

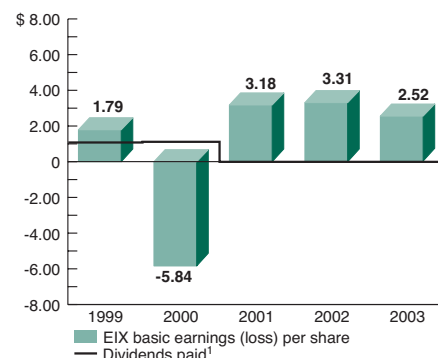
2003 Fourth Quarter Financial and Statistical Supplement



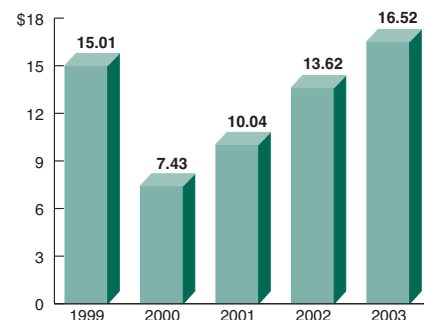
KEY FINANCIAL AND OPERATING DATA (Unaudited)

	As of December 31, or Three Months Ended December 31,	
	2003	2002
Edison International (EIX)		
Basic Earnings (Loss) Per Share	\$0.60	\$(0.07)
Income From Continuing Operations (millions)	\$194	\$56
Net Income (Loss) (millions)	\$197	\$(24)
Book Value Per Share	\$16.52	\$13.62
Market Price/Book Value Ratio	1.3x	0.9x
Market Price Per Share	\$21.93	\$11.85
Stock Price Range	\$19.10-\$22.07	\$7.80-\$12.25
One-Year Total Shareholder Return (appreciation and dividends) ^{1,2}	86.8%	(21.5)%
Weighted-Average Common Shares Outstanding (thousands)	325,811	325,811
Recourse Financial Capital Structure ³ :		
Common Equity	38.1%	30.2%
Preferred Securities (not subject to mandatory redemption)	0.9	0.9
Debt (includes preferred securities subject to mandatory redemption)	61.0	68.9
Total	100.0%	100.0%
Southern California Edison (SCE)		
Basic Earnings Per Edison International Common Share	\$0.68	\$0.47
Net Income Available for Common Stock (millions)	\$222	\$153
Ratemaking Rate of Return on Common Equity — Annual Authorized ⁴	11.6%	11.6%
Ratemaking Capitalization Ratios:		
Common Equity	54.8%	61.5%
Preferred Stock	3.4	3.9
Long-Term Debt	41.8	34.6
Total	100.0%	100.0%
Kilowatt-hour Sales (millions)	24,341	19,627
Peak Demand (MW) ⁵	17,714	15,430
Customers (thousands)	4,600	4,534
Generating Capacity Resources (MW) ⁶	9,861	9,767
Employees	12,698	12,113
Edison Mission Energy (EME)		
Basic Earnings (Loss) Per Edison International Common Share	\$0.01	\$(0.28)
Equity (millions)	\$1,903	\$1,693
Income (Loss) from Continuing Operations	—	\$(13)
Net Income (Loss) (millions)	\$3	\$(91)
Employees	2,610	2,662
Edison Capital		
Basic Earnings (Loss) Per Edison International Common Share	\$0.05	\$(0.08)
Equity (millions)	\$615	\$781
Net Income (Loss) (millions)	\$16	\$(25)
Employees	62	61

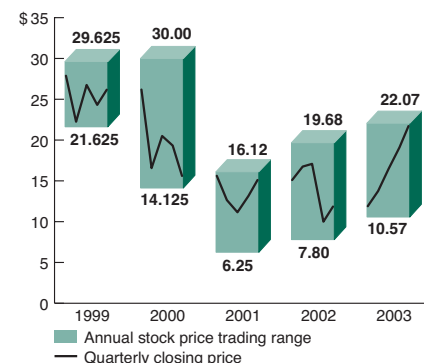
BASIC EARNINGS (LOSS) PER SHARE AND DIVIDENDS PAID



EDISON INTERNATIONAL BOOK VALUE PER SHARE



STOCK PRICE RANGE



¹ EIX did not pay common stock dividends for the quarterly dividend payment dates starting January 31, 2001 through October 31, 2003.
² The EIX common stock dividend of \$0.20 per share, declared in December 2003 and paid in January 2004, was included in the 2003 one-year total shareholder return calculation.
³ The 2003 ratios include common equity and preferred securities as reflected on the EIX balance sheet. Debt includes short- and long-term debt and other preferred securities subject to mandatory redemption. Debt excludes non-recourse debt totaling \$5.6 billion as outlined on pages 5 – 7 of this document and non-recourse other preferred securities subject to mandatory redemption of \$164 million. The comparable 2003 ratios, based on the same balance sheet classifications, including non-recourse items for common equity, preferred securities and debt are 27.1%, 0.6%, and 72.3% respectively. 2002 ratios are calculated on the same basis as 2003, reclassifying other preferred securities subject to mandatory redemption of \$1.2 billion as a component of debt. Non-recourse preferred securities of \$131 million and non-recourse debt of \$5.4 billion are excluded. The comparable 2002 ratios, including non-recourse amounts, and based on 2002 balance sheet classifications which classify preferred securities subject to mandatory redemption as preferred stock, are 21.9%, 6.8% and 71.3% for common equity, preferred securities and debt, respectively.
⁴ Transmission and distribution only.
⁵ Includes all of the load on transmission and distribution systems.
⁶ Excludes CDWR allocated contracts and transitional capacity contracts starting in 2003.

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

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CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions, except per-share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Electric utility	\$1,859	\$1,951	\$8,853	\$8,705
Nonutility power generation	768	586	3,181	2,750
Financial services and other	28	(69)	101	33
Total operating revenue	2,655	2,468	12,135	11,488
Fuel	326	296	1,338	1,186
Purchased power	599	401	2,786	2,016
Provisions for regulatory adjustment clauses — net	(3)	450	1,138	1,502
Other operation and maintenance	937	858	3,389	3,156
Asset impairment	53	—	304	86
Depreciation, decommissioning and amortization	358	270	1,184	1,030
Property and other taxes	54	35	210	145
Net (gain) loss on sale of utility plant	—	2	(5)	(5)
Total operating expenses	2,324	2,312	10,344	9,116
Operating income	331	156	1,791	2,372
Interest and dividend income	13	61	127	287
Equity in income from partnerships and unconsolidated subsidiaries — net	76	42	354	249
Other nonoperating income	38	64	91	90
Interest expense - net of amounts capitalized	(321)	(301)	(1,226)	(1,283)
Other nonoperating deductions	(32)	(28)	(84)	(74)
Dividends on preferred securities	—	(28)	(51)	(96)
Dividends on utility preferred stock	(1)	(1)	(10)	(19)
Income (loss) from continuing operations before tax	104	(35)	992	1,526
Income tax (benefit)	(90)	(91)	213	391
Income from continuing operations	194	56	779	1,135
Income (loss) from discontinued operations — net of tax	3	(80)	51	(58)
Income (loss) before accounting change	197	(24)	830	1,077
Cumulative effect of accounting change — net of tax	—	—	(9)	—
Net income (loss)	\$ 197	\$ (24)	\$ 821	\$1,077
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings (loss) per share:				
Continuing operations	\$ 0.59	\$ 0.18	\$ 2.39	\$ 3.49
Discontinued operations	0.01	(0.25)	0.16	(0.18)
Cumulative effect of accounting change	—	—	(0.03)	—
Total	\$ 0.60	\$ (0.07)	\$ 2.52	\$ 3.31
Weighted-average shares, including effect of dilutive securities	329	328	329	328
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.59	\$ 0.17	\$ 2.37	\$ 3.46
Discontinued operations	0.01	(0.24)	0.16	(0.18)
Cumulative effect of accounting change	—	—	(0.03)	—
Total	\$ 0.60	\$ (0.07)	\$ 2.50	\$ 3.28
Dividends declared per common share	\$ 0.20	\$ —	\$ 0.20	\$ —

