debt .....	\$ 72	\$ 2,445
Receivables, less allowances of \$47 and \$41 for uncollectible accounts at respective dates .....	1,263	1,259	Long-term debt due within one year .....	1,491	1,499
Accrued unbilled revenue .....	553	451	Preferred stock to be redeemed within one year .....	9	105
Fuel inventory .....	138	124	Accounts payable .....	1,066	3,414
Materials and supplies, at average cost .....	211	203	Accrued taxes .....	746	183
Accumulated deferred income taxes — net .....	694	1,092	Trading and price risk management liabilities .....	34	24
Trading and price risk management assets .....	70	65	Other current liabilities .....	2,040	2,187
Regulatory assets — net .....	58	83	Total current liabilities .....	5,458	9,857
Prepayments and other current assets .....	175	232	Long-term debt .....	13,643	12,674
Total current assets .....	4,755	7,500	Accumulated deferred income taxes — net .....	6,322	6,367
Nonutility property — less accumulated provision for depreciation of \$875 and \$706 at respective dates .....	6,790	6,414	Accumulated deferred investment tax credits .....	170	172
Nuclear decommissioning trusts .....	2,248	2,275	Customer advances and other deferred credits .....	1,748	1,675
Investments in partnerships and unconsolidated subsidiaries .....	2,033	2,253	Power-purchase contracts .....	319	356
Investments in leveraged leases .....	2,433	2,386	Accumulated provision for pensions and benefits .....	571	505
Other investments .....	235	226	Other long-term liabilities .....	159	147
Total investments and other assets .....	13,739	13,554	Total deferred credits and other liabilities .....	9,289	9,222
Utility plant, at original cost:			Liabilities of discontinued operations .....	17	71
Transmission and distribution .....	13,766	13,568	Minority interest .....	407	345
Generation .....	1,747	1,729	Preferred stock of utility:		
Accumulated provision for depreciation and decommissioning .....	(8,319)	(7,969)	Not subject to mandatory redemption .....	129	129
Construction work in progress .....	650	556	Subject to mandatory redemption .....	147	151
Nuclear fuel, at amortized cost .....	138	129	Company-obligated mandatorily redeemable securities of subsidiaries holding solely parent company debentures .....	950	949
Total utility plant .....	7,982	8,013	Other preferred securities .....	122	104
Goodwill .....	684	633	Total preferred securities of subsidiaries .....	1,348	1,333
Regulatory assets — net .....	5,728	5,528	Common stock (325,811,206 shares outstanding at each date) .....	1,972	1,966
Other deferred charges .....	1,346	1,341	Accumulated other comprehensive income (loss) .....	(219)	(328)
Total deferred charges .....	7,758	7,502	Retained earnings .....	2,383	1,634
Assets of discontinued operations .....	64	205	Total common Shareholders' equity .....	4,136	3,272
Total assets .....	\$34,298	\$36,774	Total liabilities and Shareholders' equity .....	\$34,298	\$36,774

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

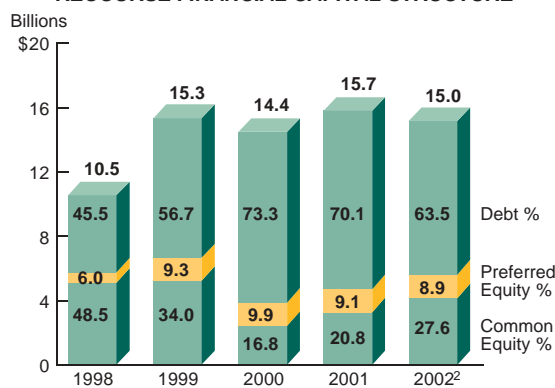
	Six Months Ended June 30,	
	2002	2001
Cash flows from operating activities:		
Net income (loss) from continuing operations	\$ 746	\$ (571)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation, decommissioning and amortization	508	453
Other amortization	53	40
Deferred income taxes and investment tax credits	(72)	12
Equity in income from partnerships and unconsolidated subsidiaries	(109)	(200)
Income from leveraged leases	(57)	(62)
Regulatory assets — long-term — net	220	(253)
Write-down of non-utility assets	—	184
Other assets	6	(75)
Other liabilities	120	8
Changes in working capital:		
Receivables and accrued unbilled revenue	(96)	81
Regulatory liabilities — short-term — net	25	2
Fuel inventory, materials, and supplies	(2)	(5)
Prepayments and other current assets	(40)	247
Accrued interest and taxes	597	(434)
Accounts payable and other current liabilities	(2,457)	1,466
Distributions and dividends from unconsolidated entities	177	59
Operating cash flows from discontinued operations	33	(15)
Net cash provided (used) by operating activities	<u>(348)</u>	<u>937</u>
Cash flows from financing activities:		
Long-term debt issued	1,797	1,742
Long-term debt repaid	(1,030)	(1,008)
Bonds remarketed (repurchased) and funds held in trust	192	(130)
Issuance of preferred securities	—	14
Redemption of preferred securities	(100)	—
Rate reduction notes repaid	(115)	(112)
Nuclear fuel financing — net	(59)	(10)
Short-term debt financing — net	(2,322)	520
Financing cash flows from discontinued operations	—	(304)
Net cash provided (used) by financing activities	<u>(1,637)</u>	<u>712</u>
Cash flows from investing activities:		
Additions to property and plant	(629)	(462)
Purchase of power sales agreement	(80)	—
Proceeds from sale of nonutility property	49	172
Net funding of nuclear decommissioning trusts	7	20
Distributions from (investments in) partnerships and unconsolidated subsidiaries	90	(127)
Net investments in leveraged leases	—	69
Sales of investments in other assets	74	28
Investing cash flows from discontinued operations	—	(23)
Net cash used by investing activities	<u>(489)</u>	<u>(323)</u>
Effect of exchange rate changes on cash	20	(70)
Net increase (decrease) in cash and equivalents	<u>(2,454)</u>	<u>1,256</u>
Cash and equivalents, beginning of period	<u>4,054</u>	<u>1,973</u>
Cash and equivalents, end of period	<u>1,600</u>	<u>3,229</u>
Cash and equivalents — discontinued operations	<u>(7)</u>	<u>(63)</u>
Cash and equivalents — continuing operations	<u>\$ 1,593</u>	<u>\$ 3,166</u>

