

## Levi Strauss & Co.

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

The following information relates to, and should be read in conjunction with, the investor call held on Monday, October 6, 2014, discussing the Company's financial condition and results of operations as of and for the quarter ended August 24, 2014.

#### Free Cash Flow:

(\$ millions)	Nine Months Ended	
	August 24, 2014	August 25, 2013
	(unaudited)	
<b>Most comparable GAAP measure:</b>		
Net cash provided by operating activities	\$ 81.3	\$ 273.8
<b>Non-GAAP measure:</b>		
Net cash provided by operating activities	\$ 81.3	\$ 273.8
Purchases of property, plant and equipment	(50.5)	(63.0)
Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting	3.4	(2.5)
Dividend to stockholders	(30.0)	(25.1)
<b>Free Cash Flow</b>	<b>\$ 4.2</b>	<b>\$ 183.2</b>

#### Net debt:

(\$ millions)	August 24, 2014	November 24, 2013
	(unaudited)	
<b>Most comparable GAAP measure:</b>		
Total long-term and short-term debt	\$ 1,426.9	\$ 1,545.9
<b>Non-GAAP measure:</b>		
Total long-term and short-term debt	\$ 1,426.9	\$ 1,545.9
Cash and cash equivalents	(367.4)	(489.3)
<b>Net debt</b>	<b>\$ 1,059.5</b>	<b>\$ 1,056.6</b>

**Adjusted EBIT:**

(\$ millions)	Three Months Ended	
	August 24, 2014	August 25, 2013
	(unaudited)	
<b>Most comparable GAAP measure:</b>		
Operating income	\$ 105.1	\$ 118.1
<b>Non-GAAP measure:</b>		
Net income	\$ 49.8	\$ 56.4
Income tax expense	22.5	20.1
Interest expense	27.2	30.9
Loss on early extinguishment of debt	—	—
Other (income) expense, net	5.6	10.7
Restructuring and related charges, severance and asset impairment charges, net	15.3	2.9
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	(1.8)	0.1
<b>Adjusted EBIT</b>	<b>\$ 118.6</b>	<b>\$ 121.1</b>

### Last Twelve Months (LTM) Adjusted EBITDA:

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

(\$ millions)	LTM	
	August 24, 2014	August 25, 2013
	(unaudited)	
<b>Most comparable GAAP measure:</b>		
Operating income	\$ 330.2	\$ 490.5
<b>Non-GAAP measure:</b>		
Net income	\$ 127.0	\$ 264.9
Income tax expense	53.4	90.7
Interest expense	123.4	127.5
Loss on early extinguishment of debt	11.2	0.7
Other (income) expense, net	15.3	6.7
Restructuring and related charges, severance and asset impairment charges, net	108.3	25.7
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	3.0	(0.4)
<b>Adjusted EBIT</b>	<b>\$ 441.6</b>	<b>\$ 515.8</b>
Depreciation and amortization	110.2	117.6
<b>Adjusted EBITDA</b>	<b>\$ 551.8</b>	<b>\$ 633.4</b>

### Gross Debt to Adjusted EBITDA ratio:

(\$ millions)	August 24, 2014	August 25, 2013
	(unaudited)	
Total long-term and short-term debt	\$ 1,426.9	\$ 1,540.1
LTM Adjusted EBITDA	\$ 552.1	\$ 633.3
<b>Gross Debt to Adjusted EBITDA ratio</b>	<b>2.6</b>	<b>2.4</b>