

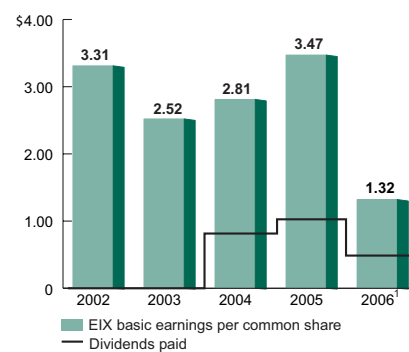
2006 Second Quarter Financial and Statistical Supplement



KEY FINANCIAL AND OPERATING DATA

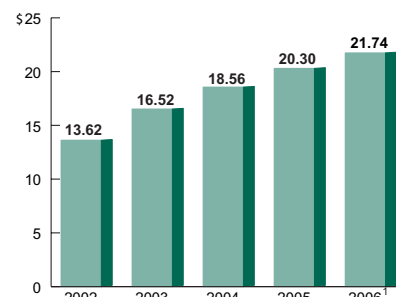
	As of June 30, or Three Months Ended June 30,	
	2006	2005
Edison International (EIX)		
Basic Earnings Per Common Share	\$0.54	\$0.61
Income From Continuing Operations (millions)	\$173	\$180
Net Income (millions)	\$177	\$201
Dividends Paid Per Share	\$0.27	\$0.25
Book Value Per Common Share	\$21.74	\$19.09
Market Price/Book Value Ratio	1.8x	2.1x
Market Price Per Share	\$39.00	\$40.55
Stock Price Range	\$37.90-\$42.23	\$34.70-\$40.96
One-Year Total Shareholder Return (appreciation and dividends) ¹	(1.41)%	64.5%
Weighted-Average Common Shares Outstanding (thousands)	325,811	325,811
Recourse Financial Capital Structure ² :		
Common Equity	40.0%	39.5%
Preferred Securities	5.2	3.4
Debt (includes preferred securities subject to mandatory redemption and Powerton/Joliet lease termination value)	54.8	57.1
Total	100.0%	100.0%
Southern California Edison (SCE)		
Basic Earnings Per Edison International Common Share	\$0.72	\$0.49
Net Income Available for Common Stock (millions)	\$234	\$161
Ratemaking Rate of Return on Common Equity — Annual Authorized	11.6%	11.4%
Ratemaking Capitalization Ratios:		
Common Equity	49.5%	50.1%
Preferred Stock	8.9	5.5
Long-Term Debt	41.6	44.4
Total	100.0%	100.0%
Kilowatt-hour Sales (millions)	22,666	24,247
Peak Demand (MW) ³	21,074	17,300
Customers (thousands)	4,780	4,701
Generating Capacity Resources (MW) ⁴	10,045	10,155
Employees	14,323	13,636
Edison Mission Group (consolidated) (EMG)⁵		
Basic Earnings Per Edison International Common Share	\$(0.17)	\$0.08
Common Equity (millions)	\$2,009	\$2,400
Earnings (loss) from Continuing Operations (millions)	\$(56)	\$25
Net Income (loss) (millions)	\$(52)	\$46
Employees	1,724	1,733

BASIC EARNINGS PER SHARE AND DIVIDENDS PAID



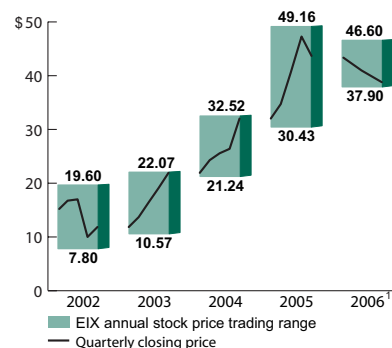
¹ For the six months ended June 30, 2006.

EDISON INTERNATIONAL BOOK VALUE PER SHARE



¹ As of June 30, 2006

STOCK PRICE RANGE



¹ For the six months ended June 30, 2006

¹ Twelve months ended June 30, 2006 and 2005.

² The 2006 ratios include common equity and preferred securities as reflected on the EIX balance sheets. Debt includes the Powerton/Joliet lease termination value of \$1.4 billion, and short- and long-term debt. Debt excludes non-recourse debt from continuing operations totaling \$2.1 billion as outlined on pages 6-7 of this document. The comparable 2006 ratios, based on the same balance sheet classifications, including non-recourse debt and excluding the Powerton/Joliet lease termination value, for common equity, preferred securities and debt are 38.4%, 5.0%, and 56.6% respectively. 2005 ratios are calculated on the same basis as 2006, and include the Powerton/Joliet lease termination value of \$1.5 billion. Non-recourse debt of \$2.3 billion is excluded. The comparable 2005 ratios, including non-recourse amounts and excluding the Powerton/Joliet lease termination value, are 37.7%, 3.2% and 59.1% for common equity, preferred securities and debt, respectively.

³ Includes all of the load on transmission and distribution systems.

⁴ Excludes California Department of Water Resources (CDWR) allocated contracts and transitional capacity contracts.

⁵ Beginning in the first quarter of 2006, the results of MEHC, Edison Capital and other smaller subsidiaries are presented on a consolidated basis as EMG. This change has been made to reflect the integrated management of MEHC and Edison Capital. EMG, a subsidiary of EIX, has no other business activities other than through its ownership interest in its subsidiaries, including MEHC and Edison Capital.

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 amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Electric utility	\$ 2,521	\$ 2,203	\$ 4,739	\$ 4,109
Nonutility power generation	460	417	970	928
Financial services and other	20	29	44	56
Total operating revenue	3,001	2,649	5,753	5,093
Fuel	380	399	840	818
Purchased power	769	743	1,783	1,131
Provisions for regulatory adjustment clauses — net	(10)	(41)	(371)	24
Other operation and maintenance	879	822	1,707	1,635
Depreciation, decommissioning and amortization	339	267	631	527
Property and other taxes	54	50	111	102
Net gain on sale of utility property and plant	(1)	—	(1)	—
Total operating expenses	2,410	2,240	4,700	4,237
Operating income	591	409	1,053	856
Interest and dividend income	43	25	80	47
Equity in income from partnerships and unconsolidated subsidiaries — net	10	24	14	108
Other nonoperating income	33	20	74	37
Interest expense — net of amounts capitalized	(209)	(204)	(409)	(417)
Loss on early extinguishment of debt	(143)	—	(143)	(24)
Other nonoperating deductions	(10)	(13)	(22)	(22)
Income from continuing operations before tax and minority interest	315	261	647	585
Income tax	95	34	206	138
Dividends on utility preferred and preference stock not subject to mandatory redemption	13	5	25	7
Minority interest	34	42	59	65
Income from continuing operations	173	180	357	375
Income from discontinued operations — net of tax	4	21	77	28
Income before accounting change	177	201	434	403
Cumulative effect of accounting change — net of tax	—	—	1	—
Net income	\$ 177	\$ 201	\$ 435	\$ 403
Weighted-average shares of common stock outstanding	326	326	326	326
Basic earnings per common share:				
Continuing operations	\$ 0.53	\$ 0.55	\$ 1.08	\$ 1.15
Discontinued operations	0.01	0.06	0.24	0.08
Total	\$ 0.54	\$ 0.61	\$ 1.32	\$ 1.23
Weighted-average shares, including effect of dilutive securities	331	331	331	331
Diluted earnings per common share:				
Continuing operations	\$ 0.53	\$ 0.55	\$ 1.09	\$ 1.14
Discontinued operations	0.01	0.06	0.23	0.08
Total	\$ 0.54	\$ 0.61	\$ 1.32	\$ 1.22
Dividends declared per common share	\$ 0.27	\$ 0.25	\$ 0.54	\$ 0.50

EDISON INTERNATIONAL BUSINESS SEGMENTS (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Operating Revenue:				
Electric utility	\$ 2,521	\$ 2,203	\$ 4,739	\$ 4,109
Nonutility power generation	460	422	975	939
Financial services	19	19	38	40
Corporate and other	1	5	1	5
Consolidated Edison International	\$ 3,001	\$ 2,649	\$ 5,753	\$ 5,093
Net Income (Loss):				
Electric utility ¹	\$ 234	\$ 161	\$ 355	\$ 292
Nonutility power generation ²	(56)	23	75	57
Financial services	5	22	20	73
Corporate and other	(6)	(5)	(15)	(19)
Consolidated Edison International	\$ 177	\$ 201	\$ 435	\$ 403

¹ Net income available for common stock.

