

# Levi Strauss & Co.

## Reconciliation of GAAP to Non-GAAP Financial Measures for Fiscal Years 2014, 2013, 2012, 2011, and 2010

Free cash flow, Net debt and Adjusted EBIT are not financial measures prepared in accordance with U.S. generally accepted accounting principles, or GAAP. As presented herein: (1) Free cash flow represents cash from operating activities less purchases of property, plant and equipment, payments (proceeds) on settlement of forward foreign exchange contracts not designated for hedge accounting, and cash dividends to stockholders; (2) Net debt represents total long-term and short-term debt less cash and cash equivalents; and (3) Adjusted EBIT represents net income plus income tax expense, interest expense, loss on early extinguishment of debt, other expense (income), net, restructuring and related charges, severance and asset impairment charges, net, and pension and postretirement benefit plan curtailment and net settlement losses (gains), net.

<b>Free Cash Flow:</b> (\$ millions)	Fiscal Year Ended				
	November 30, 2014	November 24, 2013	November 25, 2012 <sup>(1)</sup>	November 27, 2011	November 28, 2010
<b>Most comparable GAAP measure:</b>					
Net cash provided by operating activities	\$ 232.9	\$ 411.3	\$ 531.0	\$ 1.8	\$ 146.3
<b>Non-GAAP Measure:</b>					
Net cash provided by operating activities	232.9	411.3	531.0	1.8	146.3
Purchases of property, plant and equipment	(73.4)	(91.8)	(83.9)	(130.6)	(154.6)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(6.2)	(2.9)	8.5	(9.5)	(16.3)
Dividend to stockholders	(30.0)	(25.1)	(20.0)	(20.0)	(20.0)
<b>Free Cash Flow</b>	<b>\$ 123.3</b>	<b>\$ 291.5</b>	<b>\$ 435.6</b>	<b>\$ (158.4)</b>	<b>\$ (44.7)</b>

<b>Adjusted EBIT and Adjusted EBITDA:</b> (\$ millions)	Fiscal Year Ended				
	November 30, 2014	November 24, 2013	November 25, 2012 <sup>(1)</sup>	November 27, 2011	November 28, 2010
<b>Most comparable GAAP measure:</b>					
Operating Income	\$ 313.9	\$ 465.5	\$ 334.0	\$ 336.4	\$ 381.4
<b>Non-GAAP Measure:</b>					
Net income	\$ 104.3	\$ 228.1	\$ 141.0	\$ 135.1	\$ 149.4
Income tax expense	49.6	94.5	54.9	67.7	86.2
Interest expense	117.6	129.0	134.7	132.0	135.8
Loss on early extinguishment of debt	20.3	0.7	8.2	0.2	16.6
Other (income) expense, net	22.1	13.2	(4.8)	1.3	(6.6)
Restructuring and related charges, severance and asset impairment charges, net	155.9	1.9	69.5	66.7	24.7
Pension and postretirement benefit plan curtailment and net settlement (gains) losses, net	33.9	(0.0)	(2.0)	0.8	0.5
<b>Adjusted EBIT</b>	<b>\$ 503.7</b>	<b>\$ 467.4</b>	<b>\$ 401.5</b>	<b>\$ 403.9</b>	<b>\$ 406.6</b>
Depreciation and amortization	109.5	115.7	122.6	117.8	104.9
<b>Adjusted EBITDA</b>	<b>\$ 613.2</b>	<b>\$ 583.1</b>	<b>\$ 524.1</b>	<b>\$ 521.7</b>	<b>\$ 511.5</b>

<b>Gross Debt to Adjusted EBITDA ratio:</b> (\$ millions)	Fiscal Year Ended				
	November 30, 2014	November 24, 2013	November 25, 2012 <sup>(1)</sup>	November 27, 2011	November 28, 2010
Total long-term and short-term debt	\$ 1,224.0	\$ 1,545.9	\$ 1,729.2	\$ 1,972.4	\$ 1,863.1
LTM Adjusted EBITDA	613.2	583.1	524.1	521.7	511.5
<b>Gross Debt to Adjusted EBITDA ratio</b>	<b>2.0x</b>	<b>2.7x</b>	<b>3.3x</b>	<b>3.8x</b>	<b>3.6x</b>

<b>Adjusted EBIT Margin</b> (\$ millions)	Fiscal Year Ended				
	November 30, 2014	November 24, 2013	November 25, 2012 <sup>(1)</sup>	November 27, 2011	November 28, 2010
Net Revenues	\$ 4,754.0	\$ 4,681.7	\$ 4,610.2	\$ 4,761.6	\$ 4,410.6
Adjusted EBIT	503.7	467.4	401.5	403.9	406.6
<b>Adjusted EBIT Margin</b>	<b>10.6%</b>	<b>10.0%</b>	<b>8.7%</b>	<b>8.5%</b>	<b>9.2%</b>