**EDISON INTERNATIONAL  
BOOK VALUE PER SHARE**



<sup>1</sup> As of June 30, 2002

**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, 2002

## CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Operating revenue	\$2,161	\$ 1,592	\$4,093	\$3,104
Fuel	50	51	102	98
Purchased power	581	807	835	2,531
Provisions for regulatory adjustment clauses — net	(331)	(90)	366	(119)
Other operation and maintenance	522	431	936	860
Depreciation, decommissioning and amortization	206	166	388	318
Property and other taxes	26	29	55	58
Net gain on sale of utility plant	—	(6)	—	(9)
Total operating expenses	1,054	1,388	2,682	3,737
Operating income (loss)	1,107	204	1,411	(633)
Interest and dividend income	54	25	163	51
Other nonoperating income	8	14	19	22
Interest expense — net of amounts capitalized	(141)	(153)	(325)	(360)
Other nonoperating deductions	(5)	(23)	(9)	(16)
Net income (loss) before taxes	1,023	67	1,259	(936)
Income tax (benefit)	322	33	407	(377)
Net income (loss)	701	34	852	(559)
Dividends on preferred stock	6	6	11	11
Net Income (loss) available for common stock	\$ 695	\$ 28	\$ 841	\$ (570)

## CONSOLIDATED BALANCE SHEETS

(In millions, except share amounts)

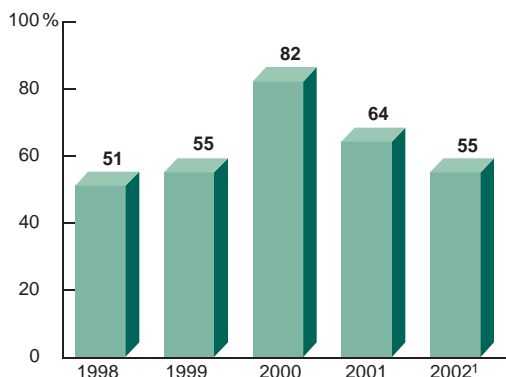
ASSETS	June 30, 2002	December 31, 2001	LIABILITIES AND SHAREHOLDER'S EQUITY	June 30, 2002	December 31, 2001
	(Unaudited)			(Unaudited)	
Cash and equivalents	\$ 842	\$ 3,414	Short-term debt	\$ —	\$ 2,127
Receivables, less allowances of \$34 and \$32 for uncollectible accounts at respective dates	802	1,093	Long-term debt due within one year	1,172	1,146
Accrued unbilled revenue	553	451	Preferred stock to be redeemed within one year	9	105
Fuel inventory	10	14	Accounts payable	906	3,261
Materials and supplies, at average cost	151	146	Accrued taxes	658	823
Accumulated deferred income taxes — net	35	433	Other current liabilities	1,545	1,645
Regulatory assets — net	58	83	Total current liabilities	4,290	9,107
Prepayments and other current assets	100	145	Long-term debt	5,635	4,739
Total current assets	2,551	5,779	Accumulated deferred income taxes — net	3,209	3,365
Nonutility property — less accumulated provision for depreciation of \$23 and \$17 at respective dates	163	159	Accumulated deferred investment tax credits	151	153
Nuclear decommissioning trusts	2,248	2,275	Customer advances and other deferred credits	840	739
Other investments	210	224	Power-purchase contracts	319	356
Total investments and other assets	2,621	2,658	Accumulated provision for pensions and benefits	490	420
Utility plant, at original cost:			Other long-term liabilities	154	148
Transmission and distribution	13,766	13,568	Total deferred credits and other liabilities	5,163	5,181
Generation	1,747	1,729	Preferred stock:		
Accumulated provision for depreciation and decommissioning	(8,319)	(7,969)	Not subject to mandatory redemption	129	129
Construction work in progress	650	556	Subject to mandatory redemption	147	151
Nuclear fuel, at amortized cost	138	129	Total preferred stock	276	280
Total utility plant	7,982	8,013	Common stock (434,888,104 shares outstanding at each date)	2,168	2,168
Regulatory assets — net	5,728	5,528	Additional paid-in capital	338	336
Other deferred charges	481	475	Accumulated other comprehensive income (loss)	(12)	(22)
Total deferred charges	6,209	6,003	Retained earnings	1,505	664
Total assets	\$19,363	\$22,453	Total common shareholder's equity	3,999	3,146
			Total liabilities and shareholder's equity	\$19,363	\$22,453