² Includes earnings from discontinued operations of \$4 million and \$21 million, respectively, for the three months ended June 30, 2006 and 2005, and \$77 million and \$28 million, respectively, for the six months ended June 30, 2006 and 2005.

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except per share amounts)

ASSETS	June 30,	December 31,	LIABILITIES AND SHAREHOLDERS' EQUITY	June 30,	December 31,
	2006	2005		2006	2005
Cash and equivalents	\$ 1,858	\$ 1,893	Short-term debt	\$ 518	\$ —
Restricted cash	51	60	Long-term debt due within one year	368	745
Margin and collateral deposits	366	739	Accounts payable	820	961
Receivables, less allowances of \$29 and \$33 for uncollectible accounts at respective dates	1,104	1,220	Accrued taxes	258	262
Accrued unbilled revenue	490	291	Accrued interest	210	212
Fuel inventory	152	80	Counterparty collateral	30	183
Materials and supplies	274	261	Customer deposits	188	183
Accumulated deferred income taxes — net	—	218	Book overdrafts	194	257
Trading and price risk management assets	193	316	Accumulated deferred income taxes — net	81	—
Regulatory assets	740	536	Trading and price risk management liabilities	290	418
Other current assets	397	345	Regulatory liabilities	710	681
Total current assets	5,625	5,959	Other current liabilities	698	1,057
Nonutility property — less accumulated provision for depreciation of \$1,525 and \$1,424 at respective dates	4,170	4,119	Total current liabilities	4,365	4,959
Nuclear decommissioning trusts	2,943	2,907	Long-term debt	9,232	8,833
Investments in partnerships and unconsolidated subsidiaries	370	426	Accumulated deferred income taxes — net	5,338	5,256
Investments in leveraged leases	2,472	2,447	Accumulated deferred investment tax credits	127	130
Other investments	102	115	Customer advances and other deferred credits	1,072	1,179
Total investments and other assets	10,057	10,014	Trading and price risk management liabilities	119	101
Utility plant, at original cost:			Power-purchase contracts	47	64
Transmission and distribution	16,845	16,760	Accumulated provision for pensions and benefits	805	745
Generation	1,446	1,370	Asset retirement obligations	2,668	2,628
Accumulated provision for depreciation	(4,600)	(4,763)	Regulatory liabilities	2,787	2,962
Construction work in progress	1,256	956	Other long-term liabilities	288	285
Nuclear fuel, at amortized cost	175	146	Total deferred credits and other liabilities	13,251	13,350
Total utility plant	15,122	14,469	Liabilities of discontinued operations	—	14
Regulatory assets	2,904	3,013	Total liabilities	26,848	27,156
Restricted cash	121	105	Minority interest	304	301
Margin and collateral deposits	95	137	Preferred and preference stock of utility not subject to mandatory redemption	915	719
Trading and price risk management assets	118	132	Common stock, no par value (325,811,206 shares outstanding at each date)	2,042	2,043
Other long-term assets	1,109	951	Accumulated other comprehensive income (loss)	20	(226)
Total long-term assets	4,347	4,338	Retained earnings	5,022	4,798
Assets of discontinued operations	—	11	Total common shareholders' equity	7,084	6,615
Total assets	\$ 35,151	\$ 34,791	Total liabilities and shareholders' equity	\$ 35,151	\$ 34,791

EDISON INTERNATIONAL RESULTS OF OPERATIONS (Unaudited)

(In millions, except per share amounts)

Three-Month Period Ended June 30,	Earnings (Loss)		Basic Earnings (Loss) per Common Share	
	2006	2005	2006	2005
Earnings (Loss) from Continuing Operations:				
Southern California Edison Company	\$ 234	\$ 161	\$ 0.72	\$ 0.49
Edison Mission Group				
Mission Edison Holding Company	(60)	2	(0.18)	0.01
Edison Capital	4	23	0.01	0.07
Edison Mission Group Total	(56)	25	(0.17)	0.08
Edison International (parent) and other	(5)	(6)	(0.02)	(0.02)
Edison International Consolidated Earnings from Continuing Operations	173	180	0.53	0.55
Earnings from Discontinued Operations	4	21	0.01	0.06
Total Edison International Consolidated Earnings	\$ 177	\$ 201	\$ 0.54	\$ 0.61

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2006	2005 ¹
Cash flows from operating activities:		
Net income	\$ 435	\$ 403
Less: income from discontinued operations	77	28
Income from continuing operations	<u>358</u>	<u>375</u>
Adjustments to reconcile to net cash provided by operating activities:		
Cumulative effect of accounting change, net of tax	(1)	—
Depreciation, decommissioning and amortization	631	527
Other amortization	43	47
Minority interest	59	65
Deferred income taxes and investment tax credits	160	(155)
Equity in income from partnerships and unconsolidated subsidiaries	(14)	(108)
Income from leveraged leases	(36)	(36)
Regulatory assets — long-term	112	214
Regulatory liabilities — long-term	(174)	(127)
Loss on early extinguishment of debt	143	24
Levelized rent expense	(112)	(67)
Other assets	(82)	19
Other liabilities	24	166
Margin and collateral deposits — net of collateral received	263	(114)
Receivables and accrued unbilled revenue	(78)	(268)
Trading and price risk management assets — short-term	171	(50)
Inventory, and other current assets	(47)	(1)
Regulatory assets — short-term	(204)	(199)
Regulatory liabilities — short-term	29	276
Accrued interest and taxes	(4)	282
Accounts payable and other current liabilities	(291)	(97)
Distributions and dividends from unconsolidated entities	26	39
Operating cash flows from discontinued operations	82	22
Net cash provided by operating activities	<u>1,058</u>	<u>834</u>
Cash flows from financing activities:		
Long-term debt issued and issuance costs	2,120	980
Long-term debt repaid	(2,149)	(1,848)
Issuance of preference stock	196	395
Redemption of preferred stock	—	(148)
Rate reduction notes repaid	(116)	(116)
Short-term debt financing — net	518	60
Change in book overdrafts	(64)	30
Shares purchased for stock-based compensation	(101)	(90)
Proceeds from stock option exercises	33	51
Excess tax benefits related to stock option exercises	14	—
Dividends to minority shareholders	(63)	(58)
Dividends paid	(176)	(163)
Net cash provided (used) by financing activities	<u>212</u>	<u>(907)</u>
Cash flows from investing activities:		
Capital expenditures	(1,207)	(809)
Purchase of interest of acquired companies	(18)	—
Proceeds from sale of property and interest in projects	44	—
Proceeds from sale of discontinued operations	—	124
Proceeds from nuclear decommissioning trust sales	1,461	1,006
Purchases of nuclear decommissioning trust investments	(1,544)	(1,057)
Distributions from (investments in) partnerships and unconsolidated subsidiaries	13	68
Maturities and sales of short-term investments	97	140
Purchase of short-term investments	(173)	—
Restricted cash	(15)	21
Turbine deposits	(17)	(9)
Customer advances for construction and other investments	54	14
Investing cash flows from discontinued operations	—	5
Net cash used by investing activities	<u>(1,305)</u>	<u>(497)</u>
Effect of consolidation of variable interest entities on cash	—	3
Effect of exchange rate changes on cash	—	(1)
Net decrease in cash and equivalents	(35)	(568)
Cash and equivalents, beginning of period	1,893	2,689
Cash and equivalents, end of period	<u>1,858</u>	<u>2,121</u>
Cash and equivalents, discontinued operations	—	(2)
Cash and equivalents, continuing operations	<u>\$ 1,858</u>	<u>\$ 2,119</u>

¹ Certain prior-period amounts were reclassified to conform to the June 30, 2006 financial statement presentations.

