

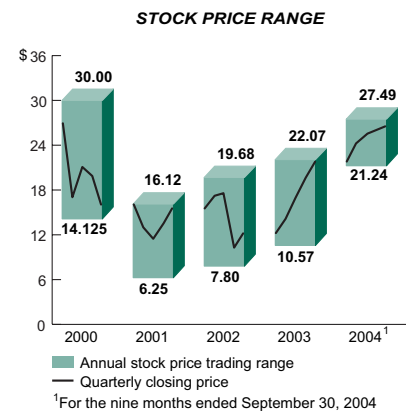
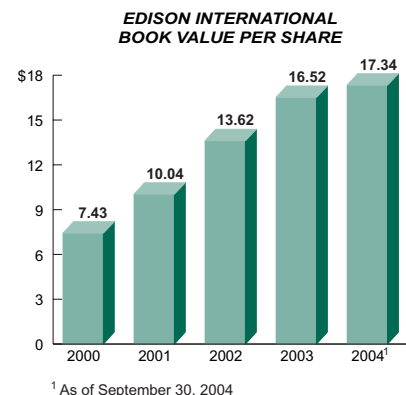
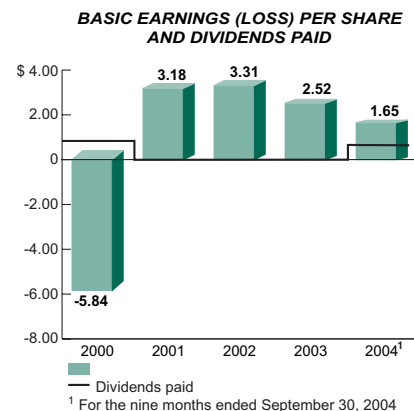
2004 Third Quarter Financial and Statistical Supplement



KEY FINANCIAL AND OPERATING DATA

	As of September 30, or Three Months Ended September 30,	
	2004	2003
Edison International (EIX)		
Basic Earnings Per Share	\$2.49	\$1.67
Income From Continuing Operations (millions)	\$313	\$460
Net Income (millions)	\$813	\$544
Dividends Paid Per Share ¹	\$0.20	—
Book Value Per Share	\$17.34	\$16.00
Market Price/Book Value Ratio	1.5x	1.2x
Market Price Per Share	\$26.51	\$19.10
Stock Price Range	\$25.14–\$27.49	\$15.81–\$19.65
One-Year Total Shareholder Return (appreciation and dividends) ^{1,2}	43.4%	91.0%
Weighted-Average Common Shares Outstanding (thousands)	325,811	325,811
Recourse Financial Capital Structure ³ :		
Common Equity	39.4%	35.7%
Preferred Securities	0.9	0.9
Debt (includes preferred securities subject to mandatory redemption)	59.7	63.4
Total	100.0%	100.0%
Southern California Edison (SCE)		
Basic Earnings Per Edison International Common Share	\$0.79	\$1.15
Net Income Available for Common Stock (millions)	\$259	\$374
Ratemaking Rate of Return on Common Equity — Annual Authorized	11.6%	11.6%
Ratemaking Capitalization Ratios:		
Common Equity	49.6%	54.0%
Preferred Stock	3.0	2.9
Long-Term Debt	47.4	43.1
Total	100.0%	100.0%
Kilowatt-hour Sales (millions)	26,995	26,588
Peak Demand (MW) ⁴	20,762	20,136
Customers (thousands)	4,651	4,583
Generating Capacity Resources (MW) ⁵	9,851	9,771
Employees	13,185	12,555
Mission Energy Holding Company (consolidated) (MEHC)		
Basic Earnings Per Edison International Common Share	\$1.71	\$0.54
Equity (millions)	\$713	\$820
Income from Continuing Operations	\$59	\$136
Net Income (millions)	\$559	\$175
Employees	2,562	2,597
Edison Capital		
Basic Earnings Per Edison International Common Share	\$0.04	\$0.04
Equity (millions)	\$660	\$824
Net Income (millions)	\$12	\$14
Employees	54	62

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 2004 ratios include common equity and preferred securities as reflected on the EIX balance sheets. Debt includes short- and long-term debt and other preferred securities subject to mandatory redemption. Debt excludes non-recourse debt from continuing operations totaling \$3.7 billion as outlined on pages 6–7 of this document. The comparable 2004 ratios, based on the same balance sheet classifications, including non-recourse items for common equity, preferred securities and debt are 31.3%, 0.7%, and 68.0% respectively. 2003 ratios are calculated on the same basis as 2004, reclassifying other preferred securities subject to mandatory redemption of \$1.2 billion as a component of debt. Non-recourse preferred securities of \$148 million and non-recourse debt of \$5.6 billion are excluded. The comparable 2003 ratios, including non-recourse amounts, and based on the same balance sheet classifications are 25.7%, 0.6% and 73.7% for common equity, preferred securities and debt, respectively.
⁴ Includes all of the load on transmission and distribution systems.
⁵ Excludes CDWR allocated contracts and transitional capacity contracts.



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 September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Electric utility	\$2,655	\$2,794	\$6,527	\$6,994
Nonutility power generation	509	602	1,228	1,326
Financial services and other	24	25	85	73
Total operating revenue	3,188	3,421	7,840	8,393
Fuel	415	239	1,010	630
Purchased power	915	1,013	2,022	2,187
Provisions for regulatory adjustment clauses — net	(34)	332	(85)	1,141
Other operation and maintenance	782	709	2,351	2,096
Asset impairment and loss on lease termination	35	—	989	251
Depreciation, decommissioning and amortization	232	253	752	726
Property and other taxes	50	50	148	130
Net gain on sale of utility plant	—	(5)	—	(5)
Total operating expenses	2,395	2,591	7,187	7,156
Operating Income	793	830	653	1,237
Interest and dividend income	9	19	32	107
Equity in income from partnerships and unconsolidated subsidiaries — net	30	119	57	196
Other nonoperating income	5	26	97	66
Interest expense - net of amounts capitalized	(254)	(262)	(746)	(753)
Other nonoperating deductions	(12)	(11)	(50)	(31)
Minority interest	(76)	—	(119)	—
Dividends on preferred securities subject to mandatory redemption	—	—	—	(52)
Dividends on utility preferred stock not subject to mandatory redemption	(1)	(1)	(4)	(4)
Income (loss) from continuing operations before tax	494	720	(80)	766
Income tax (benefit)	181	260	(39)	249
Income (loss) from continuing operations	313	460	(41)	517
Income from discontinued operations — net of tax	500	84	579	116
Income before accounting change	813	544	538	633
Cumulative effect of accounting change — net of tax	—	—	(1)	(9)
Net income	\$ 813	\$ 544	\$ 537	\$ 624
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings (loss) per share:				
Continuing operations	\$ 0.96	\$ 1.41	\$ (0.13)	\$ 1.59
Discontinued operations	1.53	0.26	1.78	0.36
Cumulative effect of accounting change	—	—	—	(0.03)
Total	\$ 2.49	\$ 1.67	\$ 1.65	\$ 1.92
Weighted-average shares, including effect of dilutive securities	330	329	330	329
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.95	\$ 1.40	\$ (0.13)	\$ 1.57
Discontinued operations	1.51	0.25	1.76	0.35
Cumulative effect of accounting change	—	—	—	(0.02)
Total	\$ 2.46	\$ 1.65	\$ 1.63	\$ 1.90
Dividends declared per common share	\$ 0.20	\$ —	\$ 0.60	\$ —

