

## 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, rate base growth, 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. 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 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 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. Edison International and SCE also routinely post or provide direct links to presentations, documents and other information that may be of interest to investors at [www.edisoninvestor.com](http://www.edisoninvestor.com) (Events and Presentations) in order to publicly disseminate such information.

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: Thursday, July 27, 2017, 1:30 p.m. (Pacific Time)

Telephone Numbers: 1-888-673-9780 (US) and 1-312-470-0178 (Int'l) - Passcode: Edison

Telephone Replay: 1-800-846-4244 (US) and 1-203-369-3650 (Int'l) - Passcode: 48652

Telephone replay available through August 10, 2017

Webcast: [www.edisoninvestor.com](http://www.edisoninvestor.com)

### Second Quarter Reconciliation of Basic Earnings Per Share to Core Earnings Per Share

	Three months ended June 30,			Six months ended June 30,		
	2017	2016 <sup>1</sup>	Change	2017	2016	Change
<b>Earnings (loss) per share attributable to Edison International</b>						
Continuing operations						
SCE	\$ 0.94	\$ 0.98	\$ (0.04)	\$ 2.01	\$ 1.88	\$ 0.13
Edison International Parent and Other	(0.09)	(0.11)	0.02	(0.05)	(0.16)	0.11
Discontinued operations	—	(0.01)	0.01	—	—	—
Edison International	<u>0.85</u>	<u>0.86</u>	<u>(0.01)</u>	<u>1.96</u>	<u>1.72</u>	<u>0.24</u>
Less: Non-core items						
SCE	—	—	—	—	—	—
Edison International Parent and Other	—	0.01	(0.01)	—	0.01	(0.01)
Discontinued operations	—	(0.01)	0.01	—	—	—
Total non-core items	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>	<u>(0.01)</u>
<b>Core earnings (losses)</b>						
SCE	0.94	0.98	(0.04)	2.01	1.88	0.13
Edison International Parent and Other	(0.09)	(0.12)	0.03	(0.05)	(0.17)	0.12
Edison International	<u>\$ 0.85</u>	<u>\$ 0.86</u>	<u>\$ (0.01)</u>	<u>\$ 1.96</u>	<u>\$ 1.71</u>	<u>\$ 0.25</u>

Note: Diluted earnings were \$0.85 and \$0.85 per share for the three months ended June 30, 2017 and 2016, respectively, and \$1.95 and \$1.70 per share for the six months ended June 30, 2017 and 2016, respectively.

### Second Quarter Reconciliation of Basic Earnings to Core Earnings (in millions)

(in millions)	Three months ended June 30,			Six months ended June 30,		
	2017	2016 <sup>1</sup>	Change	2017	2016 <sup>1</sup>	Change
<b>Net income (loss) attributable to Edison International</b>						
Continuing operations						
SCE	\$ 307	\$ 318	\$ (11)	\$ 656	\$ 612	\$ 44
Edison International Parent and Other	(29)	(36)	7	(16)	(50)	34
Discontinued operations	—	(2)	2	—	(1)	1
Edison International	<u>278</u>	<u>280</u>	<u>(2)</u>	<u>640</u>	<u>561</u>	<u>79</u>
Less: Non-core items						
SCE	—	—	—	—	—	—
Edison International Parent and Other	—	2	(2)	1	4	(3)
Discontinued operations	—	(2)	2	—	(1)	1
Total non-core items	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>3</u>	<u>(2)</u>
<b>Core earnings (losses)</b>						
SCE	307	318	(11)	656	612	44
Edison International Parent and Other	(29)	(38)	9	(17)	(54)	37
Edison International	<u>\$ 278</u>	<u>\$ 280</u>	<u>\$ (2)</u>	<u>\$ 639</u>	<u>\$ 558</u>	<u>\$ 81</u>

<sup>1</sup> In the 2016 Form 10-K, 2016 earnings were updated to reflect the implementation of the accounting standard for share-based payments effective January 1, 2016. Previously reported 2016 net income for the three months ended June 30, 2016 was \$276 million, or \$0.85 per share, and core earnings were \$276 million, or \$0.85 per share. Previously reported 2016 net income for the six months ended June 30, 2016 was \$546 million, or \$1.68 per share, and core earnings were \$543 million, or \$1.67 per share.

