

## Appendix

### Use of Non-GAAP Financial Measures

Edison International's earnings are prepared in accordance with generally accepted accounting principles used in the United States and represent the company's earnings as reported to the Securities and Exchange Commission. Our management uses core earnings and core earnings per share (EPS) internally for financial planning and for analysis of performance of Edison International and Southern California Edison. We also use core earnings and core EPS when communicating with analysts and investors regarding our earnings results to facilitate comparisons of the Company's performance from period to period. Financial measures referred to as net income, basic EPS, core earnings, or core EPS also apply to the description of earnings or earnings per share.

Core earnings and core EPS are non-GAAP financial measures and may not be comparable to those of other companies. Core earnings and core EPS are defined as basic earnings and basic EPS excluding income or loss from discontinued operations and income or loss from significant discrete items that management does not consider representative of ongoing earnings. Basic earnings and losses refer to net income or losses attributable to Edison International shareholders. Core earnings are reconciled to basic earnings in the attached tables. The impact of participating securities (vested awards that earn dividend equivalents that may participate in undistributed earnings with common stock) for the principal operating subsidiary is not material to the principal operating subsidiary's EPS and is therefore reflected in the results of the Edison International holding company, which is included in Edison International Parent and Other.

### Safe Harbor Statement

Statements contained in this release about future performance, including, without limitation, operating results, capital expenditures, rate base growth, dividend policy, financial outlook, and other statements that are not purely historical, are forward-looking statements. These forward-looking statements reflect our current expectations; however, such statements involve risks and uncertainties. Actual results could differ materially from current expectations. These forward-looking statements represent our expectations only as of the date of this release, and Edison International assumes no duty to update them to reflect new information, events or circumstances. Important factors that could cause different results include, but are not limited to the:

- ability of SCE to recover its costs in a timely manner from its customers through regulated rates, including costs related to San Onofre and proposed spending on grid modernization;
- decisions and other actions by the CPUC, the FERC, the NRC and other regulatory authorities, including the determinations of authorized rates of return or return on equity, approval of proposed spending on grid modernization, the outcome of San Onofre CPUC proceedings, and delays in regulatory actions;
- risks associated with cost allocation, including the potential movement of costs to certain customers, caused by the ability of cities, counties and certain other public agencies to generate and/or purchase electricity for their local residents and businesses, along with other possible customer bypass or departure due to increased adoption of distributed energy resources or technological advancements in the generation, storage, transmission, distribution and use of electricity, and supported by public policy, government regulations and incentives;
- risks inherent in the construction of SCE's transmission and distribution infrastructure investment program, including those related to project site identification, public opposition, environmental mitigation, construction, permitting, power curtailment costs (payments due under power contracts in the event there is insufficient transmission to enable acceptance of power delivery), and governmental approvals;

- ability to obtain sufficient insurance, including insurance relating to SCE's nuclear facilities and wildfire-related liability, and to recover the costs of such insurance or in the absence of insurance the ability to recover uninsured losses; and
- risks associated with the decommissioning of San Onofre, including those related to public opposition, permitting, governmental approvals, and cost overruns.

Other important factors are discussed under the headings “Risk Factors” and “Management’s Discussion and Analysis” in Edison International’s Form 10-K, most recent Form 10-Q, and other reports filed with the Securities and Exchange Commission, which are available on our website: [www.edisoninvestor.com](http://www.edisoninvestor.com). These filings also provide additional information on historical and other factual data contained in this news release.

These forward-looking statements represent our expectations only as of the date of this news release, and Edison International assumes no duty to update them to reflect new information, events or circumstances.