EDISON INTERNATIONAL BUSINESS SEGMENTS (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Operating Revenue:				
Electric utility	\$2,655	\$2,794	\$6,527	\$6,994
Nonutility power generation	509	602	1,228	1,326
Financial services	22	21	78	65
Corporate and other	2	4	7	8
Consolidated Edison International	\$3,188	\$3,421	\$7,840	\$8,393
Net Income (Loss):				
Electric utility ¹	\$ 259	\$ 374	\$ 600	\$ 700
Nonutility power generation ²	559	175	(44)	(57)
Financial services ³	12	14	33	41
Corporate and other	(17)	(19)	(52)	(60)
Consolidated Edison International	\$ 813	\$ 544	\$ 537	\$ 624

¹ Net income available for common stock. Includes earnings from discontinued operations of \$45 million and \$50 million, respectively, for the three and nine months ended September 30, 2003.

² Includes a loss of \$9 million from the cumulative effect of an accounting change for the nine months ended September 30, 2003. Also, includes earnings from discontinued operations of \$500 million and \$579 million, respectively, for the three and nine months ended September 30, 2004 and \$39 million and \$66 million, respectively, for the three and nine months ended September 30, 2003.

³ Includes a loss of \$1 million from the cumulative effect of an accounting change for the nine months ended September 30, 2004.

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

ASSETS	Sept. 30, 2004	December 31, 2003	LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2004	December 31, 2003
Cash and equivalents	\$ 2,434	\$ 1,980	Short-term debt	\$ —	\$ 200
Restricted cash	70	79	Long-term debt due within one year	985	1,921
Receivables, less allowances of \$32 and \$31 for uncollectible accounts at respective dates	1,272	983	Preferred stock to be redeemed within one year	9	9
Accrued unbilled revenue	510	408	Accounts payable	1,164	932
Fuel inventory	78	87	Accrued taxes	494	486
Materials and supplies, at average cost	234	211	Trading and price risk management liabilities	66	36
Accumulated deferred income taxes — net	340	563	Regulatory liabilities — net	9	361
Trading and price risk management assets	15	22	Other current liabilities	1,674	1,722
Prepayments	82	88	Total current liabilities	4,401	5,667
Other current assets	101	59	Long-term debt	11,129	9,147
Total current assets	5,136	4,480	Accumulated deferred income taxes — net	4,984	5,361
Nonutility property — less accumulated provision for depreciation of \$1,267 and \$591 at respective dates	3,883	3,179	Accumulated deferred investment tax credits	141	149
Nuclear decommissioning trusts	2,609	2,530	Customer advances and other deferred credits	954	807
Investments in partnerships and unconsolidated subsidiaries	650	828	Power-purchase contracts	154	213
Investments in leveraged leases	2,410	2,361	Preferred securities subject to mandatory redemption	139	141
Other investments	209	176	Accumulated provision for pensions and benefits	496	425
Total investments and other assets	9,761	9,074	Asset retirement obligations	2,158	2,106
Utility plant, at original cost:			Other long-term liabilities	256	247
Transmission and distribution	15,396	14,861	Total deferred credits and other liabilities	9,282	9,449
Generation	1,367	1,371	Liabilities of discontinued operations	2,794	4,724
Accumulated provision for depreciation	(4,588)	(4,386)	Total liabilities	27,606	28,987
Construction work in progress	737	600	Minority interest	355	517
Nuclear fuel, at amortized cost	153	141	Preferred stock not subject to mandatory redemption	129	129
Total utility plant	13,065	12,587	Common stock (325,811,206 shares outstanding at each date)	1,985	1,970
Restricted cash	130	187	Accumulated other comprehensive loss	(129)	(53)
Regulatory assets — net	265	510	Retained earnings	3,792	3,466
Other deferred charges	869	738	Total common shareholders' equity	5,648	5,383
Total deferred charges	1,264	1,435	Total liabilities and shareholders' equity	\$33,738	\$35,016
Assets of discontinued operations	4,512	7,440			
Total assets	\$33,738	\$35,016			

EDISON INTERNATIONAL RESULTS OF OPERATIONS (Unaudited)

(In millions, except per share amounts)

Three Months Ended September 30,	Basic Earnings (Loss) Per Share		Earnings (Loss)	
	2004	2003	2004	2003
SCE	\$ 0.79	\$ 1.01	\$ 259	\$ 329
Mission Energy Holding Company	0.18	0.42	59	136
Edison Capital	0.04	0.04	12	14
EIX parent company and other	(0.05)	(0.06)	(17)	(19)
EIX Consolidated Earnings from Continuing Operations	0.96	1.41	313	460
Earnings from Discontinued Operations - SCE	—	0.14	—	45
Earnings from Discontinued Operations - MEHC	1.53	0.12	500	39
Total EIX Consolidated Earnings	\$ 2.49	\$ 1.67	\$ 813	\$ 544

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended September 30,	
	2004	2003
Cash flows from operating activities:		
Income (loss) from continuing operations, after accounting change, net of tax	\$ (42)	\$ 508
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change, net of tax	1	9
Depreciation, decommissioning and amortization	752	726
Other amortization	78	81
Minority interest	119	—
Deferred income taxes and investment tax credits	(138)	(22)
Equity in income from partnerships and unconsolidated subsidiaries	(57)	(196)
Income from leveraged leases	(62)	(62)
Regulatory assets — long-term — net	284	414
Asset impairment	35	251
Gain on sale of assets	(44)	(5)
Levelized rent expense	(59)	(96)
Other assets	(80)	57
Other liabilities	79	(296)
Changes in working capital net of effects from consolidation and deconsolidation of variable interest entities:		
Receivables and accrued unbilled revenue	(300)	(219)
Regulatory liabilities — short-term — net	(352)	792
Prepayments and other current assets	50	(43)
Accrued interest and taxes	9	219
Accounts payable and other current liabilities	86	326
Distributions and dividends from unconsolidated entities	41	306
Net cash provided by operating activities	<u>400</u>	<u>2,750</u>
Cash flows from financing activities:		
Long-term debt issued	3,358	(10)
Long-term debt repaid	(2,542)	(918)
Bonds remarketed — net	350	—
Redemption of preferred securities	(2)	(6)
Rate reduction notes repaid	(177)	(176)
Short-term debt financing — net	(263)	—
Dividends to minority shareholders	(90)	—
Dividends paid	(195)	—
Net cash provided (used) by financing activities	<u>439</u>	<u>(1,110)</u>
Cash flows from investing activities:		
Additions to property and plant	(1,165)	(890)
Acquisition costs related to nonutility generation plant	(285)	—
Proceeds from sale of interests in projects	858	—
Contributions to nuclear decommissioning trusts — net	(62)	(16)
Distributions from (investments in) partnerships and unconsolidated subsidiaries	15	(35)
Investments in other assets	54	76
Net cash used by investing activities	<u>(585)</u>	<u>(865)</u>
Effect of consolidation of variable interest entities on cash	79	—
Net changes in cash of discontinued operations	40	4
Net increase in cash and equivalents	373	779
Cash and equivalents, beginning of period	2,198	2,468
Cash and equivalents, end of period	<u>2,571</u>	<u>3,247</u>
Cash and equivalents, discontinued operations	(137)	(132)
Cash and equivalents, continuing operations	<u>\$ 2,434</u>	<u>\$ 3,115</u>