Consolidated Statements of Income	Edison International			
(in millions, except per-share amounts, unaudited)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
<b>Total operating revenue</b>	\$ 2,965	\$ 2,777	\$ 5,428	\$ 5,218
Purchased power and fuel	1,175	1,064	1,959	1,858
Operation and maintenance	707	721	1,303	1,350
Depreciation, decommissioning and amortization	512	505	1,011	982
Property and other taxes	86	85	186	178
Impairment and other charges	16	21	21	21
<b>Total operating expenses</b>	2,496	2,396	4,480	4,389
<b>Operating income</b>	469	381	948	829
Interest and other income	37	33	70	65
Interest expense	(159)	(144)	(311)	(284)
Other expenses	(12)	(11)	(20)	(19)
<b>Income from continuing operations before income taxes</b>	335	259	687	591
Income tax expense (benefit)	26	(51)	(14)	(24)
<b>Income from continuing operations</b>	309	310	701	615
Income from discontinued operations, net of tax	—	(2)	—	(1)
<b>Net income</b>	309	308	701	614
Preferred and preference stock dividend requirements of SCE	31	31	62	61
Other noncontrolling interests	—	(3)	(1)	(8)
<b>Net income attributable to Edison International common shareholders</b>	\$ 278	\$ 280	\$ 640	\$ 561
<b>Amounts attributable to Edison International common shareholders:</b>				
Income from continuing operations, net of tax	\$ 278	\$ 282	\$ 640	\$ 562
Income from discontinued operations, net of tax	—	(2)	—	(1)
<b>Net income attributable to Edison International common shareholders</b>	\$ 278	\$ 280	\$ 640	\$ 561
<b>Basic earnings per common share attributable to Edison International common shareholders:</b>				
Weighted-average shares of common stock outstanding	326	326	326	326
Continuing operations	\$ 0.85	\$ 0.87	\$ 1.96	\$ 1.72
Discontinued operations	—	(0.01)	—	—
<b>Total</b>	\$ 0.85	\$ 0.86	\$ 1.96	\$ 1.72
<b>Diluted earnings per common share attributable to Edison International common shareholders:</b>				
Weighted-average shares of common stock outstanding, including effect of dilutive securities	329	330	329	330
Continuing operations	\$ 0.85	\$ 0.86	\$ 1.95	\$ 1.70
Discontinued operations	—	(0.01)	—	—
<b>Total</b>	\$ 0.85	\$ 0.85	\$ 1.95	\$ 1.70
<b>Dividends declared per common share</b>	\$ 0.5425	\$ 0.4800	\$ 1.0850	\$ 0.9600

<b>Consolidated Balance Sheets</b>	<b>Edison International</b>	
(in millions, unaudited)	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 98	\$ 96
Receivables, less allowances of \$58 and \$62 for uncollectible accounts at respective dates	833	714
Accrued unbilled revenue	399	370
Inventory	235	239
Derivative assets	58	73
Regulatory assets	634	350
Other current assets	289	281
<b>Total current assets</b>	<b>2,546</b>	<b>2,123</b>
Nuclear decommissioning trusts	4,381	4,242
Other investments	87	83
<b>Total investments</b>	<b>4,468</b>	<b>4,325</b>
Utility property, plant and equipment, less accumulated depreciation and amortization of \$8,914 and \$9,000 at respective dates	37,267	36,806
Nonutility property, plant and equipment, less accumulated depreciation of \$106 and \$99 at respective dates	245	194
<b>Total property, plant and equipment</b>	<b>37,512</b>	<b>37,000</b>
Regulatory assets	7,850	7,455
Other long-term assets	377	416
<b>Total long-term assets</b>	<b>8,227</b>	<b>7,871</b>
<b>Total assets</b>	<b>\$ 52,753</b>	<b>\$ 51,319</b>

