

Levi Strauss & Co.

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

The following information relates to, and should be read in conjunction with, the investor call held on Tuesday, July 8, 2014, discussing the Company's financial condition and results of operations as of and for the quarter ended May 25, 2014.

Free Cash Flow:

(\$ millions)	Six Months Ended	
	May 25, 2014	May 26, 2013
	(unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 72.4	\$ 254.2
Non-GAAP measure:		
Net cash provided by operating activities	\$ 72.4	\$ 254.2
Purchases of property, plant and equipment	(35.3)	(41.9)
Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting	6.8	(6.2)
Dividend to stockholders	(30.0)	(25.1)
Free Cash Flow	\$ 13.9	\$ 181.0

Net debt:

(\$ millions)	May 25, 2014	November 24, 2013
	(unaudited)	
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,441	\$ 1,546
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,441	\$ 1,546
Cash and cash equivalents	(386)	(489)
Net debt	\$ 1,055	\$ 1,057

Adjusted EBIT:

(\$ millions)	Three Months Ended	
	May 25, 2014	May 26, 2013
	(unaudited)	
Most comparable GAAP measure:		
Operating income	\$ 65.1	\$ 99.6
Non-GAAP measure:		
Net income	\$ 11.0	\$ 48.2
Income tax expense	5.5	17.1
Interest expense	31.3	32.9
Loss on early extinguishment of debt	11.2	0.6
Other (income) expense, net	6.1	0.8
Restructuring and related charges, severance and asset impairment charges, net	23.4	(0.7)
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	4.1	0.1
Adjusted EBIT	\$ 92.6	\$ 99.0

Last Twelve Months (LTM) Adjusted EBITDA:

The unaudited financial data for the twelve months ended May 25, 2014, has been derived by adding our financial data for the year ended November 24, 2013, to the financial data for the six months ended May 25, 2014, and subtracting the financial data for the six months ended May 26, 2013. The unaudited financial data for the twelve months ended May 26, 2013, has been derived by adding our financial data for the year ended November 25, 2012, to the financial data for the six months ended May 26, 2013, and subtracting the financial data for the six months ended May 27, 2012.

(\$ millions)	LTM	
	May 25, 2014	May 26, 2013
	(unaudited)	
Most comparable GAAP measure:		
Operating income	\$ 343.2	\$ 459.3
Non-GAAP measure:		
Net income	\$ 133.6	\$ 233.6
Income tax expense	51.0	94.4
Interest expense	127.1	128.7
Loss on early extinguishment of debt	11.2	0.7
Other (income) expense, net	20.3	1.9
Restructuring and related charges, severance and asset impairment charges, net	96.1	51.7
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	5.0	(1.3)
Adjusted EBIT	\$ 444.3	\$ 509.7
Depreciation and amortization	111.8	117.1
Adjusted EBITDA	\$ 556.1	\$ 626.8

Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	May 25, 2014	May 26, 2013
	(unaudited)	
Total long-term and short-term debt	\$ 1,441.3	\$ 1,542.4
LTM Adjusted EBITDA	\$ 556.1	\$ 626.8
Gross Debt to Adjusted EBITDA ratio	2.6	2.5