SECURITY CREDIT RATINGS

	Moody's			Standard & Poor's		
	12/31/05	6/30/06	7/31/06	12/31/05	6/30/06	7/31/06
SCE Senior Secured	A3	A3	A3	BBB+	BBB+	BBB+
SCE Senior Unsecured	Baa1	Baa1	Baa1	BBB	BBB	BBB
SCE Preferred Stock	Baa3	Baa3	Baa3	BBB-	BBB-	BBB-
SCE Funding (RRB)	Aaa	Aaa	Aaa	AAA	AAA	AAA
SCE Commercial Paper	P-2	P-2	P-2	A-2	A-2	A-2
MEHC Senior Secured	B2	B2	B2	CCC+	B-	B-
EME Senior Unsecured	B1	B1	B1	B+	B+	B+
EME Funding Corp.	Ba1	Ba1	Ba1	B+	B+	B+
MWG LLC Sr. Secured Term Loan (1st Priority)	Ba2	Ba2	Ba2	BB-	BB-	BB-
MWG LLC Sr. Secured Notes (2nd Priority)	Ba3	Ba3	Ba3	B	B	B
Homer City Funding LLC	Ba2	Ba2	Ba2	BB	BB	BB
EC Edison Funding Senior Unsecured	Ba1	Ba1	Ba1	BB+	BB+	BB+

RRB = Rate Reduction Bonds (also known as Rate Reduction Notes)

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

(In millions)

	June 30, 2006	December 31, 2005
Edison International	\$ 1,000	\$ 1,000
Southern California Edison	946	1,520
Edison Mission Energy (parent) ¹	500	98
Midwest Generation (MWG)	295	325
Total	<u>\$ 2,741</u>	<u>\$ 2,943</u>

¹ As of June 30, 2006 and December 31, 2005, excludes \$80 million and \$74 million, respectively, under Midwest Generation EME, LLC's \$100 million letter of credit facility that requires a cash deposit to collateralize any letter of credit issued under it.

EDISON INTERNATIONAL CONSOLIDATED SHORT-TERM DEBT (Unaudited)

(In millions)

	June 30, 2006	December 31, 2005
Southern California Edison	\$ 518	\$ —
Edison International total consolidated short-term debt	<u>\$ 518</u>	<u>\$ —</u>

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

(In millions)

	Remaining six months				
	2006	2007	2008	2009	2010
Southern California Edison	\$ 130	\$ 396	\$ 54	\$ 150	\$ 250
Mission Energy Holding Co. (consolidated)	25	133	851	613	15
Edison Capital	35	35	—	—	47
EIX (parent) due to affiliate	—	75 ²	—	—	—
Elimination of intercompany debt	—	(153)	(27)	—	—
Total	\$ 190	\$ 486	\$ 878	\$ 763	\$ 312

¹ Includes recourse and non-recourse long-term debt as of June 30, 2006.

² Transferred and assigned loan from Edison Capital.

EDISON INTERNATIONAL CONSOLIDATED LONG-TERM DEBT (Unaudited)

(In millions)

Year	Series	Due Date	Interest Rate (%)	First Call Date	Jun. 30, 2006	Dec. 31, 2005	Year	Series	Due Date	Interest Rate (%)	First Call Date	Jun. 30, 2006	Dec. 31, 2005		
Southern California Edison															
Recourse long-term debt:															
First and refunding mortgage bonds:															
2004	Series 2004A	01/15/14	5.00	N/A	\$ 300	\$ 300	1999	Series A ²	04/01/29	5 ¹ / ₈	04/01/09	\$ 55	\$ 55		
2004	Series 2004B	01/15/34	6.00	N/A	525	525	2005	Series A-B ³	04/01/29	3.55 ⁴	04/01/10	204	204		
2004	Series 2004C	01/13/06	Variable	N/A	—	150	Huntington Beach Generating Station								
2004	Series 2004F	04/01/15	4.65	N/A	300	300	1999	Series D ²	09/01/15	5.20	09/01/09	8	8		
2004	Series 2004G	04/01/35	5.75	N/A	350	350	Mohave Generating Station								
2004	Series 2004H	12/13/07	Variable	6/13/06	150	150	2000	Series A-C	06/01/31	3.25 ⁴	03/02/09	75	75		
2005	Series 2005A	01/15/16	5.00	N/A	400	400	Palo Verde Nuclear Generating Station								
2005	Series 2005B	01/15/36	5.55	N/A	250	250	2000	Series A-B ⁵	06/01/35	2.90 ⁴	03/02/09	144	144		
2005	Series 2005E	07/15/35	5.35	N/A	350	350	San Onofre Nuclear Generating Station								
2006	Series 2006A	02/01/36	5.625	N/A	350	—	1985	Series A-D ⁵	03/01/08	2.00 ⁴	03/08/05	—	135		
2006	Series 2006B	02/02/09	Variable	N/A	150	—	1986	Series A-D ⁵	02/28/08	2.00 ⁴	03/08/05	—	196		
Subtotal					3,125	2,775	1999	Series A-B ²	09/01/29	5.45	09/01/09	100	100		
Other:															
1996	Notes	01/15/06	6 ³ / ₈	N/A	—	200	1999	Series C ²	09/01/31	5.55	09/01/09	30	30		
1999	Notes	04/01/29	6.65	N/A	300	300	2005	Series A-C ³	08/01/35	Variable	Variable	249	249		
2000	Notes	01/15/10	7.625	N/A	250	250	2006	Series A-B ³	04/01/28	4.10 ⁴	04/01/13	196	—		
Other obligation ¹					7	7	2006	Series C-D ³	11/01/33	4.25 ⁴	11/01/16	135	—		
Subtotal					557	757	Subtotal							1,196	1,196
Non-recourse long-term debt:															
VIE Debt ⁶															
Rate reduction notes ⁷															
1997 Various Various Various N/A 376 493															
Subtotal 430 547															
SCE principal amount outstanding 5,308 5,275															
Less current portion of long-term debt (247) (596)															
Less unamortized discount — net (9) (10)															
SCE long-term debt \$5,052 \$4,669															

¹ Fort Irwin acquisition debt, not a publicly traded security.

² Insured.

³ Secured by SCE's first and refunding mortgage bonds, but payment of interest and principal guaranteed by bond insurance.

⁴ Subject to remarketing.

⁵ Secured by first and refunding mortgage bonds.