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

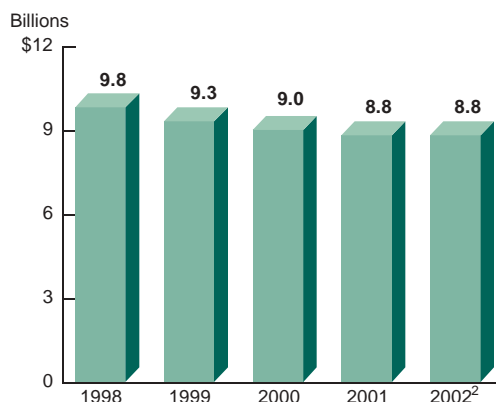
	Six Months Ended June 30,	
	2002 (Unaudited)	2001
<b>Cash flows from operating activities:</b>		
Net income (loss) .....	\$ 852	\$ (559)
<b>Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation, decommissioning and amortization .....	388	318
Other amortization .....	50	36
Deferred income taxes and investment tax credits .....	(132)	(159)
Regulatory assets — long-term — net .....	220	(253)
Other assets .....	51	(85)
Other liabilities .....	127	76
<b>Changes in working capital:</b>		
Receivables and accrued unbilled revenue .....	189	(132)
Regulatory liabilities — short-term — net .....	25	2
Fuel inventory, materials, and supplies .....	(2)	(5)
Prepayment and other current assets .....	45	13
Accrued interest and taxes .....	(200)	(212)
Accounts payable and other current liabilities .....	(2,391)	2,325
Net cash provided (used) by operating activities .....	(778)	1,365
<b>Cash flows from financing activities:</b>		
Long-term debt issued .....	1,600	—
Long-term debt repaid .....	(700)	—
Bonds remarketed (repurchased) and funds held in trust .....	192	(130)
Redemption of preferred securities .....	(100)	—
Rate reduction notes repaid .....	(115)	(112)
Nuclear fuel financing — net .....	(59)	(10)
Short-term debt financing — net .....	(2,127)	670
Dividends paid .....	(32)	(1)
Net cash provided (used) by financing activities .....	(1,341)	417
<b>Cash flows from investing activities:</b>		
Additions to property and plant .....	(463)	(353)
Net funding of nuclear decommissioning trusts .....	7	20
Sales of investments in other assets .....	3	11
Net cash used by investing activities .....	(453)	(322)
Net increase (decrease) in cash and equivalents .....	(2,572)	1,460
Cash and equivalents, beginning of period .....	3,414	583
Cash and equivalents, end of period .....	\$ 842	\$2,043

**SOUTHERN CALIFORNIA EDISON  
RECOURSE FINANCIAL DEBT-TO-CAPITAL**



<sup>1</sup> As of June 30, 2002.

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



<sup>1</sup> Weighted-average depreciated book costs including generation-related assets.

<sup>2</sup> Six months ended June 30, 2002.