Reminder: Edison International Will Hold a Conference Call Today

When: Tuesday, February 21, 2017, 1:30 p.m. (Pacific Time)  
Telephone Numbers: 1-800-369-2198 (US) and 1-773-756-4618 (Int'l) - Passcode: Edison  
Telephone Replay: 1-800-873-2041 (US) and 1-203-369-4005 (Int'l) - Passcode: 26421  
Telephone replay available through March 7, 2017  
Webcast: [www.edisoninvestor.com](http://www.edisoninvestor.com)

**Fourth Quarter and Full-Year Reconciliation of  
Core Earnings Per Share to Basic Earnings Per Share**

	Three months ended December 31,			Years ended December 31,		
	2016	2015	Change	2016	2015	Change
Earnings (loss) per share attributable to Edison International						
Continuing operations						
SCE	\$ 1.04	\$ (0.25)	\$ 1.29	\$ 4.22	\$ 3.06	\$ 1.16
Edison International Parent and Other	(0.02)	0.03	(0.05)	(0.23)	(0.04)	(0.19)
Discontinued operations	0.04	(0.02)	0.06	0.03	0.11	(0.08)
Edison International	1.06	(0.24)	1.30	4.02	3.13	0.89
Less: Non-core items						
SCE	—	(1.14)	1.14	—	(1.14)	1.14
Edison International Parent and Other	—	0.04	(0.04)	0.02	0.06	(0.04)
Discontinued operations	0.04	(0.02)	0.06	0.03	0.11	(0.08)
Total non-core items	0.04	(1.12)	1.16	0.05	(0.97)	1.02
Core earnings (losses)						
SCE	1.04	0.89	0.15	4.22	4.20	0.02
Edison International Parent and Other	(0.02)	(0.01)	(0.01)	(0.25)	(0.10)	(0.15)
Edison International	\$ 1.02	\$ 0.88	\$ 0.14	\$ 3.97	\$ 4.10	\$ (0.13)

Note: Diluted earnings were \$1.05 and \$(0.24) per share for the three months ended December 31, 2016 and 2015, respectively, and \$3.97 and \$3.10 per share for the years ended December 31, 2016 and 2015, respectively. An accounting standards update on share-based payments was adopted in the fourth quarter of 2016, effective January 1, 2016. The fourth quarter 2016 basic and dilutive EPS adjusted for the retroactive adoption would have been \$1.01 and \$1.00, respectively.

**Fourth Quarter and Full-Year Reconciliation of  
Core Earnings to Basic Earnings (in millions)**

(in millions)	Three months ended December 31,			Years ended December 31,		
	2016	2015	Change	2016	2015	Change
Net income (loss) attributable to Edison International						
Continuing operations						
SCE	\$ 339	\$ (80)	\$ 419	\$ 1,376	\$ 998	\$ 378
Edison International Parent and Other	(7)	9	(16)	(77)	(13)	(64)
Discontinued operations	13	(8)	21	12	35	(23)
Edison International	345	(79)	424	1,311	1,020	291
Less: Non-core items						
SCE	—	(370)	370	—	(370)	370
Edison International Parent and Other	—	12	(12)	5	19	(14)
Discontinued operations	13	(8)	21	12	35	(23)
Total non-core items	13	(366)	379	17	(316)	333
Core earnings (losses)						
SCE	339	290	49	1,376	1,368	8
Edison International Parent and Other	(7)	(3)	(4)	(82)	(32)	(50)
Edison International	\$ 332	\$ 287	\$ 45	\$ 1,294	\$ 1,336	\$ (42)

Note: Due to the accounting standards update on share-based payments adopted in the fourth quarter of 2016, effective January 1, 2016, the fourth quarter net income adjusted for the retroactive adoption would have been \$329 million.