⁶ Long-term debt of Variable Interest Entities (VIE). This debt is non-recourse to SCE and EIX. Includes \$27 million of intercompany debt, eliminated in EIX consolidation.

⁷ Also known as Rate Reduction Bonds. The notes are non-recourse to SCE and EIX, \$130 million matures in 2006 and \$246 million matures in 2007.



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

(In millions)

Year	Series	Due Date	Interest Rate (%) ¹	First Call Date	June 30, 2006	Dec. 31, 2005			
Mission Energy Holding Company (consolidated)									
Recourse long-term debt:									
MEHC (parent only)									
2001	Senior Secured Notes	2008	13.5	N/A	800	800			
EME (parent only)									
1999	Senior Notes	2009	7.730	N/A	600	600			
2001	Senior Notes	2011	9.875	N/A	4	600			
2001	Senior Notes	2008	10.0	N/A	31	400			
2006	Senior Notes	2013	7.50	N/A	500	—			
2006	Senior Notes	2016	7.75	N/A	500	—			
Long-term obligations — Affiliate					2007	LIBOR+0.275	N/A	78	78
EME Non-recourse long-term debt:									
1996	Due to EME Funding Corp. Midwest Generation	2005–2008	7.330	N/A	71	92			
2004	Sr. Secured Term Loan (1st Priority)	2011	LIBOR+1.75	Anytime	331	333			
2004	Sr. Secured Notes (2nd Priority) ²	2034	8.75	05/01/09	1,000	1,000			
2005	Credit Revolver	2011	LIBOR+1.75		200	170			
EME CP Holdings Co.									
2002	Note Purchase Agreement	2015	7.31	N/A	78	79			
2005	Other long-term non-recourse debt	Various	Various	N/A	31	54			
MEHC total principal amount outstanding					4,224	4,206			
Less current portion of long-term debt					(130)	(74)			
Less unamortized debt discount — net					(7)	(10)			
MEHC long-term debt					\$ 4,087	\$ 4,122			
Edison Capital									
Recourse long-term debt:									
1996	Medium Term Notes	2006	7.00	N/A	\$ 35	\$ 75			
2000	Medium Term Notes	2007	7.61	N/A	35	33			
2000	Medium Term Notes	2010	7.44	N/A	47	45			
2000	Medium Term Notes	2015	7.25	N/A	56	52			
1998	Affordable Housing Mortgage guarantee	2028	6.27	N/A	1	1			
1996	Long-term obligation — Affiliate	2007	4.40	N/A	—	75			
Non-recourse amortizing debt:									
1986-2000	Affordable Housing Mortgages	2016-2039	Various	N/A	16	16			
Edison Capital total principal amount outstanding					190	297			
Less current portion of long-term debt					(70)	(75)			
Edison Capital long-term debt					\$ 120	\$ 222			
EIX (parent) due to affiliates long-term debt					\$ 14 ³	\$ 885 ³			
Elimination of intercompany debt					(41)	(1,065)			
EIX total consolidated long-term debt					\$ 9,232	\$ 8,833			

¹ Interest rates may vary based on debt agreements.

² Holders 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.

³ Not considered debt at the EIX consolidated level as intercompany debt eliminates in consolidation. Formerly presented as Other long-term liabilities on the EIX parent (only) condensed balance sheets. Excludes current portion of long-term debt of \$75 million for 2006.

PREFERRED AND PREFERENCE STOCK NOT SUBJECT TO MANDATORY REDEMPTION (Unaudited)

(In millions)

	Trading Exchange	Trading Symbol	Shares Outstanding	Redemption Price Per Share	Jun. 30, 2006	Dec. 31, 2005
SCE \$25 par value cumulative preferred stock:						
4.08% Series	American	SCEPrB	1,000,000	\$25.50	\$ 25	\$ 25
4.24	American	SCEPrC	1,200,000	25.80	30	30
4.32	American	SCEPrD	1,653,429	28.75	41	41
4.78	American	SCEPrE	1,296,769	25.80	33	33
SCE \$100 stated value non-cumulative preference stock:						
Series A	Unlisted	—	4,000,000	\$100	400	400
Series B	Unlisted	—	2,000,000	100	200	200
Series C	Unlisted	—	2,000,000	100	200	—
					929	729
Less issuance costs					(14)	(10)
Total					\$ 915	\$ 719

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Operating revenue	\$ 2,521	\$2,203	\$ 4,739	\$ 4,110
Fuel	237	265	548	520
Purchased power	769	743	1,783	1,131
Provisions for regulatory adjustment clauses — net	(10)	(41)	(371)	24
Other operation and maintenance	639	570	1,254	1,169
Depreciation, decommissioning and amortization	300	231	552	454
Property and other taxes	51	47	105	97
Net gain on sale of utility property and plant	(1)	—	(1)	—
Total operating expenses	1,985	1,815	3,870	3,395
Operating income	536	388	869	715
Interest and dividend income	15	10	30	20
Other nonoperating income	19	18	46	35
Interest expense — net of amounts capitalized	(102)	(96)	(199)	(198)
Other nonoperating deductions	(9)	(11)	(21)	(18)
Income before tax and minority interest	459	309	725	554
Income tax	145	58	228	124
Minority interest	67	85	117	132
Net income	247	166	380	298
Dividends on preferred and preference stock not subject to mandatory redemption	13	5	25	6
Net income available for common stock	\$ 234	\$ 161	\$ 355	\$ 292

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except share amounts)

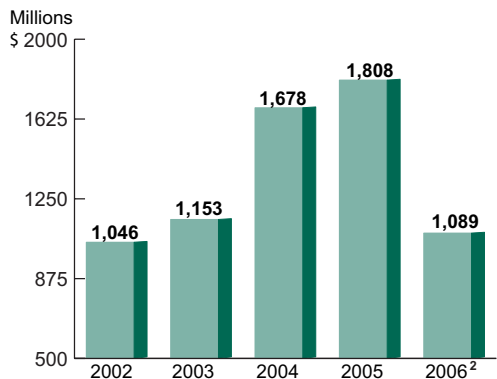
ASSETS	June 30,	December 31,	LIABILITIES AND SHAREHOLDERS' EQUITY	June 30,	December 31,
	2006	2005		2006	2005
Cash and equivalents	\$ 90	\$ 143	Short-term debt	\$ 518	\$ —
Restricted cash	48	57	Long-term debt due within one year	247	596
Margin and collateral deposits	126	178	Accounts payable	794	898
Receivables, less allowances of \$29 and \$33			Accrued taxes	426	242
for uncollectible accounts at respective dates	1,026	849	Accrued interest	125	106
Accrued unbilled revenue	490	291	Counterparty collateral	30	183
Inventory	241	220	Customer deposits	188	183
Trading and price risk management asset	41	237	Book overdrafts	171	257
Regulatory assets	740	536	Accumulated deferred income taxes — net	121	5
Other current assets	69	92	Trading and price risk management liabilities	171	87
Total current assets	2,871	2,603	Regulatory liabilities	710	681
Nonutility property — less accumulated			Other current liabilities	485	723
provision for depreciation of \$601 and \$569			Total current liabilities	3,986	3,961
at respective dates	1,065	1,086	Long-term debt	5,052	4,669
Nuclear decommissioning trusts	2,943	2,907	Accumulated deferred income taxes — net	2,759	2,815
Other investments	79	80	Accumulated deferred investment tax credits	115	119
Total investments and other assets	4,087	4,073	Customer advances and other deferred credits	558	550
Utility plant, at original cost:			Trading and price risk management liabilities	94	101
Transmission and distribution	16,845	16,760	Power-purchase contracts	47	64
Generation	1,446	1,370	Accumulated provision for pensions		
Accumulated provision for depreciation	(4,600)	(4,763)	and benefits	539	500
Construction work in progress	1,256	956	Asset retirement obligations	2,660	2,621
Nuclear fuel, at amortized cost	175	146	Regulatory liabilities	2,787	2,962
Total utility plant	15,122	14,469	Other long-term liabilities	279	284
Regulatory assets	2,904	3,013	Total deferred credits and other liabilities	9,838	10,016
Trading and price risk management assets	13	42	Total liabilities	18,876	18,646
Other long-term assets	346	503	Minority interest	390	398
Total long-term assets	3,263	3,558	Common stock, no par value (434,888,104		
Total assets	\$ 25,343	\$ 24,703	shares outstanding at each date)	2,168	2,168
			Additional paid-in capital	361	361
			Accumulated other comprehensive loss	(12)	(16)
			Retained earnings	2,631	2,417
			Total common shareholder's equity	5,148	4,930
			Preferred and preference stock not subject		
			to mandatory redemption	929	729
			Total shareholder's equity	6,077	5,659
			Total liabilities and shareholders' equity	\$ 25,343	\$ 24,703