EDISON INTERNATIONAL CONSOLIDATED SHORT-TERM DEBT (Unaudited)

(In millions)

	September 30, 2004	December 31, 2003
Southern California Edison		
Bank loan against credit line	\$ —	\$ 200
	<u> </u>	<u> </u>
Edison International total consolidated short-term debt	<u>\$ —</u>	<u>\$ 200</u>

AVAILABLE CREDIT UNDER EXISTING LINES AT SCE, EME (parent) AND MWG (Unaudited)

(In millions)

	September 30, 2004	December 31, 2003
Southern California Edison	\$ 691	\$ 467
Edison Mission Energy (parent)	98	145
Midwest Generation (MWG)	<u>197</u>	<u>150</u>
Total	<u>\$ 986</u>	<u>\$ 762</u>

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

(In millions)

	For The Twelve Months Ending September 30,				
	2005	2006	2007	2008	2009
Edison International	\$ —	\$ —	\$ —	\$ —	\$ —
Southern California Edison	247	928	1,213	122	219
Mission Energy Holding Co. (consolidated)	657	335	332	1,220	613
Edison Capital	81 ²	55	154	—	—
Intercompany debt	<u>—</u>	<u>—</u>	<u>(153)</u>	<u>(27)</u>	<u>—</u>
Total	<u>\$985</u>	<u>\$1,318</u>	<u>\$1,546</u>	<u>\$1,315</u>	<u>\$832</u>

¹ Includes recourse and non-recourse long-term debt as of September 30, 2004.

² Includes \$50 million of non-recourse project debt related to Edison Capital's Storm Lake Energy Project due through 2017, but classified as due in 2005 due to various defaults asserted by the lenders in connection with the Enron bankruptcy.

EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited)

(In millions)

Year	Series	Due Date	Interest Rate (%)	First Call Date	Sept. 30, 2004	Dec. 31, 2003	Year	Series	Due Date	Interest Rate (%)	First Call Date	Sept. 30, 2004	Dec. 31, 2003
Edison International							Pollution control indebtedness:						
1999	Notes	09/15/04	6 ⁷ / ₈	N/A	\$ —	\$ 617	Four Corners Generating Station						
1999	Note	07/26/29	7.875	N/A	515 ¹	516	1991	Series A ⁶	04/01/21	7.20	04/01/01	49	49
1999	Note	10/29/29	8.60	N/A	335 ¹	335	1993	Series A ⁶	06/01/23	5 ⁷ / ₈	06/01/03	155	155
Subtotal					850	1,468	1999	Series A ⁷	04/01/29	5 ¹ / ₈	04/01/09	55	55
Less current portion of long-term debt					—	(618)	Huntington Beach Generating Station						
Less unamortized discount — net					—	1	1999	Series D ⁷	09/01/15	5.20	09/01/09	8	8
EIX long-term debt					\$ 850	\$ 851	Mohave Generating Station						
Southern California Edison							1988 Series A						
Recourse long-term debt:							2000 Series A						
First and refunding mortgage bonds:							2000 Series B						
1993	Series 93H	09/01/04	5 ⁷ / ₈	N/A	\$ —	\$ 125	2000 Series C						
2003	Series 2003 A	02/15/07	8.00	N/A	— ²	— ²	Palo Verde Nuclear Generating Station						
2003	Series 2003 B	02/15/07	8.00	N/A	966	966	2000	Series A-B ⁶	03/01/09	2.90	N/A	144	144
1993	Series 93I ³	10/01/18	6.90	10/01/98	—	200	San Onofre Nuclear Generating Station						
1993	Series 93G ³	07/15/25	7 ¹ / ₈	07/15/03	—	225	1986 Series A-D ⁶						
1993	Series 93C ³	03/01/26	7 ¹ / ₄	03/01/03	—	300	1985	Series A-D ⁶	02/28/06	2.00	03/08/05	135	135
2004	Series 2004A	01/15/14	5.00	N/A	300	—	1991	Series ⁶	12/01/17	6.90	12/01/01	29	29
2004	Series 2004B	01/15/34	6.00	N/A	525	—	1992	Series A ⁶	07/01/27	6.00	07/01/02	30	30
2004	Series 2004C	01/13/06	Variable	N/A	150	—	1992	Series B ⁶	12/01/24	6.40	12/01/02	190	190
2004	Series 2004F	04/01/15	4.65	N/A	300	—	1999	Series A-B ⁷	09/01/29	5.45	09/01/09	100	100
2004	Series 2004G	04/01/35	5.75	N/A	350	—	1999	Series C ⁷	09/01/31	5.55	09/01/09	30	30
Subtotal					2,591	1,816	Subtotal						
Other:							1,196						
1996	Notes	01/15/06	6 ³ / ₈	N/A	200	200	Non-recourse long-term debt:						
1999	Notes	04/01/29	6.65	N/A	300	300	VIE Debt ⁸						
2000	Notes	01/15/10	7.625	N/A	250	250	2008						
Junior Subordinated Deferrable Interest Debentures ⁴ :							5.0						
1995	Series A ³	06/30/44	8 ³ / ₈	05/25/00	—	100	N/A						
Other obligation ⁵					8	8	Rate reduction notes ⁹						
Subtotal					758	858	1997 Various						
							Various						
							Various						
							N/A						
							Subtotal						
							862						
							985						
							SCE principal amount outstanding						
							5,407						
							4,875						
							Less current portion of long-term debt						
							(247)						
							(371)						
							Less unamortized discount — net						
							(27)						
							(29)						
							Less bonds repurchased						
							—						
							(354)						
							SCE long-term debt						
							\$5,133						
							\$4,121						

¹ EIX announced its intentions for early redemption in 2004.