## KILOWATT-HOUR SALES

(Millions of kWh)

Class of Service	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Residential .....	5,559	5,516	11,531	11,694
Commercial .....	8,593	8,513	16,751	16,691
Industrial .....	2,903	2,967	5,781	5,938
Public Authorities .....	1,501	1,502	2,906	2,910
Agricultural and other .....	349	310	551	453
Resale .....	1	5	1	70
Total kWh Sales .....	<u>18,906</u>	<u>18,813</u>	<u>37,521</u>	<u>37,756</u>

## AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended June 30,		Six Months Ended June 30,		Cents Per kWh	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001		2002	2001	2002	2001
Oil .....	\$7.32	\$8.67	\$6.94	\$8.80	Purchased Power:				
Gas .....	4.70	8.69	4.49	10.93	Firm .....	6.64 ¢	8.40 ¢	6.79 ¢	8.10 ¢
Nuclear .....	0.40	0.39	0.42	0.36	Other power producers:				
Coal .....	1.23	1.24	1.27	1.23	Biomass .....	7.89	13.60	7.93	15.14
Average cost —					Cogeneration .....	6.91	15.42	5.05	16.38
all sources .....	0.71	0.76	0.72	0.74	Geothermal .....	6.87	11.70	6.20	13.86
					Small Hydro .....	5.80	7.60	6.54	6.87
					Solar .....	10.82	14.92	9.25	15.54
					Wind .....	6.22	10.98	5.90	12.08
					Average cost —				
					purchased power .....	7.39	13.09	6.14	14.27
					Average cost:				
					All sources .....	4.57	7.60	4.16	7.92
					PURPA .....	7.00	13.75	5.74	15.10

## TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended June 30,		% of Total		Six Months Ended June 30,		% of Total	
	2002	2001	2002	2001	2002	2001	2002	2001
Edison Owned:								
Nuclear .....	4,017	3,453	23.5	16.0	8,792	6,502	26.1	15.4
Coal .....	2,499	2,706	14.6	12.5	4,707	5,328	14.0	12.6
Hydro .....	1,436	1,423	8.4	6.6	2,191	1,822	6.5	4.3
Oil .....	7	7	—	—	14	14	—	—
Gas .....	—	—	—	—	—	—	—	—
Purchased Power:								
PX Purchases — Net <sup>1,2</sup> .....	27	(651)	0.2	(3.0)	(53)	2,213	(0.2)	5.2
Firm .....	598	827	3.5	3.8	1,140	1,916	3.5	4.5
Economy/Other .....	(355)	436	(2.1)	2.0	(599)	613	(1.7)	1.5
Other power producers <sup>1</sup> :								
Biomass .....	357	492	2.1	2.3	719	883	2.1	2.1
Cogeneration .....	3,311	3,793	19.3	17.6	6,590	7,111	19.6	16.9
Geothermal .....	1,427	1,461	8.3	6.8	2,808	3,044	8.3	7.2
Small Hydro .....	71	94	0.4	0.4	100	134	0.3	0.3
Solar .....	273	319	1.6	1.5	387	355	1.1	0.9
Wind .....	1,064	1,112	6.2	5.1	1,410	1,447	4.2	3.4
CDWR/ISO net short .....	2,411	6,134	14.0	28.4	5,468	10,809	16.2	25.7
Total <sup>3</sup> .....	<u>17,143</u>	<u>21,606</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>33,674</u>	<u>42,191</u>	<u>100.0 %</u>	<u>100.0 %</u>

<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. Includes lagged PX/ISO settlement adjustments.

<sup>3</sup> Excludes direct access and resale customer requirements. Includes generation line losses.

**OPERATING REVENUE <sup>1</sup>**

(In millions)

Class of Service	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Residential .....	\$ 701	\$ 531	\$1,420	\$1,176
Commercial .....	977	669	1,766	1,213
Industrial .....	203	159	377	259
Public authorities .....	159	114	287	202
Agricultural .....	38	25	61	39
Other .....	2	1	3	1
Resale .....	2	5	1	28
Sales of electric energy .....	2,082	1,504	3,915	2,918
Other electric revenue .....	79	88	178	186
<b>Total operating revenue .....</b>	<b>\$2,161</b>	<b>\$1,592</b>	<b>\$4,093</b>	<b>\$3,104</b>

<sup>1</sup> Does not include energy revenue from direct access customers.

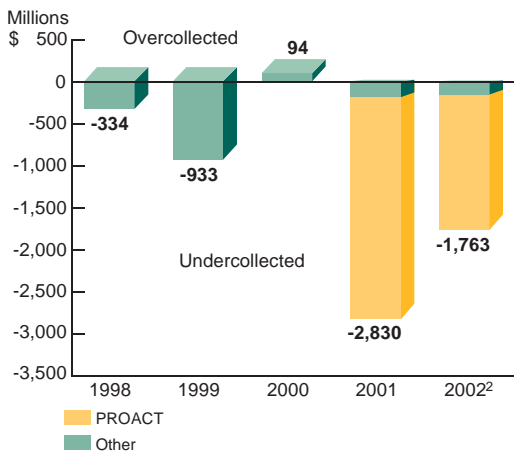
**BALANCING ACCOUNTS**

(In millions)