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2006	2005
Cash flows from operating activities:		
Net income	\$ 380	\$ 298
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	552	454
Other amortization	35	47
Minority interest	117	132
Deferred income taxes and investment tax credits	5	(133)
Regulatory assets — long-term	112	214
Regulatory liabilities — long-term	(174)	(127)
Trading and price risk management assets — long-term	29	(32)
Trading and price risk management liabilities — long-term	(7)	73
Other assets	10	45
Other liabilities	(17)	47
Margin and collateral deposits — net of collateral received	(100)	28
Receivables and accrued unbilled revenue	(224)	(272)
Trading and price risk management assets — short-term	196	(35)
Trading and price risk management liabilities — short-term	84	39
Inventory and other current assets	12	(33)
Regulatory assets — short-term	(204)	(199)
Regulatory liabilities — short-term	29	276
Accrued interest and taxes	203	192
Accounts payable and other current liabilities	(271)	(75)
Net cash provided by operating activities	<u>767</u>	<u>939</u>
Cash flows from financing activities:		
Long-term debt issued and issuance costs	822	983
Long-term debt repaid	(681)	(1,041)
Issuance of preference stock	196	395
Redemption of preferred stock	—	(148)
Rate reduction notes repaid	(116)	(116)
Short-term debt financing — net	517	60
Change in book overdrafts	(86)	15
Shares purchased for stock-based compensation	(60)	(63)
Proceeds from stock option exercises	23	33
Excess tax benefits related to stock option exercises	9	—
Minority interest	(125)	(115)
Dividends paid	(154)	(74)
Net cash provided (used) by financing activities	<u>345</u>	<u>(71)</u>
Cash flows from investing activities:		
Capital expenditures	(1,089)	(774)
Proceeds from nuclear decommissioning trust sales	1,461	1,006
Purchases of nuclear decommissioning trust investments	(1,544)	(1,057)
Customer advances for construction and other investments	7	11
Net cash used by investing activities	<u>(1,165)</u>	<u>(814)</u>
Net increase (decrease) in cash and equivalents	(53)	54
Cash and equivalents, beginning of period	143	122
Cash and equivalents, end of period	<u>\$ 90</u>	<u>\$ 176</u>

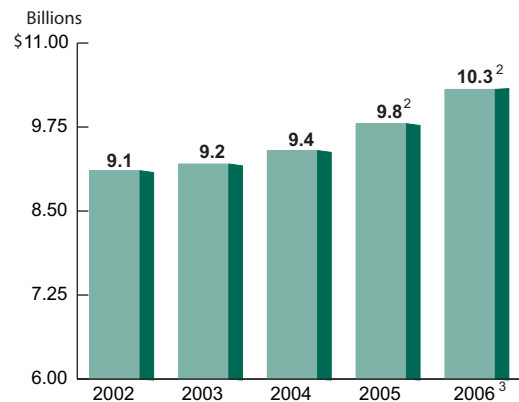
**SOUTHERN CALIFORNIA EDISON
CAPITAL EXPENDITURES¹**



¹ Includes nuclear fuel, one-time decommissioning items and other.

² For the six months ended June 30, 2006

**SOUTHERN CALIFORNIA EDISON
SYSTEM RATE BASE¹**



¹ Weighted-average depreciated book costs excluding amounts spent, but remaining in work-in-progress.

² Includes investment in Mountainview.

³ As of June 30, 2006.

KILOWATT-HOUR SALES¹

(Millions of kWh)

Class of Service	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Residential	6,729	6,244	13,600	13,335
Agricultural	265	271	453	419
Commercial	9,935	9,633	19,301	18,666
Industrial	2,657	2,757	5,280	5,325
Public Authorities	1,480	1,482	2,845	2,839
Railroads & Railways	15	15	31	31
Interdepartmental.....	1	—	1	—
Sales to Ultimate Consumers	21,082	20,402	41,511	40,615
Resale Sales	1,584	3,845	3,445	7,572
Total kWh Sales	22,666	24,247	44,956	48,187

AVERAGE ENERGY COSTS

Dollars Per Million Btu	Three Months Ended June 30,		Six Months Ended June 30,		Cents Per kWh	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005		2006	2005	2006	2005
Oil	\$20.47	\$16.29	\$19.15	\$15.33	Purchased Power:				
Gas ¹	11.95	8.49	11.62	8.23	Other power producers:				
Nuclear	0.46	0.46	0.42	0.45	Biomass	9.62	10.11	9.98	9.15
Coal	1.50	1.43	1.68	1.43	Cogeneration	9.11	9.92	9.30	8.86
Gas-fired CCGT ²	6.27	—	6.82	—	Geothermal	7.26	7.28	6.56	6.63
Average cost					Small Hydro	6.40	6.74	5.82	6.03
all sources	1.46	0.84	1.61 ^{2,3}	0.85 ³	Solar	13.51	13.24	12.14	12.22
					Wind	7.41	7.44	6.88	7.06
Cents Per kWh					Average cost — other				
Oil	23.77¢	17.80¢	21.62¢	16.83¢	power producers	8.49	8.91	8.30	8.08
Nuclear	0.47	0.47	0.48	0.47	Average cost — all				
Coal	1.50	1.45	1.67	1.45	sources ⁴	6.59	5.48 ³	6.84 ³	5.37 ³
Gas-fired CCGT ²	3.56	—	3.05	—					

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

² Includes energy costs incurred during initial testing of power plant.

³ Excludes miscellaneous prior period adjustments, fuel-related settlements.

⁴ Excludes ISO/other sales, includes firm purchased power.