EDISON INTERNATIONAL BUSINESS SEGMENTS (Unaudited)

(In millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Operating Revenue:				
Electric utility	\$1,859	\$1,951	\$ 8,853	\$ 8,705
Nonutility power generation	769	586	3,181	2,750
Financial services	23	(74)	88	7
Corporate and other	4	5	13	26
Consolidated Edison International	\$2,655	\$2,468	\$12,135	\$11,488
Net Income (Loss):				
Electric utility ¹	\$ 222	\$ 153	\$ 922	\$ 1,228
Nonutility power generation ²	3	(91)	20	25
Financial services	16	(25)	57	33
Corporate and other ³	(44)	(61)	(178)	(209)
Consolidated Edison International	\$ 197	\$ (24)	\$ 821	\$ 1,077

¹ Net income available for common stock. Includes earnings from discontinued operations of \$50 million for the year ended December 31, 2003.

² Includes losses of \$9 million from the cumulative effect of an accounting change for the year ended December 31, 2003. Also, includes earnings from discontinued operations of \$3 million and \$1 million for the three months and year ended December 31, 2003, respectively; and a loss from discontinued operations of \$78 million and \$57 million for the three months and year ended December 31, 2002, respectively.

³ Includes losses from discontinued operations of \$2 million and \$1 million for the three months and year ended December 31, 2002, respectively.

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

ASSETS	December 31,		LIABILITIES AND SHAREHOLDERS' EQUITY	December 31,	
	2003	2002		2003	2002
Cash and equivalents	\$ 2,198	\$ 2,468	Short-term debt	\$ 252	\$ 78
Restricted cash	79	53	Long-term debt due within one year	2,003	2,761
Receivables, less allowances of \$37 and \$49 for uncollectible accounts at respective dates	1,200	1,111	Preferred stock to be redeemed within one year	9	9
Accrued unbilled revenue	408	437	Accounts payable	1,086	786
Fuel inventory	92	124	Accrued taxes	596	855
Materials and supplies, at average cost	252	219	Trading and price risk management liabilities	168	45
Accumulated deferred income taxes — net	508	527	Regulatory liabilities — net	276	—
Trading and price risk management assets	48	34	Other current liabilities	1,777	2,070
Regulatory assets — net	—	459	Total current liabilities	6,167	6,604
Prepayments	88	85	Long-term debt	11,787	11,578
Other current assets	176	142	Accumulated deferred income taxes — net	5,967	6,099
Total current assets	5,049	5,659	Accumulated deferred investment tax credits	149	167
Nonutility property — less accumulated provision for depreciation of \$1,318 and \$911 at respective dates	7,701	6,873	Customer advances and other deferred credits	1,554	1,486
Nuclear decommissioning trusts	2,530	2,210	Power-purchase contracts	213	309
Investments in partnerships and unconsolidated subsidiaries	1,908	2,011	Other preferred securities subject to mandatory redemption	305	—
Investments in leveraged leases	2,361	2,313	Accumulated provision for pensions and benefits	425	461
Other investments	176	256	Asset retirement obligations	2,106	—
Total investments and other assets	14,676	13,663	Regulatory liabilities — net	—	393
Utility plant, at original cost:			Other long-term liabilities	247	218
Transmission and distribution	14,861	14,202	Total deferred credits and other liabilities	10,966	9,133
Generation	1,371	1,348	Liabilities of discontinued operations	13	72
Accumulated provision for depreciation	(4,386)	(4,057)	Total liabilities	28,933	27,387
Construction work in progress	600	529	Minority interest	517	425
Nuclear fuel, at amortized cost	141	153	Preferred stock of utility:		
Total utility plant	12,587	12,175	Not subject to mandatory redemption	129	129
Goodwill	868	661	Subject to mandatory redemption	—	147
Restricted cash	339	412	Company-obligated mandatorily redeemable securities of subsidiaries holding solely parent company debentures	—	951
Regulatory assets — net	510	—	Other preferred securities	—	131
Other deferred charges	917	914	Total preferred securities of subsidiaries	129	1,358
Total deferred charges	2,634	1,987	Common stock (325,811,206 shares outstanding at each date)	1,970	1,973
Assets of discontinued operations	16	123	Accumulated other comprehensive loss	(53)	(247)
Total assets	\$34,962	\$33,607	Retained earnings	3,466	2,711
			Total common shareholders' equity	5,383	4,437
			Total liabilities and shareholders' equity	\$34,962	\$33,607

EDISON INTERNATIONAL RESULTS OF OPERATIONS (Unaudited)

(In millions, except per share amounts)

Three Months Ended December 31,	Basic Earnings (Loss) Per Share		Earnings (Loss)	
	2003	2002	2003	2002
SCE	\$ 0.68	\$ 0.47	\$ 222	\$ 153
EME	—	(0.04)	—	(13)
Edison Capital	0.05	(0.08)	16	(25)
Mission Energy Holding Company	(0.08)	(0.07)	(25)	(24)
EIX parent company and other	(0.06)	(0.10)	(19)	(35)
EIX Consolidated Earnings from Continuing Operations	0.59	0.18	194	56
Earnings from Discontinued Operations:				
EME's FFF & Lakeland Projects	0.01	(0.24)	3	(78)
Edison Enterprises Companies	—	(0.01)	—	(2)
EIX Consolidated Earnings from Discontinued Operations	0.01	(0.25)	3	(80)
Total EIX Consolidated Earnings	\$ 0.60	\$ (0.07)	\$ 197	\$ (24)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Year Ended December 31,	
	2003	2002
Cash flows from operating activities:		
Income from continuing operations, after accounting change, net of tax	\$ 770	\$ 1,135
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change — net of tax	9	—
Depreciation, decommissioning and amortization	1,184	1,030
Other amortization	108	113
Deferred income taxes and investment tax credits	194	160
Equity in income from partnership and unconsolidated subsidiaries	(354)	(249)
Income from leveraged leases	(82)	(6)
Regulatory assets — long-term — net	495	1,860
Gas options	75	14
Asset impairment	304	86
Levelized rent expense	(96)	—
Other assets	134	3
Other liabilities	(347)	170
Changes in working capital:		
Receivables and accrued unbilled revenue	(160)	193
Regulatory assets — short-term — net	697	(376)
Fuel inventory, materials and supplies	4	(11)
Prepayments and other current assets	86	(17)
Accrued interest and taxes	(120)	523
Accounts payable and other current liabilities	42	(2,724)
Distribution and dividends from unconsolidated entities	416	337
Operating cash flows from discontinued operations	(52)	80
Net cash provided by operating activities	<u>3,307</u>	<u>2,321</u>
Cash flows from financing activities:		
Long-term debt issued	1,058	409
Long-term debt repaid	(2,796)	(1,784)
Bonds remarketed and funds held in trust — net	—	191
Redemption of preferred securities	(6)	(100)
Rate reduction notes repaid	(246)	(246)
Nuclear fuel financing — net	—	(59)
Short-term debt financing — net	26	(956)
Dividends to minority shareholders	(42)	(37)
Financing cash flows from discontinued operations	—	(19)
Net cash used by financing activities	<u>(2,006)</u>	<u>(2,601)</u>
Cash flows from investing activities:		
Additions to property and plant — net	(1,288)	(1,590)
Purchase of power sales agreement	—	(80)
Purchase of common stock of acquired companies	(278)	—
Proceeds from sale of property	7	62
Proceeds from sale of interest in projects	41	—
Contributions to nuclear decommissioning trusts — net	(86)	(12)
Distributions from (investments in) partnerships and unconsolidated subsidiaries	(63)	42
Other assets	(58)	247
Investing cash flows from discontinued operations	150	2
Net cash used by investing activities	<u>(1,575)</u>	<u>(1,329)</u>
Effect of exchange rate changes on cash	4	23
Net decrease in cash and equivalents	(270)	(1,586)
Cash and equivalents, beginning of year	2,468	4,054
Cash and equivalents, end of year	<u>\$ 2,198</u>	<u>\$ 2,468</u>