	Cumulative Over/(Under) Collections <sup>2</sup> As of June 30,	
	2002	2001
Demand-side management .....	\$ 114	\$ 140
DOE D&D Fees .....	(31)	(36)
SONGS 1 Decommissioning .....	(60)	(52)
Base rate performance .....	(81)	(23)
Transmission revenue .....	(34)	44
Risk management tools .....	(117)	—
Demand Responsiveness .....	47	—
Other — net .....	3	13
Subtotal .....	(159)	86
Procurement-related obligations account (PROACT) .....	(1,604)	—
Subtotal .....	(1,763)	86
Rate reduction notes - transition cost deferral .....	(1,362)	(1,265)
<b>Total .....</b>	<b>\$(3,125)</b>	<b>\$(1,179)</b>

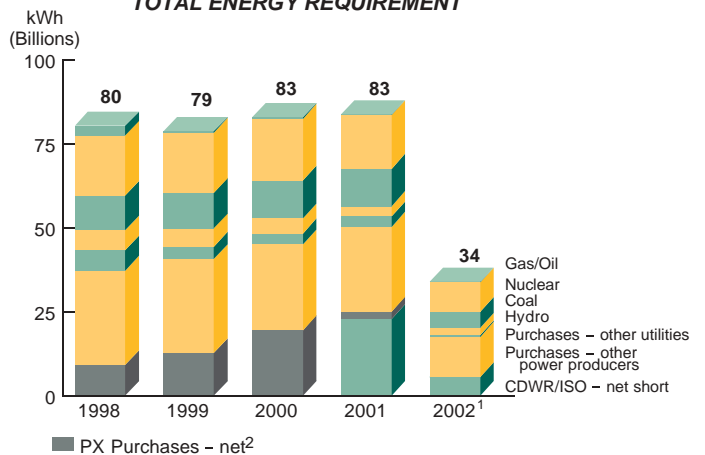
<sup>2</sup> Includes interest.

**SOUTHERN CALIFORNIA EDISON  
NET BALANCING ACCOUNTS**



<sup>1</sup> Excludes non-recourse rate reduction notes — transition cost deferral  
<sup>2</sup> As of June 30, 2002

**SOUTHERN CALIFORNIA EDISON  
TOTAL ENERGY REQUIREMENT**



<sup>1</sup> Six months ended June 30, 2002  
<sup>2</sup> Power exchange purchases began April 1998. Net purchases represent energy purchases from the PX in excess of energy sales to the PX.

## CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Electric revenue .....	\$679	\$ 582	\$1,205	\$1,056
Equity in income from energy projects .....	53	105	98	169
Equity in income from oil and gas investment .....	4	10	11	31
Net gains from energy trading and price risk management .....	3	15	25	32
Operation and maintenance services .....	8	11	18	22
Total operating revenue .....	747	723	1,357	1,310
Fuel .....	235	218	449	414
Plant operations .....	213	164	399	305
Plant operating leases .....	51	32	103	68
Operation and maintenance services .....	6	6	13	14
Depreciation and amortization .....	63	65	123	126
Long-term incentive compensation .....	2	1	4	(3)
Administrative and general .....	41	36	85	72
Total operating expenses .....	611	522	1,176	996
Operating income .....	136	201	181	314
Interest and other income .....	1	15	11	27
Gain on sale of assets .....	—	4	—	4
Interest expense .....	(115)	(141)	(229)	(267)
Dividends on preferred securities .....	(5)	(6)	(10)	(12)
Total other income (deductions) — net .....	(119)	(128)	(228)	(248)
Income (loss) from continuing operations before income taxes and minority interest .....	17	73	(47)	66
Income tax expense (benefit) .....	6	25	(27)	28
Minority interest .....	(11)	(7)	(16)	(8)
Income (loss) from continuing operations .....	—	41	(36)	30
Income (loss) from operations of discontinued foreign subsidiary, net of tax .....	3	(41)	3	(21)
Income (loss) before accounting change .....	3	—	(33)	9
Cumulative effect of change in accounting, net of tax .....	—	—	—	—
Net income (loss) .....	\$ 3	\$ —	\$ (33)	\$ 9

## CONSOLIDATED BALANCE SHEETS

(In millions)