CCGT = Combined-cycle gas turbine

TOTAL ENERGY REQUIREMENT

(Millions of kWh)

	Three Months Ended June 30,		% of Total		Twelve Months Ended June 30,		% of Total	
	2006	2005	2006	2005	2006	2005	2006	2005
Edison Owned:								
Nuclear	2,999	4,374	14.4	22.8	15,088	16,200	18.7	20.3
Coal	1,433	2,590	6.9	13.5	8,632	11,424	10.7	14.3
Hydro	1,956	1,838	9.4	9.6	5,217	4,360	6.5	5.5
Oil	8	8	—	—	31	31	—	—
Gas-fired CCGT ¹	892	—	4.3	—	2,289	—	2.9	—
Purchased Power ² :								
Firm ³	3,494	2,340	16.7	12.2	13,133	9,614	16.3	12.1
Economy/Other ⁴	28	42	0.1	0.2	(257)	(952)	(0.3)	(1.1)
Other power producers ² :								
Biomass	329	297	1.6	1.5	1,440	1,365	1.8	1.7
Cogeneration	3,068	3,382	14.7	17.6	12,992	13,898	16.1	17.4
Geothermal	1,810	1,993	8.7	10.4	7,565	7,928	9.4	9.9
Small Hydro	121	95	0.6	0.5	361	255	0.4	0.3
Solar	225	240	1.1	1.2	618	705	0.8	0.9
Wind	838	913	4.0	4.8	2,321	2,262	2.9	2.8
CDWR-ISO ²	3,647	1,098	17.5	5.7	11,113	12,688	13.8	15.9
Total ⁵	20,848	19,210	100.0%	100.0%	80,543	79,778	100.0%	100.0%

¹ CCGT - Combined-cycle gas turbine

² Calculated consistent with the accrual basis of accounting.

³ Includes bilateral and long-term contracts.

⁴ Includes economy energy, exchange energy, fringe energy, and net interchange.

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

OPERATING REVENUE (Unaudited)¹

(In millions)

Class of Service	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Residential	\$ 914	\$ 747	\$ 1,700	\$ 1,401
Commercial	1,052	896	1,779	1,597
Industrial	186	158	332	286
Public authorities	143	124	241	224
Agricultural	28	27	44	40
Other	2	1	3	2
Resale	60	169	155	354
Sales of electric energy	2,385	2,122	4,254	3,904
Other electric revenue	124	101	247	204
Deferred revenue ²	(74)	(122)	34	(201)
Revenue from variable interest entities	86	102	204	203
Total operating revenue	\$ 2,521	\$ 2,203	\$ 4,739	\$ 4,110

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)

Assets

Current:

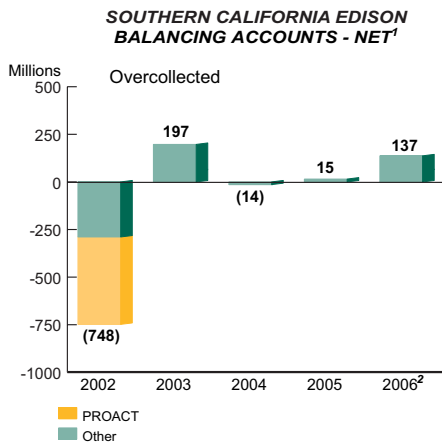
	Cumulative Over/(Under) Collections June 30, 2006	December 31, 2005
Base Rate Performance	\$ (71)	\$ (69)
Catastrophic Event	(187)	(187)
Energy Resource Recovery	(27)	—
Reliability Service	(110)	(125)
Other — net	13	26
Total	\$ (382)	\$ (355)

Liabilities

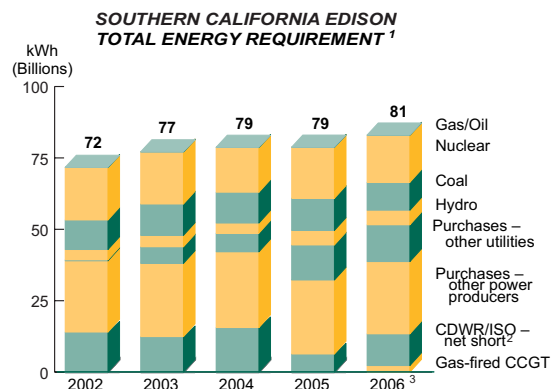
Current:

	June 30, 2006	December 31, 2005
Base Revenue Requirement	\$ 156	\$ 130
Energy Settlements	38	(8)
Safety and Reliability Performance Incentive Mechanism	2	2
Public Purpose Program Adjustment	156	77
Generation Revenue	—	94
Other Distribution Adjustment	145	72
Other — net	22	3
Total	\$ 519	\$ 370
Total balancing accounts — net	\$ 137	\$ 15

¹ Includes interest.



¹ Includes interest and other current and long-term regulatory assets/liabilities and balancing accounts, net.
² As of June 30, 2006.



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

² In 2002 includes CDWR and PX purchases - net; In 2003 through 2006 includes CDWR and ISO/other sales.

³ For the twelve months ended June 30, 2006.

CONSOLIDATED STATEMENTS OF INCOME (Loss) (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005 ¹	2006	2005 ¹
Operating Revenues:				
Electric revenues	\$ 427	\$ 398	\$ 914	\$ 898
Net gains from price risk management and energy trading	24	17	41	29
Operation and maintenance services	8	7	13	12
Other revenues	4	—	9	—
Total operating revenue	463	422	977	939
Operating Expenses:				
Fuel	142	134	291	299
Plant operations	147	146	266	254
Plant operating leases	44	44	88	88
Operation and maintenance services	8	7	13	12
Depreciation and amortization	36	32	71	66
Asset impairment charges	—	7	—	7
Administrative and general	33	34	64	70
Total operating expenses	410	404	793	796
Operating income	53	18	184	143
Other Income (Expense):				
Equity in income from unconsolidated affiliates	46	47	71	83
Interest income	23	15	43	27
Other income (expense), net	11	—	19	(3)
Gain on sale of assets	—	—	4	—
Loss on early extinguishment of debt	(143)	—	(143)	(24)
Interest expense	(102)	(102)	(202)	(207)
Total other income (expense)	(165)	(40)	(208)	(124)
Income (loss) from continuing operations before income taxes	(112)	(22)	(24)	19
Benefit for income taxes	(52)	(24)	(22)	(10)
Income (loss) from continuing operations	(60)	2	(2)	29
Income from operations of discontinued subsidiaries, net of tax	4	21	77	28
Net Income (loss)	\$ 56	\$ 23	\$ 75	\$ 57

¹ Restated for transfer of wind assets.

CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

	June 30, 2006	December 31, 2005 ¹	LIABILITIES AND SHAREHOLDER'S EQUITY	June 30, 2006	December 31, 2005 ¹
ASSETS			LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$ 1,344	\$ 1,197	Accounts payable — affiliates	\$ 17	\$ 32
Short-term investments	260	183	Accounts payable	56	64
Accounts receivable — trade	191	337	Accrued liabilities	171	207
Accounts receivable — affiliates	166	19	Liabilities under price risk management		
Inventory	183	120	and energy trading	119	418
Assets under price risk management and			Interest payable	80	101
energy trading	152	78	Current maturities of long-term obligations	130	74
Margin and collateral deposits	240	561	Total current liabilities	573	896
Deferred taxes	16	155	Long-term obligations net of current maturities	4,087	4,122
Prepaid expenses and other	64	69	Deferred taxes and tax credits	306	232
Total current assets	2,616	2,719	Long-term liabilities under price risk		
Investments in Unconsolidated Affiliates	373	405	management and energy trading	26	83
Property, Plant and Equipment	3,997	3,856	Other long-term liabilities	588	598
Less accumulated depreciation and amortization	913	844	Total Liabilities	5,580	5,931
Net property, plant and equipment	3,084	3,012	Minority Interest	44	29
Other Assets:			Shareholder's Equity:		
Deferred financing costs	53	50	Common stock, par value \$0.01 per share;		
Long-term assets under price risk management			1,000 shares authorized, issued and		
and energy trading	105	90	outstanding as of June 30, 2006 and		
Restricted cash	121	105	December 31, 2005	—	—
Rent payments in excess of levelized rent			Additional paid-in capital	2,243	2,248
expense under plant operating leases	506	395	Accumulated deficit	(848)	(923)
Long-term margin and collateral deposits	96	137	Accumulated other comprehensive income		
Other long-term assets	93	161	(loss)	28	(211)
Total other assets	974	938	Total Shareholder's Equity	1,423	1,114
Total Assets	\$ 7,047	\$ 7,074	Total Liabilities and Shareholder's Equity	\$ 7,047	\$ 7,074