EDISON INTERNATIONAL CONSOLIDATED SHORT-TERM DEBT (Unaudited)

(In millions)

	December 31, 2003	December 31, 2002
Edison International		
Other	\$ —	\$ —
Total	\$ —	\$ —
Southern California Edison		
Bank loan against credit line	\$ 200	\$ —
Total	\$ 200	\$ —
Available credit under existing lines	\$ 500	\$ —
Edison Mission Energy		
Other short-term obligations (non-recourse)	\$ 52	\$ 78
Total	\$ 52	\$ 78
Available credit under existing lines	\$ 145	\$ 355
Edison Capital		
Other	\$ —	\$ 12 ¹
Total	\$ —	\$ 12
Intercompany debt	\$ —	\$ (12)
Edison International total consolidated short-term debt	\$ 252	\$ 78

¹ Intercompany note, payable on demand.

FIVE-YEAR LONG-TERM DEBT MATURITIES AND SINKING FUNDS REQUIREMENTS (Unaudited)¹

(In millions)

	For The Year Ended December 31,				
	2004	2005	2006	2007	2008
Edison International	\$ 618	\$ —	\$ —	\$ —	\$ —
Southern California Edison	371	442	446	1,212	—
Mission Energy Holding Co.	—	—	385 ³	—	800
Edison Mission Energy	856	285	899	356	476
Edison Capital	158 ²	26	75	108	—
Total	<u>\$2,003</u>	<u>\$ 753</u>	<u>\$1,805</u>	<u>\$1,676</u>	<u>\$1,276</u>

¹ Includes recourse and non-recourse long-term debt. See footnotes on page 6 for significant first quarter 2004 changes in SCE's long-term debt.

² Includes \$60 million of non-recourse project debt related to Edison Capital's Storm Lake energy project due through 2017, but classified as due in 2004 due to various defaults asserted by the lenders due to the Enron bankruptcy.

³ MEHC has received exercise notices relating to 100% of the Term Loan Put-Options.

EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited)

(In millions)

Year	Series	Due Date	Coupon (rate)	First Call Date	Dec. 31, 2003	Dec. 31, 2002	Year	Series	Due Date	Coupon (rate)	First Call Date	Dec. 31, 2003	Dec. 31, 2002	
Edison International							Pollution control indebtedness:							
1999	Notes	09/15/04	6 $\frac{7}{8}$	N/A	\$ 617	\$ 750	Four Corners Generating Station							
1999	Note ¹	07/26/29	7.875	N/A	516	—	1991	Series A ⁸	04/01/21	7.20	04/01/01	49	49	
1999	Note ¹	10/29/29	8.60	N/A	335	—	1993	Series A ⁸	06/01/23	5 $\frac{7}{8}$	06/01/03	155	155	
Subtotal						1,468	750	1999	Series A ⁹	04/01/29	5 $\frac{7}{8}$	04/01/09	55	55
Less current portion of long-term debt						(618)	—	Huntington Beach Generating Station						
Less unamortized discount — net						1	(2)	1999	Series D ⁹	09/01/15	5.20	09/01/09	8	8
EIX long-term debt						\$ 851	\$ 748	Mohave Generating Station						
Mission Energy Holding Company							1988 Series A ¹⁰							
2001	Sr Secured Notes	07/15/08	13 $\frac{1}{2}$	N/A	\$ 800	\$ 800	02/01/10	5.4	02/01/02		20	20		
2001	Term Loan ²	07/02/06	LIBOR+7.50%	N/A	385	385	2000	Series A	06/01/31	Variable ¹¹	N/A	40	40	
Less unamortized discount — net						(19)	(23)	2000	Series B	06/01/31	Variable ¹¹	N/A	15	15
Mission Energy Holding Company long-term debt						\$1,166	\$1,162	2000	Series C	06/01/40	Variable ¹¹	N/A	20	20
Southern California Edison							Palo Verde Nuclear Generating Station							
Recourse long-term debt:							2000 Series A-B ⁸							
First and refunding mortgage bonds ³ :							06/01/35							
1993	93F	06/15/03	6 $\frac{1}{4}$	N/A	\$ —	\$ 125	Variable ¹¹	N/A			144	144		
1993	93H	09/01/04	5 $\frac{7}{8}$	N/A	125	125	San Onofre Nuclear Generating Station							
2003	Series 2003 A	02/15/07	8.00	N/A	— ⁴	—	1985	Series A-D ⁸	03/01/08	Variable ¹¹	N/A	135	135	
2003	Series 2003 B	02/15/07	8.00	N/A	966	—	1986	Series A-D ⁸	02/28/05	7.00 ¹¹	03/06/03	196	196	
1993	93I ⁵	10/01/18	6.90	10/01/98	200	200	1991	Series ⁸	12/01/17	6.90	12/01/01	29	29	
1993	93G ⁵	07/15/25	7 $\frac{1}{8}$	07/15/03	225	225	1992	Series A ⁸	07/01/27	6.00	07/01/02	30	30	
1993	93C ⁵	03/01/26	7 $\frac{1}{4}$	03/01/03	300	300	1992	Series B ⁸	12/01/24	6.40	12/01/02	190	190	
Subtotal						1,816	975	1999	Series A-B ⁹	09/01/29	5.45	09/01/09	100	100
Other:							1999 Series C ⁹							
1996	Notes	01/15/06	6 $\frac{3}{8}$	N/A	200	200	09/01/31	5.55	09/01/09		30	30		
1999	Notes	04/01/29	6.65	N/A	300	300	Subtotal							
2000	Notes	01/15/10	7.625	N/A	250	250					1,216	1,216		
Variable Rate Notes	11/03/03	Variable	N/A	—	—	1,000	Non-recourse long-term debt:							
Junior Subordinated Deferrable Interest Debentures ⁶							Rate reduction notes ¹²							
1995	Series A ⁵	06/30/44	8 $\frac{3}{8}$	05/25/00	100	100	1997	Various	Various	Various	N/A	985	1,232	
Other obligation ⁷	08/01/53	5.06	N/A	—	8	—	SCE principal amount outstanding							
Subtotal						858	1,850	4,875						
Senior secured credit facility:							Less current portion of long-term debt							
2002	Tranche A ⁸	03/03/03	Variable	N/A	—	300	(371)							
2002	Tranche B ⁸	03/01/05	Variable	N/A	—	700	Less unamortized discount — net							
2002	Revolver ⁸	03/01/04	Variable	N/A	—	300	(29)							
Subtotal						—	1,300	Less bonds repurchased						
								(354)						
								SCE long-term debt						
								\$4,121						
								\$4,525						

Note 1: As of December 31, 2003, a new accounting principle required EIX and EME to deconsolidate their special purpose entities that issued EIX's quarterly income preferred securities (QUIPS) and EME's monthly income preferred securities (MIPS). As a result of these deconsolidations, the intercompany debt associated with these securities is now included in long-term debt on EIX's consolidated balance sheet. Under the prior accounting treatment, the intercompany debt would have been eliminated in consolidation and the QUIPS and MIPS would have been classified as preferred securities.