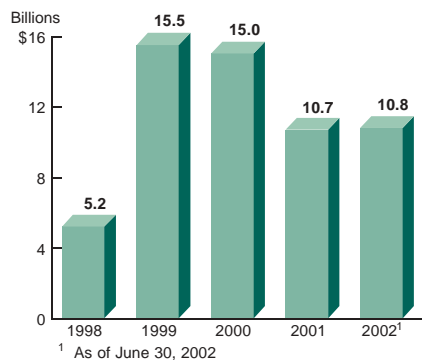
ASSETS	June 30,	December 31,	LIABILITIES AND SHAREHOLDER'S EQUITY	June 30,	December 31,
	2002 (Unaudited)	2001		2002 (Unaudited)	2001
Cash and cash equivalents .....	\$ 343	\$ 372	Accounts payable and accrued liabilities .....	\$ 390	\$ 435
Receivables, net .....	398	547	Liabilities under energy trading and price risk management .....	31	23
Assets under energy trading and price risk management .....	70	65	Interest payable .....	91	87
Inventory .....	187	167	Short-term obligations .....	53	168
Prepaid expenses and other .....	72	83	Current portion of long-term incentive compensation .....	4	6
Total current assets .....	1,070	1,234	Current maturities of long-term obligations .....	177	191
Investments in energy projects .....	1,620	1,799	Total current liabilities .....	746	910
Investments in oil and gas .....	20	31	Long-term obligations net of current maturities .....	5,836	5,749
Total investments .....	1,640	1,830	Deferred taxes and tax credits .....	940	936
Property, plant and equipment, net .....	6,612	6,238	Deferred revenue .....	466	427
Long-term receivables .....	264	265	Long-term incentive compensation .....	38	39
Goodwill .....	682	632	Long-term liabilities under energy trading and price risk management .....	155	171
Deferred financing costs .....	67	85	Other .....	249	267
Long-term assets under energy trading and price risk management .....	112	3	Total long-term deferred liabilities .....	1,848	1,840
Restricted cash and other .....	302	290	Liabilities of discontinued operations .....	4	56
Total other assets .....	1,427	1,275	Total liabilities .....	8,434	8,555
Assets of discontinued operations .....	14	153	Minority Interest .....	407	344
Total assets .....	\$10,763	\$10,730	Preferred securities of subsidiaries .....	272	254
			Common stock and additional paid-in capital .....	2,698	2,696
			Retained deficit .....	(850)	(817)
			Accumulated other comprehensive loss .....	(198)	(302)
			Total shareholder's equity .....	1,650	1,577
			Total liabilities and shareholder's equity .....	\$10,763	\$10,730

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

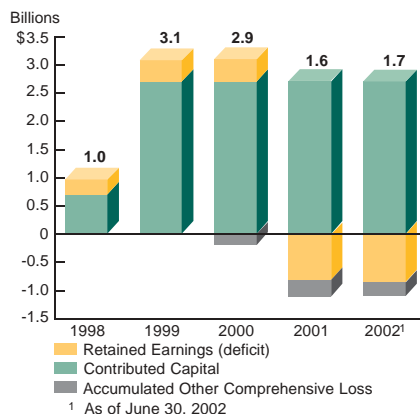
(In millions)

	Six Months Ended June 30,	
	2002	2001
<b>Cash Flow From Operating Activities:</b>		
Income (loss) from continuing operations, after accounting change, net	\$ (36)	\$ 30
Adjustments to reconcile income (loss) to net cash provided by (used in) operating activities:		
Equity in income from energy projects	(98)	(169)
Equity in income from oil and gas investments	(11)	(31)
Distributions from energy projects	156	19
Dividends from oil and gas	21	41
Gain on sale of assets	—	(4)
Depreciation and amortization	123	126
Changes in working capital components	41	(363)
Other — net	(152)	2
	<u>44</u>	<u>(349)</u>
Operating cash flow from discontinued operations	36	(23)
Net cash provided by (used in) operating activities	<u>80</u>	<u>(372)</u>
<b>Cash Flow From Financing Activities:</b>		
Borrowings on long-term obligations	197	1,761
Payments on long-term obligations	(323)	(985)
Short-term financing, net	(30)	(40)
Cash dividends to parent	—	(65)
Issuance of preferred securities	—	14
Funds provided to discontinued operations	—	(21)
	<u>(156)</u>	<u>664</u>
Financing cash flow from discontinued operations	—	(283)
Net cash provided by (used in) financing activities	<u>(156)</u>	<u>381</u>
<b>Cash Flow From Investing Activities:</b>		
Investments	(2)	(263)
Proceeds from sale of assets	44	—
Capital expenditures	(176)	(106)
Decrease in restricted cash	110	13
Other — net	(12)	16
	<u>(36)</u>	<u>(340)</u>
Investing cash flow from discontinued operations	—	(7)
Net cash used in investing activities	<u>(36)</u>	<u>(347)</u>
Effect of exchange rate changes on cash	28	(51)
Net decrease in cash and equivalents	(84)	(389)
Cash and equivalents at beginning of period	434	963
Cash and equivalents at end of period	350	574
Cash and equivalents classified as part of discontinued operations	(7)	(40)
Cash and equivalents of continuing operations	<u>\$ 343</u>	<u>\$ 534</u>