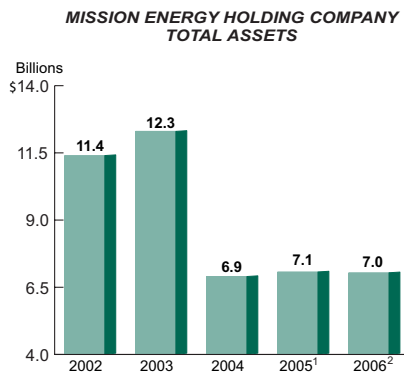
¹ Restated for transfer of wind assets.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

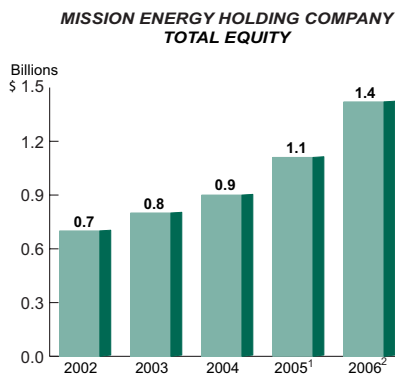
	Six Months Ended June 30,	
	2006	2005 ¹
Cash Flows From Operating Activities:		
Net income	\$ 75	57
Less: income from discontinued operations	(77)	(28)
Income (loss) from continuing operations, net	(2)	29
Adjustments to reconcile income to net cash provided by (used in) operating activities:		
Equity in income from unconsolidated affiliates	(71)	(83)
Distributions from unconsolidated affiliates	88	89
Depreciation and amortization	77	66
Amortization of discount on long-term obligations	1	1
Deferred taxes and tax credits	40	15
Gain on sale of assets	(4)	—
Loss on early extinguishment of debt	143	24
Asset impairment charges	—	7
Changes in operating assets and liabilities:		
Decrease (increase) in margin and collateral deposits	363	(142)
Decrease (increase) in accounts receivable	(1)	14
Increase in inventory	(63)	(22)
Decrease in prepaid expenses and other	10	56
Increase in rent payments in excess of levelized rent expense	(112)	(67)
Decrease in accounts payable	(4)	(8)
Decrease in accrued liabilities	(32)	(68)
Decrease in interest payable	(21)	(11)
(Increase) decrease in net assets under risk management	(26)	3
Other operating-assets	(1)	5
Other operating-liabilities	(26)	21
	359	(71)
Operating cash flow from discontinued operations	82	18
Net cash provided by (used in) operating activities	441	(53)
Cash Flows From Financing Activities:		
Borrowings on long-term debt	1,315	3
Payments on long-term debt agreements	(1,293)	(796)
Payment of loan by parent	—	(5)
Payments for price appreciation on stock-based awards	(9)	(7)
Excess tax benefits related to stock option exercises	4	—
Premium paid on extinguishment of debt and financing costs	(153)	(16)
Net cash used in financing activities	(136)	(821)
Cash Flows From Investing Activities:		
Capital expenditures	(118)	(35)
Proceeds from return of capital and loan repayments	—	5
Purchase of interest of acquired companies	(18)	—
Proceeds from sale of interest in projects	43	—
Proceeds from sale of discontinued operations	—	124
Purchase of short-term investments	(173)	—
Maturities and sales of short-term investments	97	140
Decrease (increase) in restricted cash	(12)	21
Turbine deposits	(17)	(9)
Proceeds from (investments in) other assets	40	(1)
	(158)	245
Investing cash flow from discontinued operations	—	5
Net cash provided by (used in) investing activities	(158)	250
Effect of consolidation of variable interest entities on cash	—	3
Net increase (decrease) in cash and cash equivalents	147	(621)
Cash and cash equivalents at beginning of period	1,197	2,282
Cash and cash equivalents at end of period	1,344	1,661
Cash and cash equivalents classified as part of discontinued operations	—	(1)
Cash and cash equivalents of continuing operations	\$ 1,344	\$ 1,660

¹ Restated for transfer of wind assets.



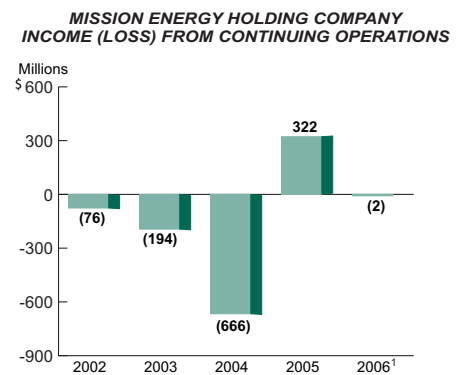
¹ Restated for transfer of wind assets.

² As of June 30, 2006



¹ Restated for transfer of wind assets.

² As of June 30, 2006



¹ For the six months ended June 30, 2006

EME OPERATING POWER PLANTS

No.	Plant Name	Plant Type	Fuel Type	Commercial Operation/ Acquisition Date	Ownership Interest	Megawatts		Location
						Total	EME Share	
Domestic Plants								
Merchant Power Plants								
1 Illinois Plants ¹								
	(6 plants) - see below	E	Coal, Oil, Gas	12/99	100%	5,918	5,918	Illinois
	7 Homer City ¹	E	Coal	03/99	100%	1,884	1,884	Pennsylvania
Contracted Power Plants								
<u>Big 4 Projects</u>								
	8 Kern River ¹	Q	Natural Gas	08/85	50%	300	150	California
	9 Midway-Sunset ¹	Q	Natural Gas	05/89	50%	225	113	California
	10 Sycamore ¹	Q	Natural Gas	01/88	50%	300	150	California
	11 Watson	Q	Natural Gas	04/88	49%	385	189	California
<u>Westside Projects</u>								
	12 Coalinga ¹	Q	Natural Gas	11/91	50%	38	19	California
	13 Mid-Set ¹	Q	Natural Gas	05/89	50%	38	19	California
	14 Salinas River ¹	Q	Natural Gas	11/91	50%	38	19	California
	15 Sargent Canyon ¹	Q	Natural Gas	11/91	50%	38	19	California
<u>Wind Projects</u>								
	16 Bingham Lake ²	Q	Wind	04/06	50%	15	7	Minnesota
	17 Eastridge ²	E	Wind	04/06	99%	10	10	Minnesota
	18 Lakota Ridge ²	Q/E	Wind	04/06	75%	11	8	Minnesota
	19 San Juan Mesa ¹	E	Wind	12/05	75%	120	90	New Mexico
	20 Shaokatan Hills ²	Q/E	Wind	04/06	75%	12	9	Minnesota
	21 Storm Lake 1 ²	E	Wind	04/06	100%	109	109	Iowa
	22 West Pipestone ²	Q/E	Wind	04/06	99%	8	8	Minnesota
	23 Westridge ²	Q/E	Wind	04/06	97%	17	17	Minnesota
	24 Woodstock Hills ²	Q/E	Wind	04/06	75%	10	8	Minnesota
	25 American Bituminous ¹	Q	Waste Coal	04/93	50%	80	40	West Virginia
	26 Huntington ²	Q	Biomass	04/06	38%	25	9	New York
	27 March Point	Q	Natural Gas	11/91, 01/93	50%	140	70	Washington
	28 Sunrise ¹	E	Natural Gas	06/01,06/03	50%	572	286	California
Total Domestic Plants ^{2,3}						10,293	9,151	
International								
	29 Doga ¹		Natural Gas	05/99	80%	180	144	Turkey
Total Operating Plants						10,473	9,295	

Q= Qualifying Facility

E = Exempt Wholesale Generation

¹ Plant is operated under contract by an EME operations and maintenance subsidiary (partially owned plants) or plant is operated directly by an EME subsidiary (wholly owned plants).