¹ See Note 1.

² 100% of the Term Loan Put-Option for \$100 million of principal, payable on July 2, 2004, was exercised.

³ SCE issued \$975 million in first mortgage bonds on January 14, 2004 and \$650 million on March 23, 2004.

⁴ Balance of \$50,000.

⁵ Called for early redemption on January 26, 2004.

⁶ Also known as quarterly income debt securities (QUIDS).

⁷ Fort Irwin acquisition debt, not a publicly traded security.

⁸ Secured by first and refunding mortgage bonds.

⁹ Insured.

¹⁰ Called for early redemption on March 1, 2004.

¹¹ Remarketed in March 2004.

¹² Also known as rate reduction bonds. The notes are non-recourse to SCE and EIX.

EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited) (continued)

Year	Series	Due Date	Dec. 31, 2003 Interest Rate	First Call Date	Dec. 31, 2003	Dec. 31 2002
Edison Mission Energy						
Recourse long-term debt:						
EME (parent only)						
1999	Senior Notes	2009	7.730%	Any Time	\$ 600	\$ 600
2001	Senior Notes	2011	9.875%	Any Time	600	600
2001	Senior Notes	2008	10.0%	Any Time	400	400
1999	Coal & Capex Facility	2004	£LIBOR+2.25%+0.0098% ¹	N/A	28	182
Long-term obligations — Affiliate					78	78
Non-recourse long-term debt:						
Long-term obligation						
1996	Due to EME Funding Corp.	1997–2003	6.770%	Any Time + Prem. Penalty	—	47
1996	Due to EME Funding Corp.	2004–2008	7.330%	Any Time + Prem. Penalty	190	190
Edison Mission Midwest Holdings Co.						
1999	Tranche A	2003	LIBOR+2.25% ¹	N/A	—	911
1999	Tranche B	2004	LIBOR+2.00% ¹	N/A	693	808
EME CP Holdings Co.						
2002	Note Purchase Agreement	2015	7.31%	N/A	83	84
Mission Energy Holdings International, Inc						
2003	Credit Agreement	2006	LIBOR+5.00%	N/A	800	—
Contact Project						
	Credit Facilities	2004–2018	Various	N/A	791	430
Doga Project						
1997	Finance Agmt.	2010	11.20%	N/A	62	70
1997	Credit Agmt.	2010	LIBOR+1.25% ¹	N/A	23	26
First Hydro Plants						
1996	Secured Bonds	2021	9.0%	Any Time + Gross Redemption Yield	714	644
1998	Credit Agmt.	2003	£LIBOR+0.55+0.0103% ¹	N/A	—	29
Iberian Hy-Power Plants						
1997	Credit Facility	2012	EURIBOR+0.875% ¹	N/A	43	43
1991	Loan	2008	9.408%	N/A	28	22
1993	CGDE (Recourse)	2003	—	N/A	—	30
2002	Banco Vitalicio	2006	6.17%	N/A	2	2
Kwinana Plant						
1995	Facility Agmt.	2011	BBR+1.3% to 1.4% ¹	N/A	58	47
Loy Yang B Plant						
1997	Term Facility	2017	BBR+0.6% to 1.0% ¹	N/A	502	382
1997	Term Facility	2012	BBR+0.6% to 0.75% ¹	N/A	369	276
1997	Working Capital Facility	2017	BBR+0.6% to 1.0% ¹	N/A	8	6
2003	Amortising Cash Advance Facility	2009	BBR+3.0%	N/A	11	—
2003	Amortising Loan Facility	2009	BBR+0.1%+3.25%	N/A	38	—
Valley Power Plant						
2002	Amortising Facility	2011	BBR+1.55%	N/A	45	39
2002	Bullet Facility	2007	BBR+1.55%	N/A	28	21
EME principal amount outstanding					6,194	5,967
Less current portion of long-term debt					(856)	(1,090)
Unamortized debt discount — net ²					(7)	(5)
EME long-term debt					5,331	4,872
EME junior subordinated debentures series A/B	2024/2025		9.875% / 8.50%	11/30/99 / 08/08/00	155 ³	—
EME long-term debt and junior subordinated debentures					\$ 5,486	\$ 4,872
Edison Capital						
Recourse long-term debt:						
1996	Medium Term Notes	2006	6.79–7.2%	N/A	\$ 75	\$ 75
2000	Medium Term Notes	2004	7.93%	N/A	30	30
2000	Term Loan	2004	2.36%	N/A	69	92
2000	Medium Term Notes	2005	8.04%	N/A	25	25
2000	Medium Term Notes	2007	7.61%	N/A	34	30
2000	Medium Term Notes	2010	7.44%	N/A	46	42
2000	Medium Term Notes	2015	7.25%	N/A	53	49
1996	Long-term obligation — Affiliate	2007	4.40%	N/A	75	75
Non-recourse debt:						
1997	Ravenwood Mortgage	2039	5.75%	N/A	5	5
1997	Olive Court Mortgage	2026	7.0%	N/A	2	2
1999	Storm Lake Pwr Ptrn I (Tranche A Loan)	2017	8.71%	N/A	29	—
1999	Storm Lake Pwr Ptrn I (Tranche B Loan)	2011	LIBOR+1.45%	N/A	31	—
Edison Capital total principal amount outstanding					474	425
Less current portion of long-term debt					(158)	—
Less foreign currency translation					—	(1)
Edison Capital long-term debt					\$ 316	\$ 424
Intercompany debt					(153)	(153)
EIX total consolidated long-term debt					\$11,787	\$11,578

¹ Interest rates may vary based on debt agreements.

² Includes \$4 million related to non-recourse debt in 2003.

³ See Note 1 on page 6.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Operating revenue	\$1,859	\$1,952	\$8,854	\$8,706
Fuel	60	82	235	243
Purchased power	599	401	2,786	2,016
Provisions for regulatory adjustment clauses — net	(3)	450	1,138	1,502
Other operation and maintenance	581	516	2,054	1,926
Depreciation, decommissioning and amortization	278	203	882	780
Property and other taxes	43	34	168	117
Net gain on sale of utility plant	—	2	(5)	(5)
Total operating expenses	1,558	1,688	7,258	6,579
Operating income	301	264	1,596	2,127
Interest and dividend income	4	51	100	262
Other nonoperating income	23	55	72	75
Interest expense — net of amounts capitalized	(111)	(128)	(457)	(584)
Other nonoperating deductions	(17)	(5)	(41)	9
Income from continuing operations before tax	200	237	1,270	1,889
Income tax	(23)	80	388	642
Income from continuing operations	223	157	882	1,247
Income from discontinued operations	—	—	82	—
Income tax on discontinued operations	—	—	32	—
Net income	223	157	932	1,247
Dividends on preferred stock	1	4	10	19
Net income available for common stock	\$ 222	\$ 153	\$ 922	\$1,228