² Balance of \$50,000.

³ Called for early redemption on January 26, 2004.

⁴ Also known as quarterly income debt securities (QUIDS).

⁵ Fort Irwin acquisition debt, not a publicly traded security.

⁶ Secured by first and refunding mortgage bonds.

⁷ Insured.

⁸ Long-term debt of Variable Interest Entities (VIE). This debt is non-recourse to SCE and EIX.

⁹ Also known as rate reduction bonds. The notes are non-recourse to SCE and EIX.

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

(In millions)

Year	Series	Due Date	Interest Rate (%) ¹	First Call Date	Sept. 30, 2004	Dec. 31, 2003
Mission Energy Holding Company (consolidated)						
Recourse long-term debt:						
MEHC (parent only)						
2001	Senior Secured Notes	2008	13.5	N/A	\$ 800	\$ 800
2001	Term Loan	2006	LIBOR+7.50	N/A	285	385
Continuing Operations						
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	N/A	—	28
Long-term obligations — Affiliate						
		2007	LIBOR+0.275	N/A	78	78
EME Non-recourse long-term debt:						
1996	Due to EME Funding Corp.	2004–2008	7.330	Any Time + Prem. Penalty	139	190
Midwest Generation						
2004	Senior Secured Notes ²	2034	8.75	05/01/09	1,000	—
2004	Term Loan	2011	LIBOR+3.25	N/A	698	—
1999	Tranche B	2004	LIBOR+2.00	N/A	—	693
EME CP Holdings Co.						
2002	Note Purchase Agreement	2002–2015	7.31	N/A	82	83
Mission Energy Holdings International, Inc						
2003	Credit Agreement	2006	LIBOR+5.00	N/A	800	800
Discontinued Operations						
Contact Project						
	Credit Facilities and Notes	2004–2018	Various	N/A	—	791
Doga Project						
1997	Finance Agreement	2010	11.20	N/A	—	62
1997	Credit Agreement	2010	LIBOR+1.25	N/A	—	23
First Hydro Plants						
1996	Secured Bonds	2021	9.0	Any Time + Gross Redemption Yield	724	714
Iberian Hy-Power Plants						
1997	Credit Facility	1997–2012	EURIBOR+0.875	N/A	39	43
1991	Loan	2008	9.408	N/A	29	28
2002	Banco Vitalicio	2002–2006	6.17	N/A	1	2
Kwinana Plant						
1995	Facility Agreement	2011	BBR+1.3 to 1.4	N/A	—	58
Loy Yang B Plant						
1997	Term Facility	1997–2017	BBR+0.6 to 1.0	N/A	469	502
1997	Term Facility	2012	BBR+0.6 to 0.75	N/A	355	369
1997	Working Capital Facility	2017	BBR+0.6 to 1.0	N/A	7	8
2003	Amortising Cash Advance Facility	2009	BBR+3.0	N/A	11	11
2003	Amortising Loan Facility	2009	BBR+0.1+3.25	N/A	36	38
Valley Power Plant						
2002	Amortising Facility	2002–2011	BBR+1.55	N/A	38	45
2002	Bullet Facility	2007	BBR+1.55	N/A	27	28
MEHC principal amount outstanding					7,218	7,379
Less debt from discontinued operations					(1,736)	(2,722)
Less current portion of long-term debt from continuing operations					(657)	(774)
Less unamortized debt discount from continuing operations — net					(19)	(26)
MEHC long-term debt					4,806	3,857
EME junior subordinated debentures series A/B ³	2024/2025		9.875 / 8.50	11/30/99 / 08/08/00	155	155
MEHC long-term debt and EME junior subordinated debentures					\$ 4,961	\$ 4,012
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	Variable	N/A	—	69
2000	Medium Term Notes	2005	8.04	N/A	25	25
2000	Medium Term Notes	2007	7.61	N/A	34	34
2000	Medium Term Notes	2010	7.44	N/A	46	46
2000	Medium Term Notes	2015	7.25	N/A	54	53
1996	Long-term obligation — Affiliate	2007	4.40	N/A	75	75
Non-recourse amortizing debt:						
1986–2000	Affordable Housing Mortgages	2016–2039	Various	N/A	23	7
1999	Buffalo Ridge Project Debt	2012–2013	8.5	N/A	18	—
1999	Storm Lake Pwr Ptrn I (Tranche A Loan)	2017	8.71	N/A	25	29
1999	Storm Lake Pwr Ptrn I (Tranche B Loan)	2011	LIBOR+1.45	N/A	25	31
2004	Dan Mar I	2014	Various	N/A	16	—
Edison Capital total principal amount outstanding					446	474
Less current portion of long-term debt					81	(158)
Edison Capital long-term debt					\$ 365	\$ 316
Intercompany debt					(180)	(153)
EIX total consolidated long-term debt					\$11,129	\$ 9,147

¹Interest rates may vary based on debt agreements.

²Holders of the notes may require Midwest Generation to repurchase the notes on May 1, 2014 and on each one-year anniversary thereafter at 100% of their principal amount, plus accrued and unpaid interest.

³EME's junior subordinated debentures are classified as long-term debt in EIX's financial statements.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Operating revenue	\$ 2,655	\$2,794	\$ 6,527	\$6,994
Fuel	254	68	550	175
Purchased power	915	1,013	2,022	2,187
Provisions for regulatory adjustment clauses — net	(34)	332	(85)	1,141
Other operation and maintenance	603	516	1,752	1,473
Depreciation, decommissioning and amortization	188	215	628	603
Property and other taxes	43	42	134	125
Net gain on sale of utility plant	—	(5)	—	(5)
Total operating expenses	1,969	2,181	5,001	5,699
Operating income	686	613	1,526	1,295
Interest and dividend income	5	17	14	96
Other nonoperating income	5	20	50	49
Interest expense — net of amounts capitalized	(101)	(108)	(310)	(346)
Other nonoperating deductions	(10)	(8)	(42)	(24)
Minority interest	(151)	—	(236)	—
Income from continuing operations before taxes	434	534	1,002	1,070
Income tax	174	203	398	411
Income from continuing operations	260	331	604	659
Income from discontinued operations — net of tax	—	44	—	50
Net income	260	375	604	709
Dividends on preferred stock subject to mandatory redemption	—	—	—	5
Dividends on preferred stock not subject to mandatory redemption	1	1	4	4
Net Income available for common stock	\$ 259	\$ 374	\$ 600	\$ 700