<b>Consolidated Balance Sheets</b>	<b>Edison International</b>	
(in millions, except share amounts, unaudited)	June 30, 2017	December 31, 2016
<b>LIABILITIES AND EQUITY</b>		
Short-term debt	\$ 566	\$ 1,307
Current portion of long-term debt	581	981
Accounts payable	1,113	1,342
Accrued taxes	15	50
Customer deposits	275	269
Derivative liabilities	190	216
Regulatory liabilities	903	756
Other current liabilities	959	991
<b>Total current liabilities</b>	<b>4,602</b>	<b>5,912</b>
<b>Long-term debt</b>	<b>11,662</b>	<b>10,175</b>
Deferred income taxes and credits	8,709	8,327
Derivative liabilities	869	941
Pensions and benefits	1,377	1,354
Asset retirement obligations	2,618	2,590
Regulatory liabilities	5,961	5,726
Other deferred credits and other long-term liabilities	2,143	2,102
<b>Total deferred credits and other liabilities</b>	<b>21,677</b>	<b>21,040</b>
<b>Total liabilities</b>	<b>37,941</b>	<b>37,127</b>
Commitments and contingencies		
<b>Redeemable noncontrolling interest</b>	<b>12</b>	<b>5</b>
Common stock, no par value (800,000,000 shares authorized; 325,811,206 shares issued and outstanding at respective dates)	2,515	2,505
Accumulated other comprehensive loss	(48)	(53)
Retained earnings	9,679	9,544
<b>Total Edison International's common shareholders' equity</b>	<b>12,146</b>	<b>11,996</b>
Noncontrolling interests – preferred and preference stock of SCE	2,654	2,191
<b>Total equity</b>	<b>14,800</b>	<b>14,187</b>
<b>Total liabilities and equity</b>	<b>\$ 52,753</b>	<b>\$ 51,319</b>

Consolidated Statements of Cash Flows	Edison International	
	Six months ended June 30,	
(in millions, unaudited)	2017	2016
<b>Cash flows from operating activities:</b>		
Net income	\$ 701	\$ 614
Less: loss from discontinued operations	—	(1)
Income from continuing operations	701	615
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, decommissioning and amortization	1,048	1,025
Allowance for equity during construction	(41)	(42)
Impairment and other charges	21	—
Deferred income taxes and investment tax credits	(12)	(40)
Other	11	11
Nuclear decommissioning trusts	(73)	(144)
EME insurance proceeds	—	1
Changes in operating assets and liabilities:		
Receivables	(115)	(33)
Inventory	8	(41)
Accounts payable	34	67
Prepaid and accrued taxes	(40)	1
Other current assets and liabilities	(113)	(135)
Derivative assets and liabilities	(19)	15
Regulatory assets and liabilities	39	90
Other noncurrent assets and liabilities	(16)	42
<b>Net cash provided by operating activities</b>	<b>1,433</b>	<b>1,432</b>
<b>Cash flows from financing activities:</b>		
Long-term debt issued or remarketed, net of discount and issuance costs of \$12 and \$3 for respective periods	1,523	397
Long-term debt matured	(442)	(41)
Preference stock issued, net	463	294
Preference stock redeemed	—	(125)
Short-term debt financing, net	(742)	106
Settlements of stock-based compensation, net	(152)	(61)
Dividends to noncontrolling interests	(62)	(61)
Dividends paid	(354)	(313)
Other	(11)	3
<b>Net cash provided by financing activities</b>	<b>223</b>	<b>199</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(1,749)	(1,828)
Proceeds from sale of nuclear decommissioning trust investments	3,046	1,391
Purchases of nuclear decommissioning trust investments	(2,973)	(1,247)
Other	22	3
<b>Net cash used in investing activities</b>	<b>(1,654)</b>	<b>(1,681)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2</b>	<b>(50)</b>
Cash and cash equivalents at beginning of period	96	161
<b>Cash and cash equivalents at end of period</b>	<b>\$ 98</b>	<b>\$ 111</b>