Consolidated Statements of Income	Edison International			
	Quarters ended December 31,		Years ended December 31,	
(in millions, except per-share amounts)	2016	2015	2016	2015
<b>Total operating revenue</b>	\$ 2,884	\$ 2,341	\$ 11,869	\$ 11,524
Purchased power and fuel	951	618	4,527	4,266
Operation and maintenance	779	830	2,868	2,990
Depreciation, decommissioning and amortization	504	467	2,007	1,919
Property and other taxes	84	81	354	336
Impairment and other charges	—	5	21	5
<b>Total operating expenses</b>	<b>2,318</b>	<b>2,001</b>	<b>9,777</b>	<b>9,516</b>
<b>Operating income</b>	<b>566</b>	<b>340</b>	<b>2,092</b>	<b>2,008</b>
Interest and other income	27	58	123	174
Interest expense	(150)	(136)	(581)	(555)
Other expenses	(17)	(18)	(44)	(59)
<b>Income from continuing operations before income taxes</b>	<b>426</b>	<b>244</b>	<b>1,590</b>	<b>1,568</b>
Income tax expense	63	291	177	486
<b>Income (loss) from continuing operations</b>	<b>363</b>	<b>(47)</b>	<b>1,413</b>	<b>1,082</b>
Income (loss) from discontinued operations, net of tax	13	(8)	12	35
<b>Net income (loss)</b>	<b>376</b>	<b>(55)</b>	<b>1,425</b>	<b>1,117</b>
Preferred and preference stock dividend requirements of utility	31	29	123	113
Other noncontrolling interests	—	(5)	(9)	(16)
<b>Net income (loss) attributable to Edison International common shareholders</b>	<b>\$ 345</b>	<b>\$ (79)</b>	<b>\$ 1,311</b>	<b>\$ 1,020</b>
<b>Amounts attributable to Edison International common shareholders:</b>				
Income (loss) from continuing operations, net of tax	\$ 332	\$ (71)	\$ 1,299	\$ 985
Income (loss) from discontinued operations, net of tax	13	(8)	12	35
<b>Net income (loss) attributable to Edison International common shareholders</b>	<b>\$ 345</b>	<b>\$ (79)</b>	<b>\$ 1,311</b>	<b>\$ 1,020</b>
<b>Basic earnings (loss) per common share attributable to Edison International common shareholders:</b>				
Weighted-average shares of common stock outstanding	326	326	326	326
Continuing operations	\$ 1.02	\$ (0.22)	\$ 3.99	\$ 3.02
Discontinued operations	0.04	(0.02)	0.03	0.11
<b>Total</b>	<b>\$ 1.06</b>	<b>\$ (0.24)</b>	<b>\$ 4.02</b>	<b>\$ 3.13</b>
<b>Diluted earnings (loss) per common share attributable to Edison International common shareholders:</b>				
Weighted-average shares of common stock outstanding, including effect of dilutive securities	330	328	330	329
Continuing operations	\$ 1.01	\$ (0.22)	\$ 3.94	\$ 2.99
Discontinued operations	0.04	(0.02)	0.03	0.11
<b>Total</b>	<b>\$ 1.05</b>	<b>\$ (0.24)</b>	<b>\$ 3.97</b>	<b>\$ 3.10</b>
<b>Dividends declared per common share</b>	<b>\$ 0.5425</b>	<b>\$ 0.4800</b>	<b>\$ 1.9825</b>	<b>\$ 1.7325</b>

Consolidated Balance Sheets	Edison International	
	December 31,	
(in millions)	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 96	\$ 161
Receivables, less allowances of \$62 for uncollectible accounts at both dates	714	771
Accrued unbilled revenue	370	565
Inventory	239	267
Derivative assets	73	79
Regulatory assets	350	560
Other current assets	281	251
<b>Total current assets</b>	<b>2,123</b>	<b>2,654</b>
Nuclear decommissioning trusts	4,242	4,331
Other investments	83	203
<b>Total investments</b>	<b>4,325</b>	<b>4,534</b>
Utility property, plant and equipment, less accumulated depreciation and amortization of \$9,000 and \$8,548 at respective dates	36,806	34,945
Nonutility property, plant and equipment, less accumulated depreciation of \$99 and \$85 at respective dates	194	140
<b>Total property, plant and equipment</b>	<b>37,000</b>	<b>35,085</b>
Derivative assets	1	84
Regulatory assets	7,455	7,512
Other long-term assets	415	360
<b>Total long-term assets</b>	<b>7,871</b>	<b>7,956</b>
<b>Total assets</b>	<b>\$ 51,319</b>	<b>\$ 50,229</b>