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

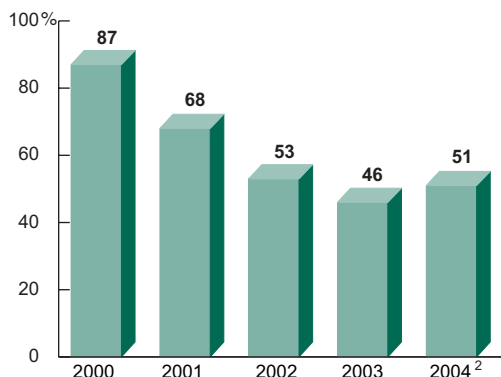
ASSETS	September 30,	December 31,	LIABILITIES AND SHAREHOLDERS' EQUITY	September 30,	December 31,
	2004	2003		2004	2003
Cash and equivalents	\$ 188	\$ 95	Short-term debt	\$ —	\$ 200
Restricted cash	70	66	Long-term debt due within one year	247	371
Receivables, less allowances of \$32 and \$30 for uncollectible accounts at respective dates	954	751	Preferred stock to be redeemed within one year	9	9
Accrued unbilled revenue	510	408	Accounts payable	1,105	891
Fuel inventory	7	10	Accrued taxes	608	475
Materials and supplies, at average cost	192	168	Regulatory liabilities — net	9	361
Accumulated deferred income taxes — net	224	563	Other current liabilities	1,236	1,308
Prepayments and other current assets	94	58	Total current liabilities	3,214	3,615
Total current assets	2,239	2,119	Long-term debt	5,133	4,121
Nonutility property — less accumulated provision for depreciation of \$543 and \$24 at respective dates	519	116	Accumulated deferred income taxes — net	2,748	2,726
Property of variable interest entities — net	384	—	Accumulated deferred investment tax credits	128	136
Nuclear decommissioning trusts	2,609	2,530	Customer advances and other deferred credits	524	429
Other investments	181	153	Power-purchase contracts	154	213
Total investments and other assets	3,693	2,799	Preferred stock subject to mandatory redemption	139	141
Utility plant, at original cost:			Accumulated provision for pensions and benefits	386	330
Transmission and distribution	15,396	14,861	Asset retirement obligations	2,153	2,084
Generation	1,367	1,371	Other long-term liabilities	251	242
Accumulated provision for depreciation	(4,588)	(4,386)	Total deferred credits and other liabilities	6,483	6,301
Construction work in progress	737	600	Total liabilities	14,830	14,037
Nuclear fuel, at amortized cost	153	141	Minority interest	477	—
Total utility plant	13,065	12,587	Common stock (434,888,104 shares outstanding at each date)	2,168	2,168
Regulatory assets — net	265	510	Additional paid-in capital	347	338
Other deferred charges	537	506	Accumulated other comprehensive loss	(16)	(19)
Total deferred charges	802	1,016	Retained earnings	1,864	1,868
Total assets	\$19,799	\$18,521	Total common shareholder's equity	4,363	4,355
			Preferred stock not subject to mandatory redemption	129	129
			Total shareholders' equity	4,492	4,484
			Total liabilities and shareholders' equity	\$19,799	\$18,521

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended September 30,	
	2004	2003
Cash flows from operating activities:		
Income from continuing operations	\$ 604	\$ 659
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	628	603
Other amortization	72	76
Minority interest	236	—
Deferred income taxes and investment tax credits	271	(168)
Regulatory assets — long-term — net	284	414
Energy options	(44)	62
Other assets	(13)	(9)
Other liabilities	39	(292)
Changes in working capital net of effects from consolidation of variable interest entities:		
Receivables and accrued unbilled revenue	(252)	(170)
Regulatory liabilities — short-term — net	(352)	792
Fuel inventory, materials and supplies	(9)	(5)
Prepayments and other current assets	(38)	(54)
Accrued interest and taxes	112	228
Accounts payable and other current liabilities	119	185
Operating cash flows from discontinued operations	—	(34)
Net cash provided by operating activities	<u>1,657</u>	<u>2,287</u>
Cash flows from financing activities:		
Long-term debt issued	1,598	(11)
Long-term debt repaid	(967)	(729)
Bonds remarketed — net	350	—
Redemption of preferred stock	(2)	(6)
Rate reduction notes repaid	(177)	(176)
Short-term debt financing — net	(200)	—
Cash dividends to minority interest	(178)	—
Dividends paid	(599)	(9)
Net cash used by financing activities	<u>(175)</u>	<u>(931)</u>
Cash flows from investing activities:		
Additions to property and plant	(1,125)	(820)
Acquisition costs related to nonutility generation plant	(285)	—
Proceeds from sale of property	—	5
Contributions to nuclear decommissioning trusts — net	(62)	(16)
Sales of investments in other assets	4	6
Investing cash flows from discontinued operations	—	147
Net cash used by investing activities	<u>(1,468)</u>	<u>(678)</u>
Effect of consolidation of variable interest entities on cash	79	—
Net increase in cash and equivalents	93	678
Cash and equivalents, beginning of period	95	992
Cash and equivalents — end of period, continuing operations	<u>\$ 188</u>	<u>\$ 1,670</u>

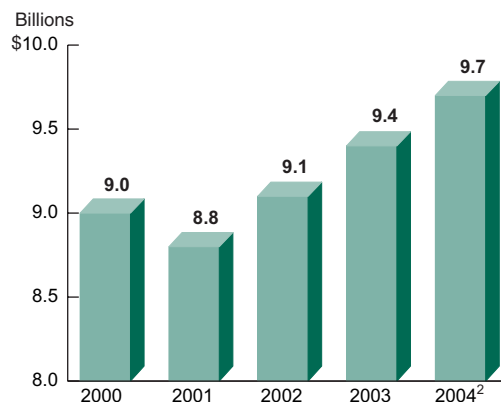
**SOUTHERN CALIFORNIA EDISON
RECOURSE FINANCIAL DEBT-TO-CAPITAL¹**



¹ Represents SCE's net recourse financial debt-to-capital ratios. The 2004 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 \$148 million. Debt excludes non-recourse debt totaling \$862 million as detailed on page 6 of this document. The comparable 2004 ratio, based on the same balance sheet classifications, including non-recourse debt is 55%. Prior years' ratios are calculated on the same basis as 2004, classifying other preferred securities subject to mandatory redemption as a component of debt. Non-recourse debt is excluded. Below, the comparable prior year debt ratios include non-recourse amounts and are based on prior years' balance sheet classifications which, for 2000-2002, classify preferred securities subject to mandatory redemption as preferred stock. For the years ended 2000, 2001, 2002, and 2003 these ratios are 87%, 70%, 56%, and 51% respectively.

² As of September 30, 2004

**SOUTHERN CALIFORNIA EDISON
SYSTEM RATE BASE¹**



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

² As of September 30, 2004

KILOWATT-HOUR SALES¹

(Millions of kWh)

Class of Service	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Residential	8,431	8,654	21,332	20,486
Commercial	10,571	10,504	28,795	27,673
Industrial	2,851	2,779	8,243	8,078
Public Authorities	1,671	1,698	4,613	4,529
Agricultural and other	457	424	1,024	892
Resale	3,014	2,529	10,334	6,876
Total kWh Sales	26,995	26,588	74,341	68,534

¹Includes direct access customers.

AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended September 30,		Nine Months Ended September 30,		Cents Per kWh	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003		2004	2003	2004	2003
Oil (Catalina)	\$13.05	\$ 8.98	\$ 12.45	\$8.78	Purchased Power:				
Gas ¹	7.58	6.21	7.33	6.79	Other power producers:				
Nuclear	0.46	0.45	0.45	0.45	Biomass	11.55	11.69	9.63	9.55
Coal	1.29	1.23	1.35	1.28	Cogeneration	11.70	11.09	9.46	9.12
Average cost					Geothermal	9.74	9.68	7.67	8.28
all sources	0.79 ²	0.77 ²	0.81 ²	0.77 ²	Small Hydro	7.41	8.27	6.38	7.34
					Solar	20.34	19.22	15.85	15.65
					Wind	8.97	6.61	7.48	6.81
Cents Per kWh					Average cost — other				
Oil (Catalina)	15.25 ¢	10.81 ¢	13.64 ¢	10.40 ¢	power producers	11.23	10.68	8.93	8.89
Nuclear	0.48	0.47	0.47	0.46	Average cost — all				
Coal	1.32	1.41	1.38	1.29	sources ³	6.70 ²	6.32 ²	6.01 ²	5.64 ²

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

² Excludes miscellaneous prior period adjustments.

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

TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended September 30,		% of Total		Twelve Months Ended September 30,		% of Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	Edison Owned:							
Nuclear	4,907	4,918	20.6	21.3	17,597	18,334	22.4	24.2
Coal	2,962	2,884	12.4	12.5	10,664	10,805	13.6	14.3
Hydro	917	1,190	3.9	5.1	3,412	3,873	4.3	5.1
Oil (Catalina)	8	8	—	—	31	28	—	—
Purchased Power ¹ :								
Firm ²	2,412	2,665	10.1	11.5	7,451	6,165	9.5	8.1
Economy/Other ³	(269)	(312)	(1.1)	(1.3)	(1,271)	(1,370)	(1.6)	(1.8)
Other power producers ¹ :								
Biomass	377	338	1.6	1.5	1,477	1,394	1.9	1.8
Cogeneration	3,620	3,584	15.2	15.5	13,861	13,741	17.6	18.1
Geothermal	1,992	1,954	8.4	8.4	7,754	6,712	9.9	8.9
Small Hydro	78	100	0.3	0.4	243	250	0.3	0.3
Solar	313	340	1.3	1.5	747	771	0.9	1.0
Wind	631	612	2.6	2.6	2,350	2,315	3.0	3.1
CDWR/ISO ¹	5,887	4,856	24.7	21.0	14,378	12,798	18.2	16.9
Total ⁴	23,835	23,137	100.0 %	100.0 %	78,694	75,816	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 Excludes direct access and resale customer requirements. Includes generation line losses.

OPERATING REVENUE (Unaudited)¹

(In millions)

Class of Service	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Residential	\$ 780	\$ 908	\$2,027	\$2,247
Commercial	1,068	1,178	2,518	2,917
Industrial	186	217	450	556
Public authorities	154	173	357	437
Agricultural	32	33	74	81
Other	2	2	4	5
Resale	131	97	440	276
Sales of electric energy	2,353	2,608	5,870	6,519
Other electric revenue	98	93	286	243
Deferred revenue ²	108	93	181	232
Revenue from variable interest entities	96	—	190	—
Total operating revenue	\$2,655	\$2,794	\$6,527	\$6,994

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:

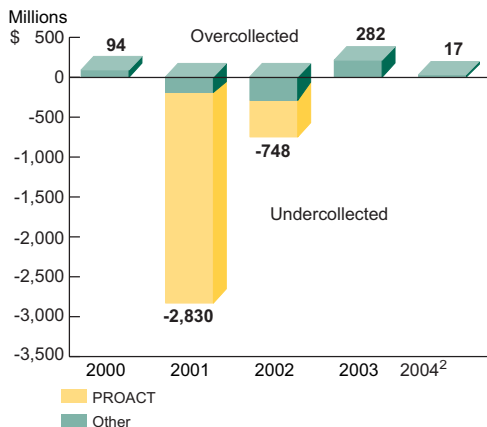
	Cumulative Over/(Under) Collections September 30, 2004	December 31, 2003
Baseline	\$ —	\$ (58)
Base Revenue Requirement	(23)	—
CARE — California Alternative Rates for Energy	(10)	(43)
Catastrophic Event	(117)	(27)
Demand Responsiveness	105	86
Demand-side management	85	108
Electric Distribution Revenue Adjustment	—	47
Energy Resource Recovery Account	45	141
Native Load	—	(20)
Transmission Revenue	(16)	(44)
Transmission Revenue Requirement Reclassification	1	138
Other — net ²	(61)	33
Subtotal	9	361
Long-Term:		
Other — net ³	8	(79)
Total	\$ 17	\$ 282

¹ Includes interest.

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

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

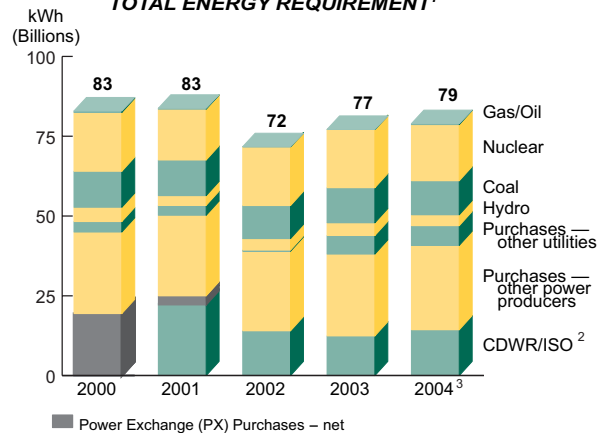
SOUTHERN CALIFORNIA EDISON BALANCING ACCOUNTS - NET¹



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

² As of September 30, 2004

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 and 2004 includes CDWR and ISO/other sales.

