

Levi Strauss & Co.

Reconciliation of GAAP to Non-GAAP Financial Measures for the First Quarter of 2014

The following information relates to, and should be read in conjunction with, the investor call held on Tuesday, April 8, 2014, discussing the Company's financial condition and results of operations as of and for the quarter ended February 23, 2014.

Free Cash Flow:

(\$ millions)	Three Months Ended	
	February 23, 2014	February 24, 2013
	(unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 35.7	\$ 143.1
Non-GAAP measure:		
Net cash provided by operating activities	\$ 35.7	\$ 143.1
Purchases of property, plant and equipment	(20.4)	(20.9)
Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting	5.9	(2.7)
Dividend to stockholders	—	(25.1)
Free Cash Flow	\$ 21.2	\$ 94.4

Net debt:

(\$ millions)	February 23, 2014	November 24, 2013
	(unaudited)	
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,546	\$ 1,546
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,546	\$ 1,546
Cash and cash equivalents	(503)	(489)
Net debt	\$ 1,043	\$ 1,057

Adjusted EBIT:

(\$ millions)	Three Months Ended	
	February 23, 2014	February 24, 2013
	(unaudited)	
Most comparable GAAP measure:		
Operating income	\$ 93.7	\$ 181.5
Non-GAAP measure:		
Net income	\$ 49.6	\$ 106.9
Income tax expense	16.4	48.4
Interest expense	31.9	32.2
Loss on early extinguishment of debt	—	0.1
Other (income) expense, net	(4.2)	(6.1)
Restructuring and related charges, severance and asset impairment charges, net	63.8	(6.4)
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	1.0	—
Adjusted EBIT	\$ 158.5	\$ 175.1

Last Twelve Months (LTM) Adjusted EBITDA:

The unaudited financial data for the twelve months ended February 23, 2014, has been derived by adding our financial data for the year ended November 24, 2013, to the financial data for the three months ended February 23, 2014, and subtracting the financial data for the three months ended February 24, 2013. The unaudited financial data for the twelve months ended February 24, 2013, has been derived by adding our financial data for the year ended November 25, 2012, to the financial data for the three months ended February 24, 2013, and subtracting the financial data for the three months ended February 26, 2012.

(\$ millions)	LTM	
	February 23, 2014	February 24, 2013
	(unaudited)	
Most comparable GAAP measure:		
Operating income	\$ 377.7	\$ 405.3
Non-GAAP measure:		
Net income	\$ 170.8	\$ 198.6
Income tax expense	62.5	79.8
Interest expense	128.7	128.3
Loss on early extinguishment of debt	0.6	8.3
Other (income) expense, net	15.1	(9.7)
Restructuring and related charges, severance and asset impairment charges, net	72.1	59.8
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	1.0	(1.3)
Adjusted EBIT	\$ 450.8	\$ 463.8
Depreciation and amortization	114.2	119.8
Adjusted EBITDA	\$ 565.0	\$ 583.6

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	February 23, 2014	February 24, 2013
	(unaudited)	
Total long-term and short-term debt	\$ 1,545.8	\$ 1,679.7
LTM Adjusted EBITDA	\$ 565.0	\$ 583.6
Gross Debt to Adjusted EBITDA ratio	2.7	2.9