<b>Consolidated Balance Sheets</b>	<b>Edison International</b>	
	December 31,	
(in millions, except share amounts)	2016	2015
<b>LIABILITIES AND EQUITY</b>		
Short-term debt	\$ 1,307	\$ 695
Current portion of long-term debt	981	295
Accounts payable	1,342	1,310
Accrued taxes	50	72
Customer deposits	269	242
Derivative liabilities	216	218
Regulatory liabilities	756	1,128
Other current liabilities	991	967
<b>Total current liabilities</b>	<b>5,912</b>	<b>4,927</b>
<b>Long-term debt</b>	<b>10,175</b>	<b>10,883</b>
Deferred income taxes and credits	8,327	7,480
Derivative liabilities	941	1,100
Pensions and benefits	1,354	1,759
Asset retirement obligations	2,590	2,764
Regulatory liabilities	5,726	5,676
Other deferred credits and other long-term liabilities	2,102	2,246
<b>Total deferred credits and other liabilities</b>	<b>21,040</b>	<b>21,025</b>
<b>Total liabilities</b>	<b>37,127</b>	<b>36,835</b>
Commitments and contingencies		
<b>Redeemable noncontrolling interest</b>	<b>5</b>	<b>6</b>
Common stock, no par value (800,000,000 shares authorized; 325,811,206 shares issued and outstanding at respective dates)	2,505	2,484
Accumulated other comprehensive loss	(53)	(56)
Retained earnings	9,544	8,940
<b>Total Edison International's common shareholders' equity</b>	<b>11,996</b>	<b>11,368</b>
Noncontrolling interests – preferred and preference stock of utility	2,191	2,020
<b>Total equity</b>	<b>14,187</b>	<b>13,388</b>
<b>Total liabilities and equity</b>	<b>\$ 51,319</b>	<b>\$ 50,229</b>

Consolidated Statements of Cash Flows  (in millions)	Edison International		
	Years ended December 31,		
	2016	2015	2014
<b>Cash flows from operating activities:</b>			
Net income	\$ 1,425	\$ 1,117	\$ 1,721
Less: Income from discontinued operations	12	35	185
Income from continuing operations	1,413	1,082	1,536
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation, decommissioning and amortization	2,098	2,005	1,815
Allowance for equity during construction	(74)	(87)	(65)
Impairment and other charges	—	5	157
Deferred income taxes and investment tax credits	190	449	522
Other	20	(28)	20
Nuclear decommissioning trusts	(179)	(428)	39
EME settlement payments, net of insurance proceeds	(209)	(176)	(225)
Changes in operating assets and liabilities:			
Receivables	52	49	64
Inventory	8	14	(25)
Accounts payable	35	8	14
Prepaid and accrued taxes	(6)	(28)	(100)
Other current assets and liabilities	211	(24)	(103)
Derivative assets and liabilities, net	13	45	(40)
Regulatory assets and liabilities, net	(292)	1,729	(358)
Other noncurrent assets and liabilities	(24)	(106)	(3)
<b>Net cash provided by operating activities</b>	<b>3,256</b>	<b>4,509</b>	<b>3,248</b>
<b>Cash flows from financing activities:</b>			
Long-term debt issued or remarketed, net of discount and issuance costs of \$7, \$17, and \$6 at respective periods	397	1,420	494
Long-term debt matured or repurchased	(220)	(762)	(607)
Preference stock issued, net	294	319	269
Preference stock redeemed	(125)	(325)	—
Short-term debt financing, net	611	(572)	1,079
Cash contribution from redeemable noncontrolling interest	—	—	—
Dividends to noncontrolling interests	(123)	(116)	(111)
Dividends paid	(626)	(544)	(463)
Other	(113)	(8)	(16)
<b>Net cash provided by (used in) financing activities</b>	<b>95</b>	<b>(588)</b>	<b>645</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(3,734)	(4,225)	(3,906)
Proceeds from sale of nuclear decommissioning trust investments	3,212	3,506	2,617
Purchases of nuclear decommissioning trust investments	(3,033)	(3,132)	(2,661)
Life insurance policy loans proceeds	140	—	—
Other	(1)	(41)	43
<b>Net cash used in investing activities</b>	<b>(3,416)</b>	<b>(3,892)</b>	<b>(3,907)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(65)</b>	<b>29</b>	<b>(14)</b>
Cash and cash equivalents at beginning of year	161	132	146
<b>Cash and cash equivalents at end of year</b>	<b>\$ 96</b>	<b>\$ 161</b>	<b>\$ 132</b>