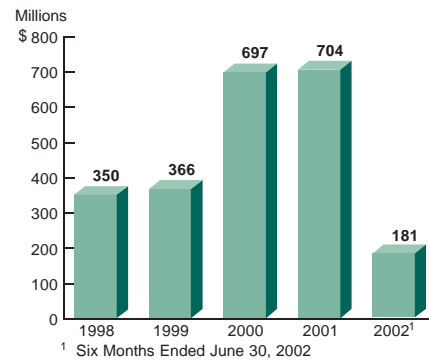
**EDISON MISSION ENERGY  
TOTAL ASSETS**



**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	EcoElectrica	Liquefied Natural Gas	3/00	50%	540	270	Puerto Rico
5	Gordonsville	Q/E Natural Gas	6/94	50%	240	120	Virginia
6	Homer City	E Coal	3/99	100%	1,884	1,884	Pennsylvania
7	Kern River	Q Natural Gas	8/85	50%	300	150	California
8	March Point 1	Q Natural Gas	11/91	50%	80	40	Washington
9	March Point 2	Q Natural Gas	1/93	50%	60	30	Washington
10	Mid-Set	Q Natural Gas	5/89	50%	38	19	California
11	Midway-Sunset	Q Natural Gas	5/89	50%	225	112	California
12	Midwest Generation (12 projects)	E Coal, Natural Gas	12/99	100%	9,539	9,539	Illinois
24	Salinas River	Q Natural Gas	11/91	50%	38	19	California
25	Sargent Canyon	Q Natural Gas	11/91	50%	38	19	California
26	Sunrise Phase I	E Natural Gas	6/01	50%	320	160	California
27	Sycamore	Q Natural Gas	1/88	50%	300	150	California
28	Watson	Q Natural Gas	4/88	49%	385	189	California
Total Americas Operating Projects					14,391	12,903	
<b>Asia Pacific</b>							
1	Contact (10 projects)	Hydro, Natural Gas, Geothermal	5/99, 1/00, 4/00	51.2%	2,302	1,064	New Zealand <sup>1</sup>
11	Kalayaan I	Hydro	10/00	50%	336	168	Philippines
12	Kwinana	Natural Gas	12/96	70%	116	81	Australia
13	Loy Yang B	Coal	10/93, 10/96, 5/97	100%	1,000	1,000	Australia
14	Paiton	Coal	7/99	40%	1,230	492	Indonesia
15	Tri Energy	Natural Gas	7/00	25%	700	175	Thailand
16	Valley Power	Gas	2002	80%	300	241	Australia
<b>Europe, Central Asia, Middle East and Africa</b>							
17	Derwent	Natural Gas	5/95	33%	214	71	U.K.
18	Dinorwig	Hydro	12/95	100%	1,728	1,728	U.K.
19	Doga	Natural Gas	5/99	80%	180	144	Turkey
20	Ffestiniog	Hydro	12/95	100%	360	360	U.K.
21	Iberian Hy-Power I (5 projects)	Hydro	12/92, 1/96	100% <sup>2</sup>	43	39	Spain
26	Iberian Hy-Power II (13 projects)	Hydro	8/93, 1/96	100%	43	43	Spain
39	ISAB	Oil	4/00	49%	512	251	Italy
40	Italian Wind (10 projects)	Wind	3/00	50%	230	115	Italy
50	Lakeland	Natural Gas	12/92	100%	220	220	U.K.
Total International Operating Projects					9,514	6,192	
Total Operating Projects					23,905	19,095	

<sup>1</sup> Minority interest in two projects 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	Italian Wind (2 projects) and expansion	Wind	2002	50%	82	41	Italy
5	Kalayaan II	Hydro	2003	50%	348	174	Philippines
6	Sunrise Phase II	Gas	2003	50%	240	120	California
Total Projects Under Construction					714	357	

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)	June 30,	December 31,		June 30,	December 31,
	2002	2001		2002	2001
	(Unaudited)			(Unaudited)	
Current assets .....	\$ 811	\$ 904	Current liabilities .....	\$ 189	\$ 382
Lease investments .....	2,433	2,386	Long-term liabilities .....	2,669	2,601
Partnership investments .....	372	402	Total liabilities .....	2,858	2,983
Property, plant and equipment — net, and other .....	22	44	Contributed capital .....	82	81
Total assets .....	<u>\$3,638</u>	<u>\$3,736</u>	Other comprehensive income .....	(8)	(4)
			Retained earnings .....	706	676
			Total shareholder's equity .....	780	753
			Total liabilities and shareholder's equity..	<u>\$3,638</u>	<u>\$3,736</u>