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

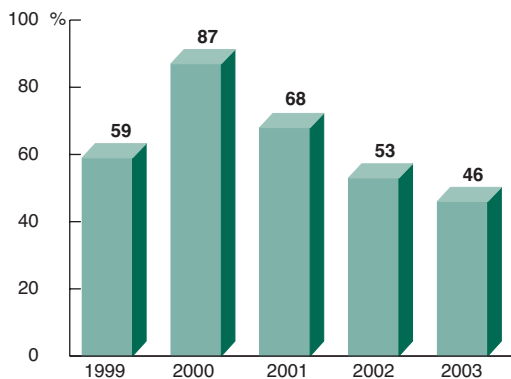
ASSETS	December 31,		LIABILITIES AND SHAREHOLDERS' EQUITY	December 31,	
	2003	2002		2003	2002
Cash and equivalents	\$ 95	\$ 992	Short-term debt	\$ 200	\$ —
Restricted cash	66	47	Long-term debt due within one year	371	1,671
Receivables, less allowances of \$30 and \$36 for uncollectible accounts at respective dates	751	767	Preferred stock to be redeemed within one year	9	9
Accrued unbilled revenue	408	437	Accounts payable	891	665
Fuel inventory	10	12	Accrued taxes	556	699
Materials and supplies, at average cost	168	153	Regulatory liabilities — net	276	—
Accumulated deferred income taxes — net	508	299	Other current liabilities	1,258	1,469
Regulatory assets — net	—	459	Total current liabilities	3,561	4,513
Prepayments and other current assets	58	57	Long-term debt	4,121	4,525
Total current assets	2,064	3,223	Accumulated deferred income taxes — net	2,726	2,915
Nonutility property — less accumulated provision for depreciation of \$24 and \$15 at respective dates	116	103	Accumulated deferred investment tax credits	136	148
Nuclear decommissioning trusts	2,530	2,210	Customer advances and other deferred credits	427	609
Other investments	153	235	Power-purchase contracts	213	309
Total investments and other assets	2,799	2,548	Preferred stock subject to mandatory redemption	141	—
Utility plant, at original cost:			Accumulated provision for pensions and benefits	330	356
Transmission and distribution	14,861	14,202	Asset retirement obligations	2,084	—
Generation	1,371	1,348	Regulatory liabilities — net	—	393
Accumulated provision for depreciation	(4,386)	(4,057)	Other long-term liabilities	243	209
Construction work in progress	600	529	Total deferred credits and other liabilities	6,300	4,939
Nuclear fuel, at amortized cost	141	153	Total liabilities	13,982	13,977
Total utility plant	12,587	12,175	Preferred stock subject to mandatory redemption	—	147
Regulatory assets — net	510	—	Common stock (434,888,104 shares outstanding at each date)	2,168	2,168
Other deferred charges	506	629	Additional paid-in capital	338	340
Total deferred charges	1,016	629	Accumulated other comprehensive loss	(19)	(16)
Assets of discontinued operations	—	62	Retained earnings	1,868	1,892
Total assets	\$18,466	\$18,637	Total common shareholder's equity	4,355	4,384
			Preferred stock not subject to mandatory redemption	129	129
			Total shareholders' equity	4,484	4,513
			Total liabilities and shareholders' equity	\$18,466	\$18,637

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

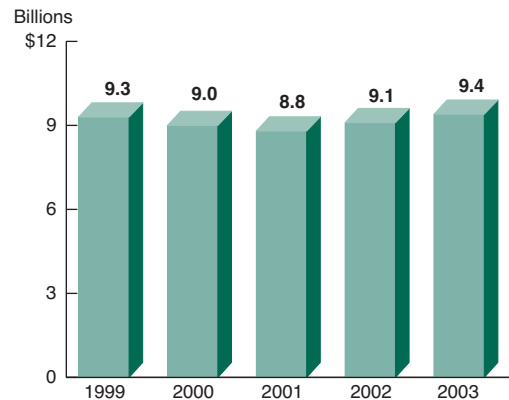
	Year Ended December 31,	
	2003	2002
Cash flows from operating activities:		
Income from continuing operations	\$ 882	\$ 1,247
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	882	780
Other amortization	101	106
Deferred income taxes and investment tax credits	(49)	(640)
Regulatory assets — long-term — net	495	1,860
Gas options	75	14
Other assets	121	7
Other liabilities	(374)	132
Changes in working capital:		
Receivables and accrued unbilled revenue	45	338
Regulatory assets — short-term — net	697	(376)
Fuel inventory, materials and supplies	(13)	(11)
Prepayment and other current assets	(22)	41
Accrued interest and taxes	(143)	(191)
Accounts payable and other current liabilities	13	(2,676)
Operating cash flows from discontinued operations	(34)	—
Net cash provided by operating activities	2,676	631
Cash flows from financing activities:		
Long-term debt issuance costs	(11)	(32)
Long-term debt repaid	(1,263)	(1,200)
Bonds remarketed and funds held in trust — net	—	191
Redemption of preferred stock	(6)	(100)
Rate reduction notes repaid	(246)	(246)
Nuclear fuel financing — net	—	(59)
Short-term debt financing — net	(4)	(527)
Dividends paid	(955)	(40)
Net cash used by financing activities	(2,485)	(2,013)
Cash flows from investing activities:		
Additions to property and plant — net	(1,161)	(1,046)
Contribution to nuclear decommissioning trusts — net	(86)	(12)
Other assets	13	18
Investing cash flows from discontinued operations	146	—
Net cash used by investing activities	(1,088)	(1,040)
Net decrease in cash and equivalents	(897)	(2,422)
Cash and equivalents, beginning of year	992	3,414
Cash and equivalents, end of year, continuing operations	\$ 95	\$ 992

**SOUTHERN CALIFORNIA EDISON
RECOURSE FINANCIAL DEBT-TO-CAPITAL¹**



¹ Represents SCE's net recourse financial debt-to-capital ratios. The 2003 ratio calculation includes common equity and preferred securities as reflected on the EIX balance sheet. Debt includes short- and long-term debt and other preferred securities subject to mandatory redemption of \$150 million. Debt excludes non-recourse debt totaling \$985 million as detailed on page 6 of this document. The comparable 2003 ratio, based on the same balance sheet classifications, including non-recourse debt is 51%. Prior years' ratios are calculated on the same basis as 2003, reclassifying other preferred securities subject to mandatory redemption as a component of debt. Non-recourse debt is excluded. The comparable prior year debt ratios, including non-recourse amounts, and based on prior years' balance sheet classifications which classify preferred securities subject to mandatory redemption as preferred stock, for the years ended 1999, 2000, 2001 and 2002, are 65%, 87%, 70% and 56%, respectively.

**SOUTHERN CALIFORNIA EDISON
SYSTEM RATE BASE¹**



¹ Weighted-average depreciated book costs including generation-related assets

KILOWATT-HOUR SALES¹

(Millions of kWh)

Class of Service	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Residential	6,708	6,060	27,194	25,084
Commercial	9,305	8,926	36,979	35,600
Industrial	2,692	2,858	10,770	11,590
Public Authorities	1,555	1,533	6,084	6,138
Agricultural and other	269	246	1,161	1,250
Resale	3,812	4	11,638	31
Total kWh Sales	24,341	19,627	93,826	79,693

¹ Includes direct access customers.

AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended December 31,		Year Ended December 31,		Cents Per kWh	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002		2003	2002	2003	2002
Oil (Catalina)	\$9.14	\$8.24	\$8.87	\$7.54	Purchased Power:				
Gas ¹	5.78	4.93	6.55	4.67	Other power producers:				
Nuclear	0.44	0.44	0.45	0.43	Biomass	7.89	7.16	9.11	8.78
Coal	1.14	1.26	1.24	1.25	Cogeneration	6.42	5.61	8.43	6.34
Average cost —					Geothermal	5.94	5.85	7.64	7.53
all sources	0.78	0.81 ²	0.77 ²	0.74 ²	Small Hydro	2.65	3.62	6.57	6.32
					Solar	6.90	6.76	14.46	12.75
Cents Per kWh					Wind	5.69	3.84	6.64	7.07
Oil (Catalina)	11.35¢	14.99¢	10.63¢	9.70¢	Average cost — other				
Nuclear	0.45	0.46	0.46	0.45	power producers	6.30	5.68	8.25	7.08
Coal	1.15	1.25	1.26	1.26	Average cost — all				
					sources ³	5.13	4.60 ²	5.51 ²	4.92 ²

¹ Cost of gas used to start-up coal plants.

² Excludes prior period fuel-related settlements.

³ Excludes ISO/other sales, includes firm purchased power.

TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended December 31,		% of Total		Year Ended December 31,		% of Total	
	2003	2002	2003	2002	2003	2002	2003	2002
Edison Owned:								
Nuclear	4,646	4,724	24.6	27.0	18,255	18,421	23.7	25.7
Coal	2,882	2,702	15.3	15.4	10,984	10,345	14.2	14.5
Hydro	540	423	2.9	2.4	3,990	3,611	5.2	5.0
Oil (Catalina)	7	5	—	—	31	27	—	—
Purchased Power ¹ :								
Firm ²	1,504	559	8.0	3.2	7,110	2,263	9.3	3.2
Economy/Other ³	(192)	(270)	(1.0)	(1.5)	(1,292)	(1,914)	(1.7)	(2.7)
Other power producers ¹ :								
Biomass	368	371	2.0	2.1	1,391	1,482	1.8	2.1
Cogeneration	3,523	3,427	18.7	19.5	13,837	13,668	17.9	19.1
Geothermal	1,932	1,574	10.2	9.0	7,070	6,041	9.2	8.4
Small Hydro	40	51	0.2	0.3	239	229	0.3	0.3
Solar	103	115	0.5	0.7	759	881	1.0	1.2
Wind	363	337	1.9	1.9	2,341	2,624	3.0	3.7
CDWR/ISO ^{1,4}	3,155	3,510	16.7	20.0	12,444	13,985	16.1	19.5
Total ⁵	18,871	17,528	100.0%	100.0%	77,159	71,663	100.0%	100.0%

¹ Calculated consistent with the accrual basis of accounting.

² Bilateral and long-term contracts.

³ Includes economy energy, exchange energy, fringe energy, and net interchange.

⁴ In 2002 includes CDWR and PX purchases – net; in 2003 includes CDWR and ISO/other sales.

⁵ Excludes direct access and resale customer requirements. Includes generation line losses.

OPERATING REVENUE (Unaudited)¹

(In millions)

Class of Service

Residential	
Commercial	
Industrial	
Public authorities	
Agricultural	
Other	
Resale	
Sales of electric energy	
Other electric revenue	
Deferred revenue ²	
Total operating revenue	

Three Months Ended December 31,		Year Ended December 31,	
2003	2002	2003	2002
\$ 608	\$ 667	\$2,855	\$2,957
692	914	3,609	4,014
130	206	686	865
103	143	540	640
18	20	99	124
1	2	6	8
137	1	413	19
1,689	1,953	8,208	8,627
141	81	384	364
29	(82)	262	(285)
\$1,859	\$1,952	\$8,854	\$8,706

¹ Does not include energy revenue from direct access customers.

² In accordance with accounting standards for rate-regulated enterprises, amounts authorized in rates for recovery of costs to be incurred in the future are not considered as revenue until the associated costs are incurred.

BALANCING ACCOUNTS (Unaudited)¹

(In millions)

Current:

Baseline	
CARE — California Alternative Rates for Energy	
Catastrophic Event Account	
Catch-up Surcharge	
Demand Responsiveness	
Demand-Side Management	
Electric Distribution Revenue Adjustment Balancing Account	
Energy Resource Recovery Account	
Native Load	
Risk Management Tools	
Transmission Revenue	
Transmission Revenue Requirement Reclassification	
Other — net ²	
Subtotal	
Procurement-related obligations account (PROACT)	
Subtotal	

Cumulative Over/(Under) Collections
December 31, 2003 **December 31, 2002**

\$ (58)	\$ —
(43)	—
(27)	—
—	188
86	62
97	120
47	—
141	—
(20)	—
—	(127)
(44)	(70)
138	—
(41)	(58)
276	115
—	(574)
276	(459)

Long-Term:

Baseline	
CARE — California Alternative Rates for Energy	
Other — net ³	
Subtotal	
Total	

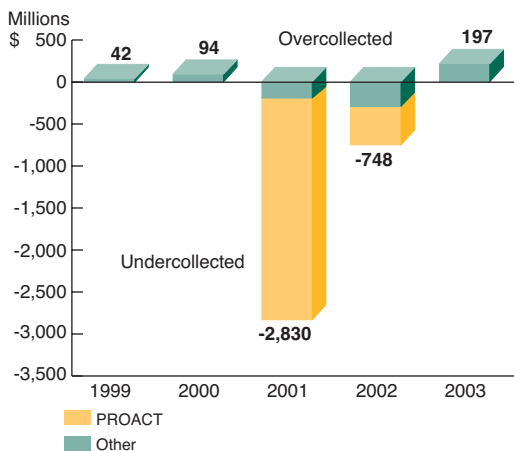
—	(65)
—	(36)
(79)	(188)
(79)	(289)
\$ 197	\$ (748)

¹ Includes interest.

² Includes other current regulatory assets/liabilities and balancing accounts.

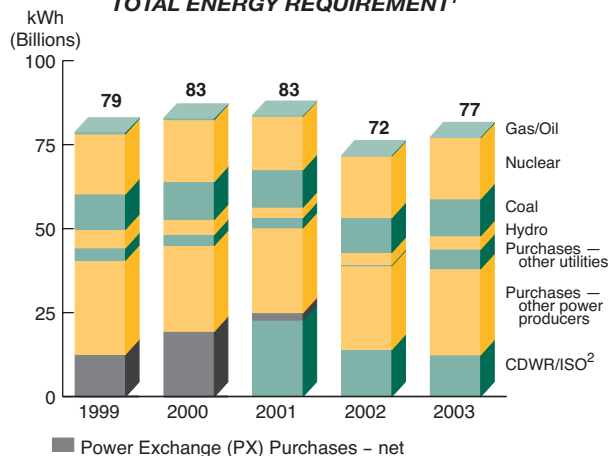
³ Includes other long-term regulatory assets/liabilities and balancing accounts.

**SOUTHERN CALIFORNIA EDISON
BALANCING ACCOUNTS — NET¹**



¹ Includes interest and other current and long-term regulatory assets/liabilities and balancing accounts, net.

**SOUTHERN CALIFORNIA EDISON
TOTAL ENERGY REQUIREMENT¹**



■ Power Exchange (PX) Purchases — net

¹ Excludes direct access and resale customers' energy requirements. Includes generation line losses.