³ Twelve months ended September 30, 2004

CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric revenues	\$ 507	\$ 581	\$1,210	\$1,265
Net gains (losses) from price risk management and energy trading	(3)	13	(1)	39
Operation and maintenance services	6	8	19	21
Total operating revenue	510	602	1,228	1,325
Operating Expenses:				
Fuel	162	171	460	455
Plant operations	90	98	314	324
Plant operating leases	44	51	141	154
Operation and maintenance services	5	5	17	16
Depreciation and amortization	39	36	109	113
Loss on lease termination, asset impairment and other charges	35	—	990	251
Administrative and general	39	33	100	98
Total operating expenses	414	394	2,131	1,411
Operating income (loss)	96	208	(903)	(86)
Other Income (Expenses):				
Equity in income from unconsolidated affiliates	107	117	180	206
Interest and other income (expense)	(2)	—	2	7
Gain on sale of assets	—	—	43	—
Interest expense	(120)	(117)	(332)	(334)
Dividends on preferred securities	—	—	—	(7)
Total other income (expense) — net	(15)	—	(107)	(128)
Income (loss) from continuing operations before income taxes	81	208	(1,010)	(214)
Provision (benefit) for income taxes	22	72	(387)	(100)
Income (loss) from continuing operations	59	136	(623)	(114)
Income from operations of discontinued foreign subsidiaries, net of tax	500	39	579	66
Income (loss) before accounting change	559	175	(44)	(48)
Cumulative effect of change in accounting, net of tax	—	—	—	(9)
Net Income (Loss)	\$ 559	\$ 175	\$ (44)	\$ (57)

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

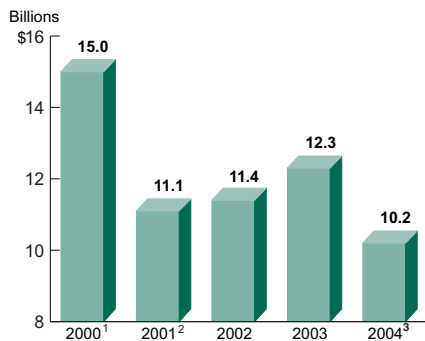
ASSETS	September 30, December 31,		LIABILITIES AND SHAREHOLDER'S EQUITY	September 30, December 31,	
	2004	2003		2004	2003
Current Assets:					
Cash and cash equivalents	\$ 1,161	\$ 435	Current Liabilities:	\$ 272	\$ 253
Receivables, net	391	167	Accounts payable and accrued liabilities		
Assets under price risk management and energy trading	15	22	Liabilities under price risk management and energy trading	66	36
Inventory	112	120	Interest payable	125	102
Prepaid expenses and other	87	91	Current maturities of long-term obligations	657	774
Total current assets	1,766	835	Total current liabilities	1,120	1,165
Investments in unconsolidated affiliates	503	527	Long-term obligations net of current maturities	4,806	3,857
Property, plant and equipment— net	2,798	2,900	Long-Term Deferred Liabilities:		
Other Assets					
Deferred financing costs	82	68	Deferred taxes and tax credits	255	688
Long-term assets under price risk management and energy trading	94	96	Junior subordinated debentures	155	155
Restricted cash	130	187	Other	335	317
Rent payments in excess of levelized rent expense under plant operating leases	277	213	Total long-term deferred liabilities	745	1,160
Other long-term assets	17	2	Liabilities of discontinued operations	2,783	4,712
Total other assets	600	566	Total liabilities	9,454	10,894
Assets of discontinued operations	4,501	7,430	Minority Interest of discontinued operations	1	515
Total assets	\$10,168	\$12,258	Shareholder's Equity		
			Additional paid-in capital	2,220	2,218
			Retained deficit	(1,393)	(1,344)
			Accumulated other comprehensive loss	(114)	(25)
			Total shareholder's equity	713	849
			Total liabilities and shareholder's equity	\$10,168	\$12,258

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended September 30,	
	2004	2003
Cash Flows From Operating Activities:		
Loss from continuing operations, after accounting change, net	\$ (623)	\$ (123)
Adjustments to reconcile loss to net cash provided by (used in) operating activities:		
Equity in income from unconsolidated affiliates	(180)	(206)
Distributions from unconsolidated affiliates	129	306
Depreciation and amortization	109	113
Deferred taxes and tax credits	(330)	(52)
Asset impairment charges	35	251
Gain on sale of assets	(44)	—
Cumulative effect of change in accounting, net of tax	—	9
Amortization of discount on long-term obligations	5	3
Changes in operating assets and liabilities:		
Increase in accounts receivable	(232)	(37)
Decrease in inventory	6	18
Decrease in prepaid expenses and other	9	44
Increase in rent payments in excess of levelized rent expense	(58)	(96)
Increase in accounts payable and accrued liabilities	26	38
Increase in interest payable	24	108
Decrease in net assets under risk management	10	19
Other operating, net	27	(11)
Net cash provided by (used in) operating activities	<u>(1,087)</u>	<u>384</u>
Cash Flows From Financing Activities:		
Borrowings on long-term debt and lease swap agreements	1,795	—
Payments on long-term debt agreements	(946)	(47)
Financing costs	(36)	—
Net cash provided by (used in) financing activities	<u>813</u>	<u>(47)</u>
Cash Flows From Investing Activities:		
Investments in and loans to energy projects	—	(24)
Capital expenditures	(39)	(71)
Proceeds from sales of interest in projects	857	—
Decrease in restricted cash	57	49
Investments in other assets	—	22
Net cash provided by (used in) investing activities	<u>875</u>	<u>(24)</u>
Net changes in cash of discontinued operations	<u>43</u>	<u>(92)</u>
Net increase in cash and cash equivalents	<u>644</u>	<u>221</u>
Cash and cash equivalents at beginning of period	<u>654</u>	<u>734</u>
Cash and cash equivalents at end of period	<u>1,298</u>	<u>955</u>
Cash and cash equivalents classified as part of discontinued operations	<u>(137)</u>	<u>(131)</u>
Cash and cash equivalents of continuing operations	<u>\$ 1,161</u>	<u>\$ 824</u>