² In April 2006, EME received, as a capital contribution from its parent, the 192-MW portfolio of wind projects and a biomass project owned by EME's affiliate, Edison Capital.

³ In January 2006, EME completed the purchase of development rights for a 161-MW wind project in Texas, which EME refers to as the Wildorado project.

ILLINOIS PLANTS INCLUDE THE FOLLOWING:

Operating Plant or Site	Location	Leased/Owned	Fuel	Megawatts
<u>Electric Generating Facilities</u>				
Crawford Station	Chicago, Illinois	Owned	Coal	542
Fisk Station	Chicago, Illinois	Owned	Coal	326
Joliet Unit 6	Joliet, Illinois	Owned	Coal	290
Joliet Units 7 and 8	Joliet, Illinois	Leased	Coal	1,044
Powerton Station	Pekin, Illinois	Leased	Coal	1,538
Waukegan Station	Waukegan, Illinois	Owned	Coal	781
Will County Station	Romeoville, Illinois	Owned	Coal	1,092
<u>Peaking Units</u>				
Fisk	Chicago, Illinois	Owned	Oil/gas	197
Waukegan	Waukegan, Illinois	Owned	Oil/gas	108
Total				5,918

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005 ¹	2006	2005 ¹
Lease revenue	\$ 18	\$ 18	\$ 36	\$ 36
Other	1	1	2	4
Total operating revenue	19	19	38	40
Operating expenses	10	11	19	28
Operating income	9	8	19	12
Interest expense	4	6	9	12
Equity income (loss) from unconsolidated entities	(3)	19	2	91
Other income	5	3	11	4
Income before income taxes	7	24	23	95
Income tax benefit (expense)	(2)	(2)	(3)	(22)
Net income	\$ 5	\$ 22	\$ 20	\$ 73

¹ Restated for transfer of wind assets.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions)

	June 30, 2006	December 31, 2005 ¹	June 30, 2006	December 31, 2005 ¹
Current assets	\$ 459	\$ 587	\$ 89	\$ 96
Lease investments	2,472	2,446	2,556	2,597
Partnership investments	218	245	2,645	2,693
Property, plant and equipment — net, and other	132	98	63	72
Total assets	\$ 3,281	\$ 3,376	81	63
Current liabilities			4	2
Long-term liabilities			488	546
Total liabilities			573	611
Minority Interest			\$ 3,281	\$ 3,376
Contributed capital				
Other comprehensive income				
Retained earnings				
Total shareholder's equity				
Total liabilities and shareholder's equity				

¹ Restated for transfer of wind assets.

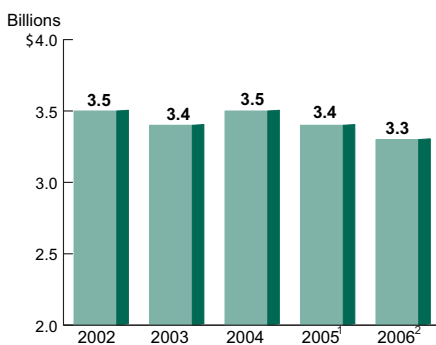
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2006	2005 ¹
Cash flows from operating activities:		
Net income	\$ 20	\$ 73
Adjustments for non-cash items	44	(60)
Changes in working capital components	(124)	24
Net cash (used in) provided by operating activities	(60)	37
Cash flows from financing activities:		
Repayment of debt	(40)	—
Other	(3)	—
Net cash used in financing activities	(43)	—
Cash flows from investing activities:		
Distributions from partnerships, net of investments	13	62
Restricted cash	—	6
Loan to parent	(50)	(45)
Net cash (used in) provided by investing activities	(37)	23
Effects of exchange rate changes on cash	—	(1)
Net decrease (increase) in cash and equivalents	(140)	59
Cash and equivalents, beginning of period	481	172
Cash and equivalents, end of period	\$ 341	\$ 231

¹ Restated for transfer of wind assets.

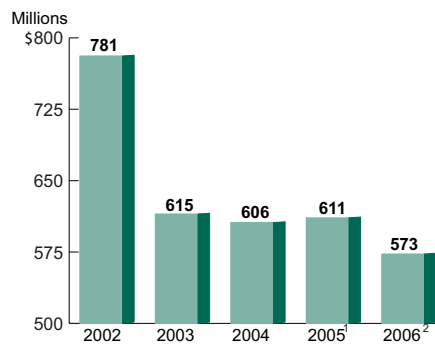
**EDISON CAPITAL
TOTAL ASSETS**



¹ Restated for transfer of wind assets.

² As of June 30, 2006

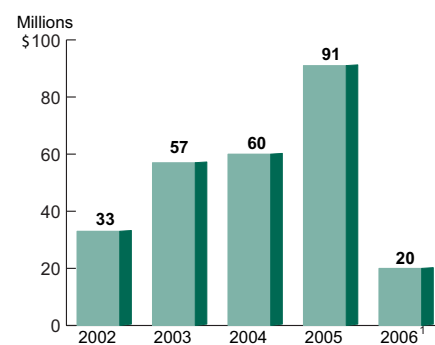
**EDISON CAPITAL
TOTAL EQUITY**



¹ Restated for transfer of wind assets.

² As of June 30, 2006

**EDISON CAPITAL
NET INCOME**



¹ For the six months ended June 30, 2006

ENERGY/INFRASTRUCTURE PROJECTS

Edison Capital invests in energy/infrastructure projects which span the globe.

<i>Project Name</i>	<i>Country/Region</i>	<i>Project Type</i>	<i>Gen. Capacity (MW)</i>	<i>Lessor Interest/ Equity Interest</i>
ESKOM/Majuba	South Africa	Coal Power	4,110	50%
Swisscom AG	Switzerland	Telecommunications	—	100%
Midland Cogeneration Plant	U.S.	Gas Power	1,500	9%
EPON/Eems Power Station	Netherlands	Gas/Coal Power	1,675	60%
AIG - Asia II Fund	Asia	Infrastructure	—	6%
Beaver Valley Unit #2	U.S.	Nuclear Power	836	11%
EPZ/Amercentrale 9	Netherlands	Coal Power	600	26%
AIG/GE Latin American Fund	Latin America	Infrastructure	—	8%
ETSA	Australia	Transmission System	—	100%
Vidalia Hydroelectric	U.S.	Hydro Power	192	24%
AIG Emerging Europe Fund	Europe	Infrastructure	—	23%
Nederlandse Spoorwegen	Netherlands	Electric Rail	—	100%
Cablemas	Mexico	Cable Television	—	8%
Paz Holdings	Bolivia	Distribution Systems	—	11%
Total			8,913	

In April 2006, Edison Capital transferred its 192-MW portfolio of wind projects and its biomass project to EME. Edison Capital declared a dividend of the common stock of the companies owning this portfolio to its parent, who in turn contributed the shares to EME.

AFFORDABLE HOUSING PROJECTS

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

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