² In 2002 includes CDWR and PX purchases — net; In 2003 includes CDWR and ISO/other sales.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Quarter Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Electric revenue	\$ 720	\$ 572	\$3,078	\$2,680
Net gains from price risk management and energy trading	22	(2)	44	27
Operation and maintenance services	27	16	59	43
Total operating revenue	769	586	3,181	2,750
Fuel	266	214	1,103	944
Plant operations and transmission costs	237	204	912	765
Plant operating leases	52	52	206	206
Operation and maintenance services	8	10	29	29
Depreciation and amortization	77	66	290	247
Settlement of post retirement employee benefit liability	—	(71)	—	(71)
Asset impairment and other charges	53	45	304	131
Administrative and general	51	48	173	169
Total operating expenses	744	568	3,017	2,420
Operating income	25	18	164	330
Equity in income from unconsolidated affiliates	80	54	368	283
Interest and other income (expense)	(1)	8	7	17
Gain on sale of assets	13	5	13	5
Interest expense	(133)	(113)	(498)	(452)
Dividends on preferred securities	—	(5)	(11)	(21)
Total other income (deductions) — net	(41)	(51)	(121)	(168)
Income (Loss) from continuing operations before income taxes and minority interest	(16)	(33)	43	162
Income tax expense (benefit)	(24)	(24)	(24)	39
Minority interest	(8)	(4)	(39)	(27)
Income (Loss) from continuing operations	—	(13)	28	96
Income (Loss) from operations of discontinued foreign subsidiaries, net of tax	3	(78)	1	(57)
Income (Loss) before accounting change	3	(91)	29	39
Cumulative effect of change in accounting, net of tax	—	—	(9)	(14)
Net income (loss)	\$ 3	\$ (91)	\$ 20	\$ 25

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

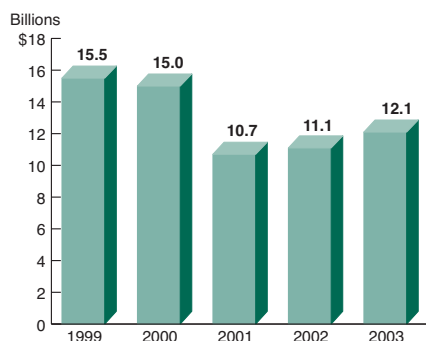
ASSETS	December 31,		LIABILITIES AND SHAREHOLDER'S EQUITY	December 31,	
	2003	2002		2003	2002
Cash and cash equivalents	\$ 504	\$ 647	Accounts payable and accrued liabilities	\$ 485	\$ 469
Receivables, net	384	336	Liabilities under price risk management and energy trading	163	45
Assets under price risk management and energy trading	48	34	Interest payable	101	92
Inventory	166	176	Short-term obligations	52	77
Prepaid expenses and other	204	169	Current maturities of long-term obligations	856	1,090
Total current assets	1,306	1,362	Total current liabilities	1,657	1,773
Investments in unconsolidated affiliates	1,607	1,645	Long-term obligations net of current maturities	5,331	4,872
Property, plant and equipment, net	7,422	6,762	Deferred taxes and tax credits	1,290	1,181
Other Assets			Deferred revenue	577	454
Goodwill	867	660	Long-term incentive compensation	30	29
Deferred financing costs	67	55	Long-term liabilities under price risk management and energy trading	138	162
Long-term assets under price risk management and energy trading	97	113	Junior subordinated debentures	155	
Restricted cash	338	262	Preferred securities of subsidiaries	164	
Rent payments in excess of levelized rent expense under plant operating leases	214	118	Other	318	220
Other long-term assets	154	105	Total long-term deferred liabilities	2,672	2,046
Total other assets	1,737	1,313	Liabilities of discontinued operations	—	3
Assets of discontinued operations	6	10	Total liabilities	9,660	8,694
Total assets	\$12,078	\$11,092	Minority Interest	515	424
			Preferred securities of subsidiaries		281
			Common stock and additional paid-in capital ...	2,697	2,697
			Retained deficit	(772)	(792)
			Accumulated other comprehensive loss	(22)	(212)
			Total shareholder's equity	1,903	1,693
			Total liabilities and shareholder's equity	\$12,078	\$11,092

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

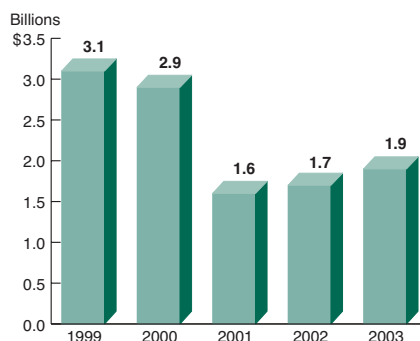
(In millions)

	Year Ended December 31,	
	2003	2002
Cash Flows From Operating Activities:		
Income from continuing operations, after accounting change, net	\$ 19	\$ 83
Adjustments to reconcile income to net cash provided by operating activities:		
Equity in income from unconsolidated affiliates	(368)	(283)
Distributions from unconsolidated affiliates	416	338
Depreciation and amortization	290	247
Gain on sale of assets	(13)	(5)
Settlement of postretirement employee benefit liability	—	(71)
Asset impairment and other charges	304	131
Cumulative effect of change in accounting principle, net of tax	9	14
Changes in working capital components	(63)	126
Other — net	72	196
	<u>666</u>	<u>776</u>
Operating cash flows from discontinued operations	(1)	54
Net cash provided by operating activities	<u>665</u>	<u>830</u>
Cash Flows From Financing Activities:		
Borrowings on long-term debt and lease swap agreements	1,090	440
Payments on long-term debt agreements	(1,392)	(577)
Short-term financing and lease swap agreements, net	44	(124)
Cash dividends to minority shareholders	(42)	(39)
Financing costs	(22)	—
	<u>(322)</u>	<u>(300)</u>
Financing cash flows from discontinued operations	—	(18)
Net cash used in financing activities	<u>(322)</u>	<u>(318)</u>
Cash Flows From Investing Activities:		
Investments in and loans to energy projects	(65)	(40)
Purchase of common stock of acquired companies	(278)	(16)
Purchase of power sales agreement	—	(80)
Capital expenditures	(126)	(555)
Proceeds from sales of interest in projects and other	54	137
Decrease (Increase) in restricted cash	(69)	3
Other — net	(11)	253
	<u>(495)</u>	<u>(298)</u>
Investing cash flows from discontinued operations	4	2
Net cash used in investing activities	<u>(491)</u>	<u>(296)</u>
Effect of exchange rate changes on cash	5	24
Effect on cash from de-consolidation of subsidiary	—	(27)
Net increase (decrease) in cash and equivalents	<u>(143)</u>	<u>213</u>
Cash and cash equivalents at beginning of period	<u>647</u>	<u>434</u>
Cash and cash equivalents at end of period	<u>504</u>	<u>647</u>
Cash and cash equivalents classified as part of discontinued operations	—	—
Cash and cash equivalents of continuing operations	<u>\$ 504</u>	<u>\$ 647</u>