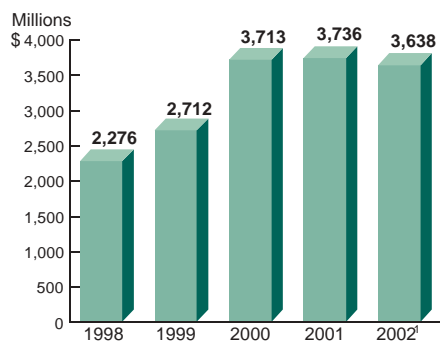
## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Lease revenue .....	\$ 28	\$ 30	\$ 57	\$ 62
Other .....	(14)	42	(12)	50
Total operating revenue .....	14	72	45	112
Operating expenses .....	(13)	19	(3)	41
Operating income .....	27	53	48	71
Interest expense .....	8	20	20	37
Equity in income from unconsolidated entities .....	(13)	(19)	(15)	(22)
Other income .....	(4)	5	1	14
Income before income taxes .....	2	19	14	26
Income tax benefit (expense) .....	10	5	17	10
Net income .....	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 31</u>	<u>\$ 36</u>

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

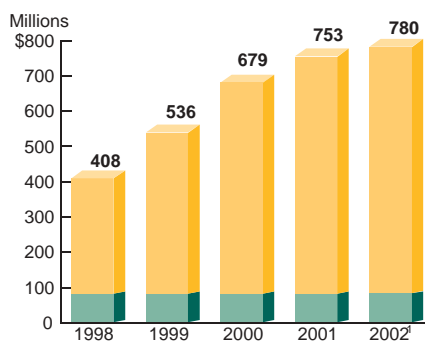
(In millions)	Six Months Ended June 30,	
	2002	2001
Cash flows from operating activities:		
Net income .....	\$ 31	\$ 35
Adjustments for non-cash items .....	67	61
Changes in working capital components .....	153	(102)
Net cash provided (used) by operating activities .....	251	(6)
Cash flows from financing activities:		
Net proceeds from issuances of debt .....	19	130
Repayment of debt .....	(192)	(238)
Net cash used by financing activities .....	(173)	(108)
Cash flows from investing activities:		
Investments .....	6	(8)
Proceeds from sale of assets .....	2	318
Other .....	(2)	(12)
Net cash provided by investing activities .....	6	298
Net increase in cash and equivalents .....	84	184
Cash and equivalents, beginning of period .....	147	153
Cash and equivalents, end of period .....	<u>\$ 231</u>	<u>\$ 337</u>

**EDISON CAPITAL  
TOTAL ASSETS**



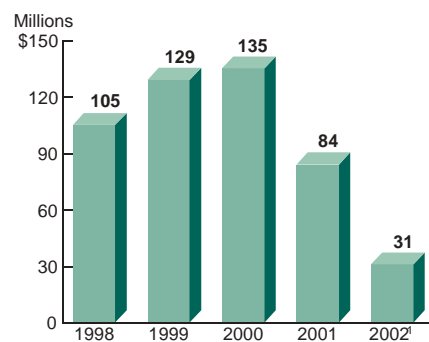
<sup>1</sup> As of June 30, 2002

**EDISON CAPITAL  
TOTAL EQUITY**



<sup>1</sup> As of June 30, 2002

**EDISON CAPITAL  
NET INCOME**



<sup>1</sup> Six months ended June 30, 2002

## ENERGY/INFRASTRUCTURE PROJECTS

From inception to date, Edison Capital has invested in energy/infrastructure projects which span the globe.

<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%
<b>Total</b>			<b>8,935</b>	<b>\$18,069</b>	

## AFFORDABLE HOUSING PROJECTS

From inception to date, Edison Capital has invested in 351 Affordable Housing projects in 35 states.

## EDISON INTERNATIONAL CHANGES IN OUTSTANDING DEBT (6/30/2002 vs. 3/31/2002)

(In millions)

<b>Description</b>	<b>Date</b>	<b>Increase</b>	<b>(Reduction)</b>
<b>Southern California Edison</b>			
Floating Rate Notes (due May 2002)	05/01/2002	—	(\$300)
Rate Reduction Bond Payments	Various	—	(\$53)
<b>Edison Mission Energy</b>			
EME 8.125% Senior Notes (due Jun. 2002)	06/15/2002	—	(\$100)
EMMHC <sup>1</sup> Tranche C (due 2004)	2Q/2002	\$20	—
Pounds Sterling Coal and Capex Facility <sup>2</sup>	Various	—	(\$25)
Net Foreign Currency Translation and Other		\$118	—
<b>Edison Capital</b>			
Bank Debt	Various	—	(\$90)
Intercompany Note	Various	\$5	—
Project Debt on Equity Investments	Various	\$5	—
Net Foreign Currency Translation		\$8	—

<sup>1</sup> Edison Mission Midwest Holding Co.

<sup>2</sup> Partial payment

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