**MISSION ENERGY HOLDING COMPANY
TOTAL ASSETS**

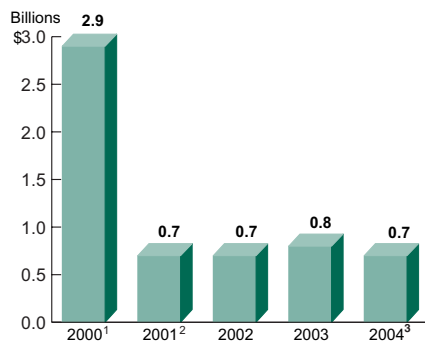


¹ EME only

² MEHC was formed in June 2001

³ As of September 30, 2004

**MISSION ENERGY HOLDING COMPANY
TOTAL EQUITY**

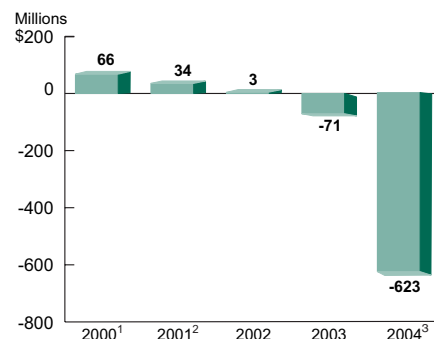


¹ EME only

² MEHC was formed in June 2001

³ As of September 30, 2004

**MISSION ENERGY HOLDING COMPANY
INCOME (LOSS) FROM CONTINUING OPERATIONS**



¹ EME only

² MEHC was formed in June 2001

³ For the nine months ended September 30, 2004

EME 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	Coalinga	Q	Natural Gas	11/91	50%	38	19	California
3	EcoElectrica ¹	—	Liquefied Natural Gas	3/00	50%	524	262	Puerto Rico
4	Homer City	E	Coal	3/99	100%	1,884	1,884	Pennsylvania
5	Illinois Plants (11 plants)	E	Coal, Natural Gas	12/99	100%	9,218	9,218	Illinois
16	Kern River	Q	Natural Gas	8/85	50%	300	150	California
17	March Point	Q	Natural Gas	11/91, 1/93	50%	140	70	Washington
18	Mid-Set	Q	Natural Gas	5/89	50%	38	19	California
19	Midway-Sunset	Q	Natural Gas	5/89	50%	225	113	California
20	Salinas River	Q	Natural Gas	11/91	50%	38	19	California
21	Sargent Canyon	Q	Natural Gas	11/91	50%	38	19	California
22	Sunrise	E	Natural Gas	6/01, 6/03	50%	572	286	California
23	Sycamore	Q	Natural Gas	1/88	50%	300	150	California
24	Watson	Q	Natural Gas	4/88	49%	385	189	California
Total Americas Operating Projects						13,780	12,438	
Asia Pacific¹								
1	CBK (3 plants)		Hydro	10/00, 12/02, 6/03, 1/04	50%	792	396	Philippines
4	Kwinana		Natural Gas	12/96	70%	118	83	Australia
5	Loy Yang B		Coal	10/93, 10/96, 5/97	100%	940	940	Australia
6	Paiton		Coal	7/99	45%	1,230	550	Indonesia
7	Tri Energy		Natural Gas	7/00	25%	700	175	Thailand
8	Valley Power		Gas	2002	60%	300	180	Australia
Europe¹								
9	Derwent		Natural Gas	5/95	33%	214	71	U.K.
10	Doga		Natural Gas	5/99	80%	180	144	Turkey
11	First Hydro (2 plants)		Hydro	12/95	100%	2,088	2,088	U.K.
13	Iberian Hy-Power I & II (18 plants)		Hydro	12/92, 1/96, 8/93, 1/96	100% ²	84	81	Spain
31	ISAB		Oil	4/00	49%	528	259	Italy
44	Italian Wind (13 plants)		Wind	3/00, 11/02	50%	303	152	Italy
Total International Operating Projects						7,477	5,119	
Total Operating Projects						21,257	17,557	

¹ In July 2004, EME entered into an agreement to sell its international power generation portfolio. The sale is subject to various closing conditions and approvals and is expected to close in the fourth quarter of 2004.

² Minority interests are owned by third parties in three of the projects

Q = Qualifying Facility

E = Exempt Wholesale Generation

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Lease revenue	\$ 19	\$ 21	\$ 62	\$ 62
Other	3	1	16	3
Total operating revenue	22	22	78	65
Operating expenses	5	8	32	26
Operating income	17	14	46	39
Interest expense	8	7	25	19
Equity income (loss) from unconsolidated entities	(2)	1	(7)	(10)
Other income	2	2	7	6
Income before income taxes	9	10	21	16
Income tax benefit	3	4	13	25
Cumulative effect of accounting change	—	—	(1)	—
Net income	\$ 12	\$ 14	\$ 33	\$ 41

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

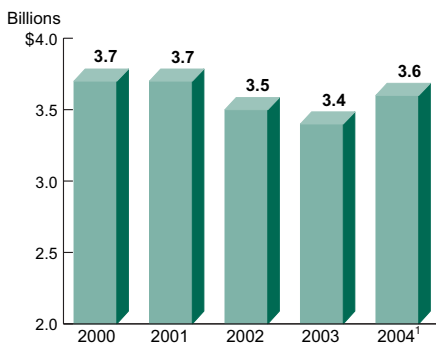
	September 30, December 31,		September 30, December 31,	
	2004	2003	2004	2003
Current assets	\$ 639	\$ 487	\$ 123	\$ 193
Lease investments	2,410	2,361	2,733	2,610
Partnership investments	388	278	2,856	2,803
Property, plant and equipment — net, and other	193	292	114	—
Total assets	\$3,630	\$3,418	81	81
Current liabilities			5	(6)
Long-term liabilities			574	540
Total liabilities			660	615
Minority Interest			\$ 3,630	\$3,418
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)

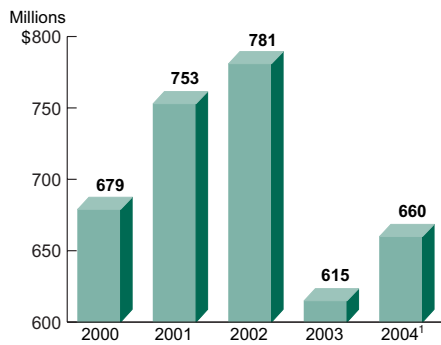
	Nine Months Ended September 30,	
	2004	2003
Cash flows from operating activities:		
Net income	\$ 33	\$ 41
Adjustments for non-cash items	(14)	6
Changes in working capital components	(35)	(11)
Net cash used by operating activities	(16)	36
Cash flows from financing activities:		
Repayment of debt	(72)	(21)
Net cash used by financing activities	(72)	(21)
Cash flows from investing activities:		
Investments	(10)	(15)
Proceeds from sale of assets	8	2
Other	15	2
Net cash provided (used) by investing activities	13	(11)
Net decrease in cash and equivalents	(75)	4
Cash and equivalents, beginning of period	366	488
Cash and equivalents, end of period	\$ 291	\$ 492

**EDISON CAPITAL
TOTAL ASSETS**



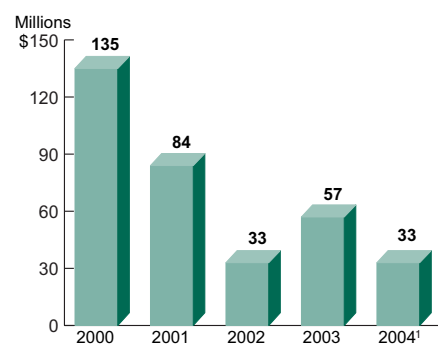
¹As of September 30, 2004

**EDISON CAPITAL
TOTAL EQUITY**



¹As of September 30, 2004

**EDISON CAPITAL
NET INCOME**



¹For the nine months ended September 30, 2004

ENERGY/INFRASTRUCTURE PROJECTS

Edison Capital invests 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	100%
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%
Westridge	U.S.	Wind Power	17	21	97%
West Pipestone	U.S.	Wind Power	8	10	99%
Total			9,090	\$16,564	

AFFORDABLE HOUSING PROJECTS

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

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