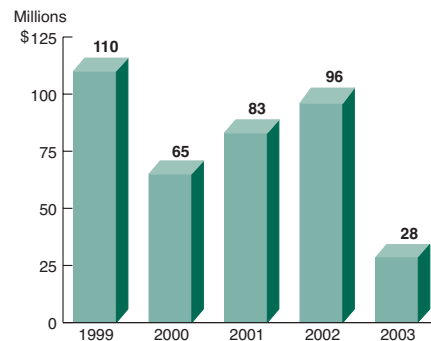
**EDISON MISSION ENERGY
TOTAL ASSETS**



**EDISON MISSION ENERGY
TOTAL EQUITY**



**EDISON MISSION ENERGY
INCOME FROM CONTINUING OPERATIONS**



OPERATING PROJECTS

No.	Project Name	Plant Type	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	EcoElectrica	—	Liquefied Natural Gas	3/00	50%	524	262	Puerto Rico
5	Homer City	E	Coal	3/99	100%	1,884	1,884	Pennsylvania
6	Illinois Plants (11 plants)	E	Coal, Natural Gas	12/99	100%	9,218	9,218	Illinois
17	Kern River	Q	Natural Gas	8/85	50%	300	150	California
18	March Point	Q	Natural Gas	11/91, 1/93	50%	140	70	Washington
19	Mid-Set	Q	Natural Gas	5/89	50%	38	19	California
20	Midway-Sunset	Q	Natural Gas	5/89	50%	225	113	California
21	Salinas River	Q	Natural Gas	11/91	50%	38	19	California
22	Sargent Canyon	Q	Natural Gas	11/91	50%	38	19	California
23	Sunrise	E	Natural Gas	6/01,6/03	50%	572	286	California
24	Sycamore	Q	Natural Gas	1/88	50%	300	150	California
25	Watson	Q	Natural Gas	4/88	49%	385	189	California
Total Americas Operating Projects						14,066	12,581	

Asia Pacific

1	Contact (11 plants)		Hydro, Natural Gas, 5/99, 1/00, 4/00 Geothermal		51.2%	2,597	1,215	New Zealand ¹
12	CBK (3 plants)		Hydro	10/00, 12/02, 06/03	50%	423	211	Philippines
15	Kwinana		Natural Gas	12/96	70%	118	83	Australia
16	Loy Yang B		Coal	10/93, 10/96, 5/97	100%	940	940	Australia
17	Paiton		Coal	7/99	40%	1,230	492	Indonesia
18	Tri Energy		Natural Gas	7/00	25%	700	175	Thailand
19	Valley Power		Gas	2002	80%	300	241	Australia

Europe

20	Derwent		Natural Gas	5/95	33%	214	71	U.K.
21	Doga		Natural Gas	5/99	80%	180	144	Turkey
22	First Hydro (2 plants)		Hydro	12/95	100%	2,088	2,088	U.K.
24	Iberian Hy-Power I & II (18 plants)		Hydro	12/92, 1/96, 8/93, 1/96	100% ²	84	81	Spain
42	ISAB		Oil	4/00	49%	528	259	Italy
55	Italian Wind (13 plants)		Wind	3/00, 11/02	50%	303	152	Italy
Total International Operating Projects						9,705	6,152	
Total Operating Projects						23,771	18,733	

¹ Minority interest in two projects 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	Kalayaan II		Hydro	2003	50%	369	185	Philippines
Total Projects Under Construction						369	185	

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Lease revenue	\$ 20	\$ (77)	\$ 82	\$ 6
Other	3	3	6	1
Total operating revenue	23	(74)	88	7
Operating expenses	11	41	37	48
Operating income	12	(115)	51	(41)
Interest expense	(7)	(8)	(26)	(35)
Equity in loss from unconsolidated entities	(4)	(13)	(14)	(34)
Other income (loss)	2	3	8	(3)
Income before income taxes	3	(133)	19	(113)
Income tax benefit	13	108	38	146
Net income	<u>\$ 16</u>	<u>\$ (25)</u>	<u>\$ 57</u>	<u>\$ 33</u>

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

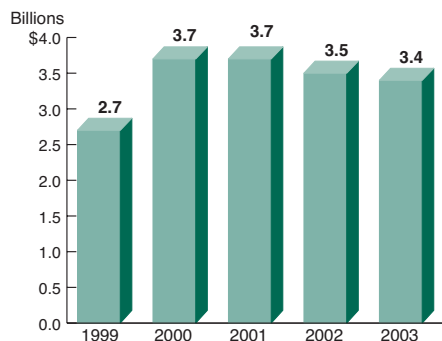
	December 31,		December 31,	
	2003	2002	2003	2002
Current assets	\$ 487	\$ 627	\$ 193	\$ 46
Lease investments	2,361	2,313	2,610	2,652
Partnership investments	278	361	2,803	2,698
Property, plant and equipment — net, and other	292	178	81	81
Total assets	<u>\$3,418</u>	<u>\$3,479</u>	(6)	(9)
Current liabilities			540	709
Long-term liabilities			615	781
Total liabilities			\$3,418	\$3,479
Contributed capital				
Other comprehensive income				
Retained earnings				
Total shareholder's equity				
Total liabilities and shareholder's equity				

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

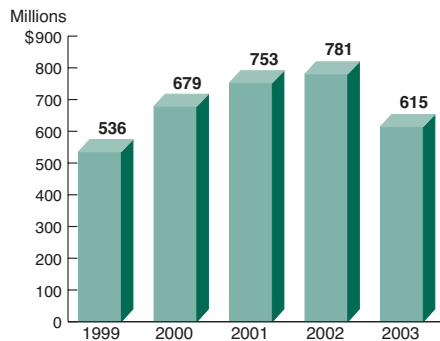
(In millions)

	Year Ended December 31,	
	2003	2002
Cash flows from operating activities:		
Net income	\$ 57	\$ 33
Adjustments for non-cash items	(6)	172
Changes in working capital components	91	444
Net cash provided by operating activities	<u>142</u>	<u>649</u>
Cash flows from financing activities:		
Dividend paid	(225)	—
Net proceeds from issuances of debt	—	12
Repayment of debt	(35)	(332)
Net cash used by financing activities	<u>(260)</u>	<u>(320)</u>
Cash flows from investing activities:		
Investments	(21)	9
Proceeds from sale of assets	4	2
Net cash provided (used) by investing activities	<u>(17)</u>	<u>11</u>
Effects of exchange rate changes on cash	13	—
Net (decrease) increase in cash and equivalents	<u>(122)</u>	<u>340</u>
Cash and equivalents, beginning of period	488	148
Cash and equivalents, end of period	<u>\$ 366</u>	<u>\$ 488</u>

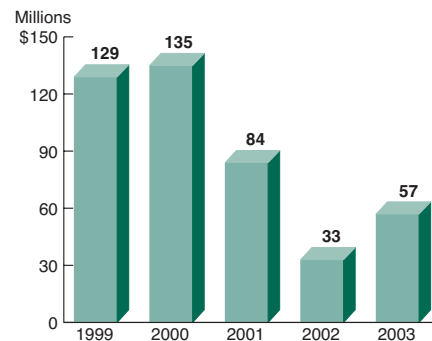
**EDISON CAPITAL
TOTAL ASSETS**



**EDISON CAPITAL
TOTAL EQUITY**



**EDISON CAPITAL
NET INCOME**



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/Equity Interest</i>
ESKOM/Majuba	South Africa	Coal Power	4,110	\$ 1,500	100%
Swisscom AG	Switzerland	Telecommunications	—	2,356	100%
Midland Cogeneration Plant	U.S.	Gas Power	1,500	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	23%
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%
Cablemas	Mexico	Cable Television	—	314	8%
Paz Holdings	Bolivia	Distribution Systems	—	77	11%
Woodstock Hills	U.S.	Wind Power	10	12	75%
Shaokatan Hills	U.S.	Wind Power	12	16	75%
Lakota Ridge	U.S.	Wind Power	11	15	75%
Total			9,065	\$16,533	

AFFORDABLE HOUSING PROJECTS

From inception to date, Edison Capital has invested in over 350 Affordable Housing projects in 36 states.

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